2002 ANNUAL REPORT

NATEXIS BANQUES POPULAIRES

Banque et populaire à la fois.

The Natexis Banques Populaires Annual Report comprises two sections. In the first section, corresponding to the Activity Report, subsidiaries are referred to by their new names, as approved or to be approved by their Extraordinary Shareholders' Meetings. In the second section, corresponding to the Financial Report, they are referred to by the names used in 2002.

The English language version of this annual report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.

KEY FIGURES

as of December 31, 2002

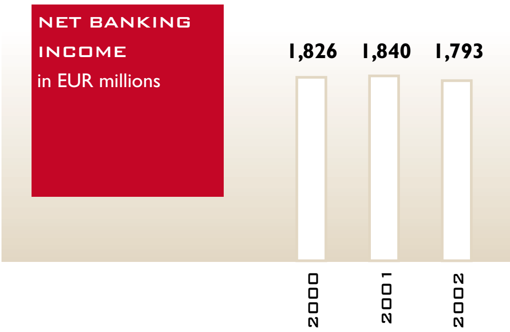
55	OFFICES, including 40 outside France
200,000	SHAREHOLDERS approximately
11,880	EMPLOYEES

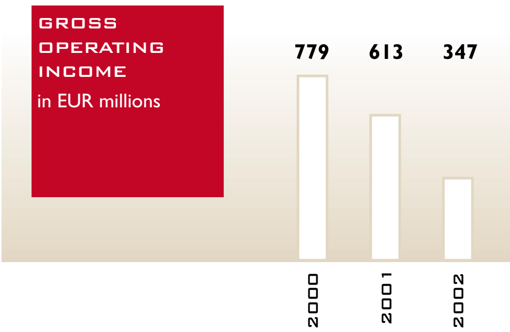
LONG-TERM RATINGS

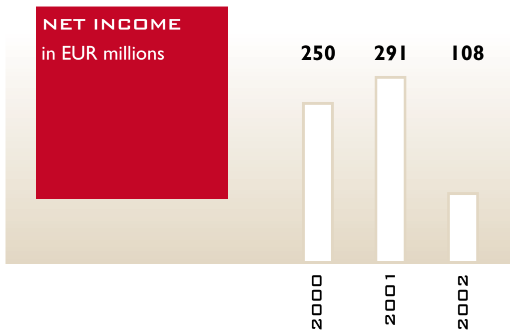
Aa3	MOODY'S
A+	STANDARD & POOR'S
AA-	FITCH (negative outlook)

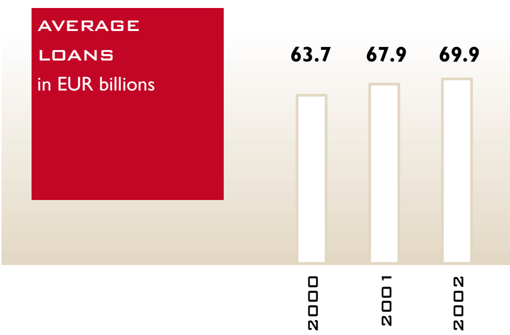
in EUR billions	2000	2001	2002
at December 31			
TOTAL ASSETS	113.1	110.4	133.4
REGULATORY CAPITAL*	5.5	5.6	5.8
INTERNATIONAL CAPITAL ADEQUACY RATIO	10.2%	9.8%	10.2%
TIER ONE RATIO	7.2%	7.2%	7.2%

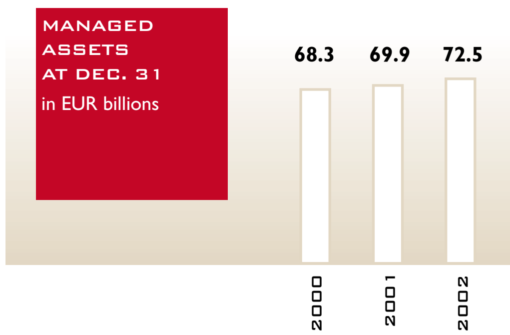
* on an extended Cooke basis.











NET BANKING INCOME BY CORE BUSINESS

in EUR millions	2000	2001	2002
FINANCING	730	874	881
INVESTMENT BANKING	445	376	194
SERVICES	580	555	569
COFACE (6 MONTHS)	-	-	191
NET BANKING INCOME OF CORE BUSINESSES	1,755	1,805	1,835
OTHER	70	35	-33
TOTAL	1,825	1,840	1,802

PROFILE

Natexis Banques Populaires stands apart from other banking institutions. Drawing on its expertise in a wide range of complementary areas, it offers not only traditional banking services but also high value-added technology-based services.

Natexis Banques Populaires serves the Banque Populaire regional banks and also builds long-term partnerships with its own clientele of large and medium-sized companies, institutional investors, banking and financial institutions.

Natexis Banques Populaires has recently expanded its service offering to corporate clients by acquiring Coface. This move has also enable the Bank to expand its international network.

The Bank holds leading positions in each of its core businesses. It is a major player in the financing market, serving substantially all major French companies. It is also ranked amongst the leaders in private equity, financial engineering and debt and equity brokerage. Natexis Banques Populaires is the number one provider of high-tech services for banks and financial institutions.
A well-known and highly respected player in the bancassurance and asset management sectors, it is the leading employee savings plan manager in France.

NATEXIS BANQUES POPULAIRES IS THE BANQUE POPULAIRE GROUP'S FINANCING, INVESTMENT BANKING AND SERVICE BANK AND IS ALSO THE GROUP'S LISTED VEHICLE.

CHAIRMAN'S MESSAGE

In a very harsh environment, Natexis Banques Populaires kept up its strategy of controlled growth, building on its existing strengths. As the Banque Populaire Group's Financing, Investment Banking and Service bank, Natexis Banques Populaires' overriding goal is to be viewed by clients as a benchmark player.

The Bank's various businesses experienced mixed fortunes in 2002. The Financing and Services businesses turned in a resilient performance but Natexis Banques Populaires' Net Banking Income was weakened by the problems encountered by the Investment Banking business.

Significant external growth operations were carried out during the year, with the acquisition of Coface and the US brokerage firm Arnhold & S. Bleichroeder. These two transactions, which testify to the robustness of our business model, will start to deliver benefits in 2003 in the shape of synergies and an expanded service offering.

With 72.85% of its capital held by Banque Fédérale des Banques Populaires, Natexis Banques Populaires enjoys the backing of a powerful group. This stable framework allied with the financial strength of the Banque Populaire Group provides a solid basis for the steadfast implementation of our long-term development strategy.

In a persistently unsettled environment, I remain as confident as ever in the expertise and commitment of our staff. With their support, we are holding firm to our policy of sustainable business growth, which we consider to be the only sure way of increasing our earnings and further strengthening our balance sheet.

PHILIPPE DUPONT — **Chairman**

CHIEF EXECUTIVE OFFICER'S MESSAGE

Natexis Banques Populaires' businesses were affected to varying degrees by last year's unstable markets and lackluster economic conditions.

The Financing business turned in a generally satisfactory performance. All of the business lines achieved good results, with the exception of the factoring business which experienced a temporary standstill.

For Investment Banking, however, 2002 was a difficult year. With a few exceptions, the Capital Markets businesses performed disappointingly and results were further weakened by specific problems related to equity derivatives. As was to be expected in an economic downturn, the Private Equity business had to record significant provisions for impairment.

In Services, the Banking, Financial and Technology Services business line experienced a sharp drop in execution volumes, but e-banking processing volumes grew strongly. In Asset Management, new money invested in life insurance products and money market funds rose at a satisfactory rate.

Over the past year, we worked hard to overcome the challenges of the turbulent market conditions, while at the same time reshaping our organization in order to reap the full benefits of the economic recovery when it finally comes. We have bolstered our structures, introduced greater consistency in our ways of working and launched a robust cost containment policy. Having taken the action required to restore momentum in our various businesses, we are poised to reap the full benefits, as of 2003, of last year's acquisitions of Coface and Arnhold & S. Bleichroeder.

FRANÇOIS LADAM — **Chief Executive Officer**

BOARD OF DIRECTORS

Chairman of the Board of Directors, **Philippe Dupont**

Chief Executive Officer, **François Ladam**

DIRECTORS

Philippe Dupont, Chairman of the Board of Directors of Natexis Banques Populaires

Banque Fédérale des Banques Populaires, represented by Christian Hébrard, Honorary Chairman of CASDEN Banque Populaire

Jean-Paul Bechat, Chairman and Chief Executive Officer of Snecma

René Clavaud, Chairman of Banque Populaire du Centre

Jean-François Comas, Chief Executive Officer of Banque Populaire Côte d'Azur

Claude Cordel, Chairman of Banque Populaire du Midi

Daniel Duquesne, Chief Executive Officer of Banque Populaire Loire & Lyonnais

Steve Gentili, Chairman of BRED Banque Populaire

Alain Jacquier, Chairman of Banque Populaire de Bourgogne Franche-Comté

Jean de La Chauvinière

Richard Nalpas, Chief Executive Officer of Banque Populaire Toulouse-Pyrénées

Francis Thibaud, Chief Executive Officer of Banque Populaire du Sud-Ouest

Jean-Louis Tourret, Chairman of Banque Populaire Provençale & Corse

Robert Zolade, Chairman of H.B.M. (Holding Bercy Management)

Jean-Pierre Chavaillard, representing employee-shareholders

NON-VOTING DIRECTOR

Michel Goudard, Chief Operating Officer of Banque Fédérale des Banques Populaires

BOARD SECRETARY

Jean-René Burel

AUDITORS

Deloitte-Touche Tohmatsu

RSM Salustro Reydel

Barbier Frinault et Autres

SUBSTITUTE AUDITORS

Bernard Boiton

François Chevreux

Aldo Cardoso

EXECUTIVE MANAGEMENT COMMITTEE

Philippe Dupont, Chairman
François Ladam, Chief Executive Officer

Jean Duhau de Berenx, Private Equity
Jean-Yves Forel, Banking, Financial and Technology Services
Luc Jarny, Information Systems and Logistics
Erik Lescar, Corporate and International Banking
Jean-François Masson, Human Resources and Communications
Jean-Pierre Morin, Asset Management and Insurance
Olivier Schatz, Capital Markets
Jean-Pierre Siesse, Specialized Financing

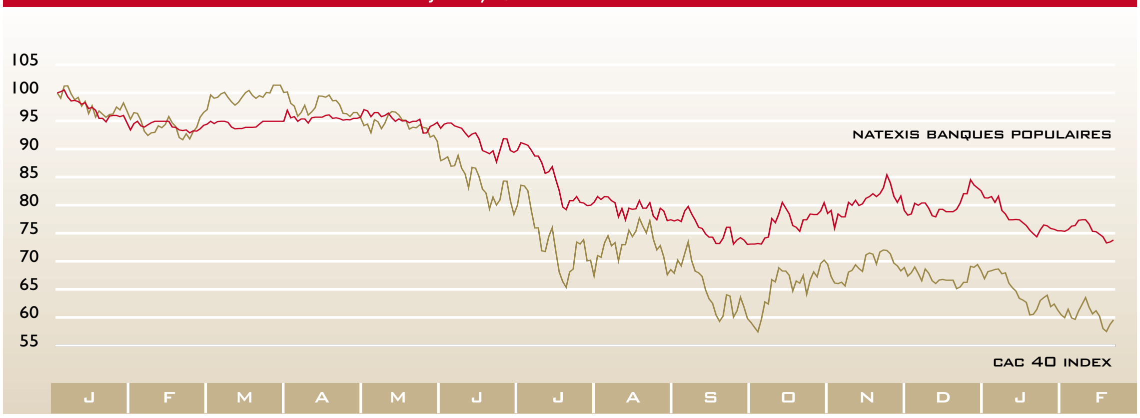
1 Olivier Schatz
2 Erik Lescar
3 Jean Duhau de Berenx
4 François Ladam
5 Jean-Yves Forel
6 Philippe Dupont
7 Luc Jarny
8 Jean-Pierre Morin
9 Jean-François Masson

NATEXIS BANQUES POPULAIRES SHARE PERFORMANCE

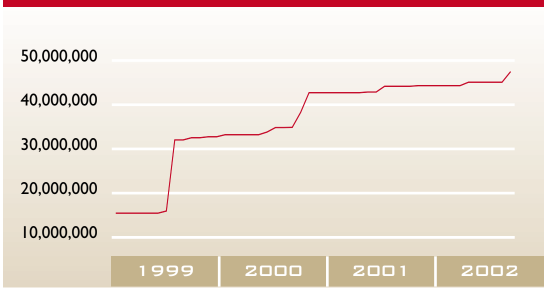
in EUR	2000	2001	2002
EARNINGS PER SHARE BASED ON AVERAGE NUMBER OF SHARES OUTSTANDING	7.10	6.70	2.40
NET DIVIDEND PER SHARE, EXCLUDING TAX CREDIT	2.50	2.50	1.50*

* dividend recommended at the Annual Shareholders' Meeting of May 22, 2003.

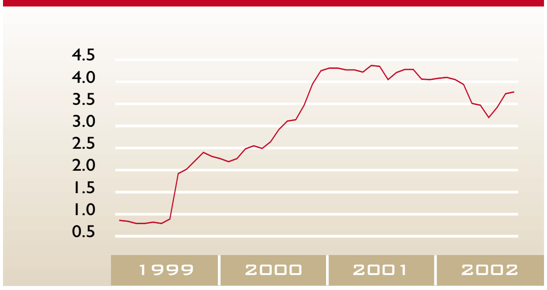
SHARE PERFORMANCE base 100 as of January 1, 2002



NUMBER OF SHARES



MARKET CAPITALIZATION in EUR billions



as of December 31, 2002

CAPITAL STOCK	EUR759,085,392
NUMBER OF SHAREHOLDERS	200,000 approximately
NUMBER OF SHARES	47,442,837
MARKET CAPITALIZATION	EUR3.8 billion
MARKET	First Market Euronext Paris, eligible for deferred settlement service
SICOVAM CODE	12068
REUTERS CODE	CNAT.PA
BLOOMBERG FRANCE CODE	KN
VOTING RIGHTS	Shares registered in the name of the same holder for at least 2 years carry double voting rights. As of December 31, 2002, there were 71,383,194 voting rights.

TRADING VOLUME

1ST QUARTER 2002	561,837
2ND QUARTER 2002	1,244,071
3RD QUARTER 2002	503,099
4TH QUARTER 2002	678,855

MAIN SHAREHOLDERS

AS OF DECEMBER 31, 2002	% INTEREST
BANQUE FÉDÉRALE DES BANQUES POPULAIRES	72.85%
PUBLIC AND OTHER SHAREHOLDERS	22.85%
CORPORATE MUTUAL FUND (EMPLOYEES)	4.30%

INVESTOR AND SHAREHOLDER RELATIONS

Tel: +33 1 40 39 68 79 - Fax: +33 1 40 39 63 40
E-mail: relinvest@nxbp.fr

Registrar Service

Tel: +33 1 58 32 31 86 - +33 1 58 32 33 04 - +33 2 31 45 18 54
Fax: +33 1 58 32 30 21

Strength and Cohesion

SOLID FOUNDATIONS

FOR BUILDING THE FUTURE

Organized around three core businesses and six business lines, Natexis Banques Populaires serves companies and institutional investors as well as banking and financial establishments and private individuals.

As part of its constant drive for efficiency, Natexis Banques Populaires has strengthened its cross-functional teams and unified information systems. The Bank has also devoted considerable time and effort to staff training in order to meet client needs in a constantly changing market. Lastly, in 2002, Natexis Banques Populaires enjoyed significant growth via the acquisitions of Coface and Arnhold & S. Bleichroeder, as well as through closer partnership ties with DZ Bank, unleashing substantial synergies.

A client-centric strategy

The primary goal of Natexis Banques Populaires is to leverage all the skills existing within the Bank and put these to use both on its own behalf and for the Banque Populaire banks by creating products and services tailored to ever-changing needs. Natexis Banques Populaires' clientele comprises three main target segments.

Companies, institutional investors and the local public sector

Through a single and clearly identifiable point of access, Natexis Banques Populaires offers clients a full array of solutions covering both daily banking transactions and more complex needs, such as equity financing, structured finance, securities services and employee savings solutions.

Banking and other financial institutions

This unique client segment, comprising the Banque Populaire banks and over 150 non-Group establishments, draws on a broad range of services offered by the Bank, including custody services, securities services, transaction processing and high-tech services covering back office management, market counterparty business and international financing.

Personal banking clients

Natexis Banques Populaires has developed multichannel products tailored to the general public, which it offers to its direct clients and to the clients of the Banque Populaire banks.

In July 2002, a sales portal went on line, bolstering client relations across the board.

In last year's difficult economic conditions, Natexis Banques Populaires stepped up efforts in all areas to tighten its organization structure and establish consistent work methods. The underpinning aim was to swiftly adapt to economic vagaries and thus promptly respond to client needs.

Enhanced consistency

In early 2002, Natexis Banques Populaires bought out the minority shareholders of Natexis Asset Management and Natexis Interépargne, making the Bank the sole shareholder of practically all of its subsidiaries. A corporate governance charter has been drawn up, defining the mission of the subsidiaries' Boards of Directors and Supervisory Boards, as well as the role of the board members, chairmen and specialized committees. A central secretariat at Natexis Banques Populaires oversees almost all the subsidiaries' corporate secretariats, with a view to ensuring a consistent approach to legal and labor law issues. Lastly, substantially all entities trade under the Natexis name followed by the name of the core business or the company's former registered name.

All the staff working in each Natexis Banques Populaires business line are now housed under the same roof. For instance, in mid-2002, teams from the Asset Management and Insurance business line moved into the Rives de Seine site along Quai de la Rapée, and the Private Equity team moved to the Rue de Monttessuy site. As well as leading to increased efficiency, these transfers enabled the Bank to scale down its real estate portfolio and capitalize on the upswing in the Paris property market.

Natexis Banques Populaires has developed new management accounting software offering a more precise and consistent budgetary approach. Adopted as of early 2003 by all management accounting departments of Natexis Banques Populaires' entities, the system will enable operating expenses to be monitored more accurately on a consolidated basis.

Stronger cross-functional teams

The Risk Management department stepped up its activities throughout the year, establishing a decentralized team to directly monitor risks associated with Capital Markets activities and appointing risk correspondents in all the Bank's business units. It also continued to hone the central Risk Information System. An information systems security officer was appointed in 2002, to monitor operational risk and all aspects of systems security.

A crisis management plan has been drawn up to ensure continuity of critical operations in the event that any of the Bank's buildings or systems were to incur serious damage.

Teams dedicated to growth operations were also bolstered in early 2002. As well as working on external growth projects, these teams now also turn their attention to complex internal reorganizations.

Finally, the implementation of Bank-wide organization principles and quality standards initiated in 2001 continued in 2002 and will be completed in 2003. All initiatives in this area decided on by the parent bank will be rolled out in Natexis Banques Populaires' business lines and subsidiaries.

Cross-functional information systems

Major information system projects – which consumed substantial resources in terms of people and technology – were completed in 2002. Group-wide general accounting and receivables accounting systems are now in place, helping to promote standard working practices throughout the organization. In the Services business, securities processing for a major financial institution and for all banks using the same standards has been transferred to an information system that is consistent with the one used by Natexis Banques Populaires.

With the related investments now paid for, this will result in significantly lower costs in future years. In addition, Natexis Banques Populaires no longer has to maintain the old systems.

The project for the processing of electronic banking transactions for a major bank is well on the way to completion. Switchover of ATMs and point-of-sale terminals to the Natexis Banques Populaires system went smoothly. The switch for personal banking transactions is scheduled for 2003.

Internet projects also moved forward rapidly, with the operational launch of LineBanque, Natexis Banques Populaires' online banking solution which is now in the marketing phase. Plans have also been drawn up to gradually endow the Bank's client portal with new functions.

Lastly, Natexis Altaïr is the proud occupant of a new building in which it can expand its business and receive new clients.

Business portal launched in July 2002: www.portail.nxbp.banquepopulaire.fr

In 2003, new value-added projects will be launched. Natexis Banques Populaires' more centralized approach towards information systems projects will enable the Bank to leverage IT expertise and develop tools that can be shared across business lines. This in turn will enhance software applications while generating economies of scale. The Bank's information systems committee, whose members represent each core business, meets each month to roadmap IT strategies. Likewise, Natexis Banques Populaires is currently working with i-BP (Informatique Banques Populaires) – which supplies IT services to two thirds of the Banque Populaire banks – to adopt common technological solutions.

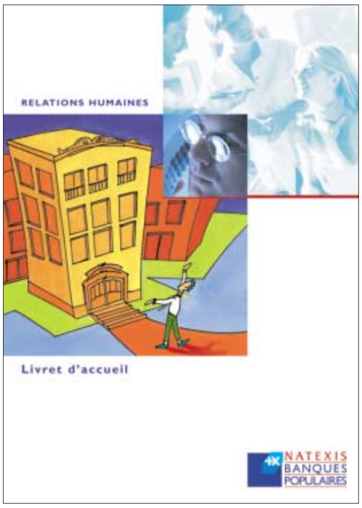
This cross-functional approach to information systems will foster enhanced control over IT operations and enable Natexis Banques Populaires to seamlessly adapt its tools to market developments.

Partnering and training employees

Preparing for the market upturn involves preparing Natexis Banques Populaires employees for the changes that will take place in the coming years. In terms of recruitment, this means catering for the Bank's growing internationalization by seeking out candidates willing to relocate, who speak several languages and can lead teams both in France and abroad. It also means refreshing the age pyramid and setting up succession plans with a view to replacing executives who will be retiring in the next five years.

More than one thousand positions have been filled over the last eighteen months and some 40% of parent-company employees have been with the Bank for less than five years. Currently, a quarter of the Bank's people are under 35, and 40% are under 40. A comprehensive set of procedures has also been set up for new hires, including induction courses, welcome packs and CD-Roms, enabling new recruits to swiftly find their feet and grasp the way their new company works.

A centralized human resources policy is needed, in order to fully capitalize on interpersonal and technical skill sets. Several projects have been launched to this end, and will be rolled out over the coming years. Examples include the development of career plans for high potential staff and a management institute set up in late 2002, which will offer management training to some 300 executives. These initiatives, which interlock with projects conducted by Banque Fédérale des Banques Populaires, will foster mobility not only across the Bank but also throughout the Group as a whole.



Employee handbook and CD ROM included in the welcome pack

A training drive is currently in process at all levels of the Bank to prepare employees for the changing environment. Major steps have also been taken to adapt middle management both to growing technical demands and the arrival of young hires.

Growth and synergy

In 2002, Natexis Banques Populaires undertook two major external growth operations in order to meet client needs more effectively. The first was the acquisition of Coface through a simplified public tender offer, resulting in Natexis Banques Populaires holding 98% of Coface's capital and 99% of the voting rights. This move was integral to the Bank's strategy of strengthening its service offering for corporate clients, and represented a prime opportunity for Natexis Banques Populaires to bolster its receivables management and financing services – especially factoring and securitization –, while speeding up international expansion in this particular business area. The acquisition will also substantially enhance the Banque Populaire banks' offerings for companies from 2003, by allowing them to propose credit management products and services closely tailored to these clients' needs.

As a major player in the fast-growing market of receivables management, the Banque Populaire Group – through Natexis Banques Populaires – shares Coface's ambition to become the world's leading receivables rating, management and insurance platform.

The other significant external growth operation was Natexis Banques Populaires' acquisition of Arnhold & S. Bleichroeder in July 2002. Formerly a subsidiary of Arnhold & S. Bleichroeder Holdings, US-based Arnhold & S. Bleichroeder is specialized in equities brokerage and corporate finance services. Renamed Natexis Bleichroeder Inc., it has teamed with Natexis Capital – renamed Natexis Bleichroeder SA – to form the Global Equities business of the Bank's Capital Markets business line. The acquisition has enhanced Natexis Banques Populaires' equities research capability and beefed up its international placing capacity, as well as paving the way for the launch of international routed order processing services for European clients.

Lastly, the partnership agreement signed in 2001 between the Banque Populaire Group and DZ Bank, which now owns 2% of Natexis Banques Populaires' capital, has begun to bear fruit. In 2002, a number of Franco-German transactions were undertaken, the most significant one being a first-time bond issue jointly managed on behalf of a Portuguese issuer.

COFACE: DESCRIPTION AND 2002 RESULTS

With over fifty years' experience and an unrivalled international presence, Coface facilitates trade throughout the world. The company is rated AA by Fitch and is listed on the Paris Bourse.

Coface helps companies to manage, protect and finance their business transactions, by allowing them to outsource all or part of their receivables/payables management while retaining full control over commercial decisions.

With over 4,000 employees, Coface is a preferred partner of companies engaged in domestic and international trade. It is one of the world's leading providers of credit insurance and credit management services. In France, Coface has 21 departments and 6 regional delegations.

Outside France, the company has subsidiaries or branches in 56 countries and offers local services in a total of 91 countries through its partners in the CreditAlliance (credit insurance) and InfoAlliance (credit information) networks.

Alongside its two traditional businesses – domestic or export credit insurance and credit management services, including credit information, receivables rating, and management and recovery – Coface has developed three related businesses (guarantee insurance, BtoB marketing and receivables financing through factoring services or securitization services offered in partnership with financial institutions).

In France, Coface manages export credit insurance on behalf of the French State.

Coface's product and service offering is built around:

- a global network

- the common risk system database with information on 44 million companies worldwide which allows Coface to manage receivables ratings and insured risks on each company in real time.

- @rating, a unique rating system for insurable companies worldwide incorporated in all of Coface's offerings.

In 2002, Coface had revenues of EUR973 million and Net income of EUR18.8 million. During the year, the company launched an ambitious corporate project. Dubbed New Impulse, the project has far reaching aims. These include reining in costs, improving international integration, reorganizing the product and service offer, strengthening risk management and enhancing the service offered to the company's 83,000 clients worldwide.

in EUR millions	2002
Consolidated revenue	973.0
o/w *premium* income	707.0
o/w sales of services	266.0
excluding public procedures management fees	*205.3*
Recurring income before tax	40.0
Net income	18.8

INTERNATIONAL NETWORK

BARCELONA
DUSSELDORF
FRANKFURT
LONDON
LUXEMBURG
MADRID
MILAN
MONACO
MOSCOW
WARSAW

BOGOTA
BUENOS AIRES
CARACAS
GREENWICH
HOUSTON
LOS ANGELES
MIAMI
NEW YORK
SÃO PAULO

ABIDJAN
ALGIERS
CAIRO
DUBAI
JOHANNESBURG
TEHRAN

BANGKOK
BEIJING
BOMBAY
HANOI
HO CHI MINH CITY
HONG KONG
JAKARTA
KUALA LUMPUR
LABUAN
MELBOURNE
SEOUL
SHANGHAI
SINGAPORE
TOKYO
YANGON

COFACE NETWORK

COFACE HAS DIRECT OPERATIONS IN 56 COUNTRIES:

- **EUROPE:** AUSTRIA, BELGIUM, BULGARIA, CROATIA, CZECH REPUBLIC, DENMARK, ESTONIA, FRANCE, GERMANY, HUNGARY, IRELAND, ITALY, LATVIA, LITHUANIA, NETHERLANDS, NORWAY, PORTUGAL, POLAND, ROMANIA, RUSSIA, SLOVAKIA, SLOVENIA, SPAIN, SWEDEN, SWITZERLAND, TURKEY, UKRAINE, UNITED KINGDOM
- **AFRICA:** BENIN, BURKINA FASO, CAMEROON, IVORY COAST, MALI, SENEGAL, TOGO
- **NORTH, CENTRAL AND SOUTH AMERICA:** ARGENTINA, BRAZIL, CHILE, COLOMBIA, COSTA RICA, ECUADOR, MEXICO, PANAMA, PERU, USA, VENEZUELA
- **ASIA/OCEANIA:** AUSTRALIA, CHINA, HONG KONG, INDIA, JAPAN, MALAYSIA, SINGAPORE, SOUTH KOREA, TAIWAN, THAILAND

SIMPLIFIED CORPORATE STRUCTURE (1) as of December 31, 2002

2 million member-stakeholders

↓

23 Banque Populaire regional banks
CASDEN Banque Populaire, Crédit Coopératif (2)

↓ 99.30%

Banque Fédérale des Banques Populaires

↓ 72.85%

Natexis Banques Populaires

FINANCING

CORPORATE AND INTERNATIONAL BANKING

- 99.09% **Natexis Pramex International** – Partnering corporate clients in international markets
- 92.50% **Natexis Coficiné** – Finance company (audiovisual sector)
- 100% **Natexis Algérie** – Banking in Algeria
- 100% **Natexis Immo Développement** – Real estate development and refurbishment
- 80% **Natexis Metals Ltd** – Commodities brokerage (London)

SPECIALIZED FINANCING

- 100% **Natexis Factorem** – Factoring
- 100% **Natexis Lease** – Lease financing

INVESTMENT

CAPITAL MARKETS

- 100% **Natexis Bleichroeder S.A.** – Investment company (Paris)
- 100% **Natexis Bleichroeder Inc.** – Investment company (New York)
- 100% **Natexis ABM Corp.** – Mortgage-backed securities manager in the United States
- 100% **Natexis Arbitrage** – Equities and derivatives arbitrage

PRIVATE EQUITY

- 100% **Natexis Private Equity** – Private Equity
- 100% **Natexis Finance** – Mergers and acquisitions

(1) This organization chart shows the new registered names of the following Natexis Banques Populaires subsidiaries as approved, or to be approved, at their respective Extraordinary General Meetings:

- Natexis Pramex International (ex-Pramex International), Natexis Coficiné (ex-Coficiné), Natexis Algérie (ex-Natexis Al Amana Banque), Natexis Immo Développement (ex-Sofep). Natexis Factorem (ex-Factorem), Natexis Lease (ex-Bail Banque Populaire).
- Natexis Bleichroeder (ex-Natexis Capital), Natexis ABM Corp. (ex-ABM Corp.), Natexis Private Equity (ex-Financière Natexis Banques Populaires).
- Natexis Paiements (ex-BPL – Banque pour les Paiements onLine), Natexis Slib (ex-Slib), Natexis Asset Square (ex-Asset Square), Natexis Assurances (ex-Assurances Banque Populaire), Natexis Asset Management (ex-Banque Populaire Asset Management), Natexis Private Banking Luxembourg S.A. (ex-Banque Populaire du Luxembourg), Natexis Interépargne / Natexis Epargne Entreprise (ex-Interépargne), Natexis Immo Placement (ex-Fructiger - Fructifor).
- Natexis Altaïr (ex-+X Altaïr).

Public, employees and other shareholders (3)

27.15%

SERVICES

BANKING, FINANCIAL AND TECHNOLOGY SERVICES

- 100% **Natexis Paiements** — Electronic banking
- 100% **LineBourse** — Online brokerage
- 100% **Natexis Slib** — Banking software and facilities management
- 69.60% **Samic** — Banking software

ASSET MANAGEMENT AND INSURANCE

- 100% **Natexis Asset Square** — Multimanager funds
- 100% **Natexis Assurances** — Life and non-life insurance personal risk insurance
- 100% **Natexis Asset Management** — Fund management
- 87.80% **Natexis Private Banking Luxembourg S.A.** — International private banking
- 100% **Banque Privée Saint Dominique** — Private banking in France
- 100% **Natexis Interépargne/ Natexis Epargne Entreprise** — Employee savings plans
- 100% **Natexis Immo Placement** — Real estate fund management

INFORMATION SYSTEMS AND LOGISTICS

- 100% **Natexis Altaïr** — IT services and data processing

COFACE

- 98.01% Domestic and export credit insurance and credit management services

(2) Following the Extraordinary General Meeting of January 30, 2003, Crédit Coopératif adopted the status of "société anonyme coopérative de Banque Populaire".

(3) DZ Bank AG (1.91%) and Arnhold & S. Bleichroeder Holdings (2.95%).

FINANCING

Natexis Banques Populaires is a major player in the financing market, serving substantially all major French companies as well as banks and other financial institutions. It ranks among the top lenders to large and medium-sized companies in France, and is also one of the leading factors.

This core business comprises two lines: Corporate and International Banking, focused on positioning Natexis Banques Populaires as a foremost corporate banking institution, and Specialized Financing, centered on real estate and equipment lease financing and factoring.

CORPORATE AND INTERNATIONAL BANKING

The Corporate and International Banking business line turned in a resilient performance, raising its contribution to Net Banking Income by 2%. Despite the less favorable economic environment, the various business units achieved satisfactory growth.

EUR701 MILLION CONTRIBUTION TO NET BANKING INCOME

EUR37.2 BILLION WORTH OF RISK-WEIGHTED ASSETS

125 SYNDICATED LOAN ARRANGER MANDATES WON IN 2002

SPECIALIZED FINANCING

Equipment and real estate lease financing – including for energy management and environmental projects – topped EUR5.4 billion at December 31, 2002, fueled by EUR1.5 billion worth of new contracts. Meanwhile, Natexis Factorem retained its position among the top three players in the French factoring market.

NATEXIS LEASE

EUR89 MILLION IN NET BANKING INCOME

EUR1.5 BILLION IN NEW LEASE FINANCING

NATEXIS FACTOREM

EUR91 MILLION IN NET BANKING INCOME

EUR8.8 BILLION IN FACTORED RECEIVABLES

CORPORATE AND INTERNATIONAL BANKING

The Corporate and International Banking business line offers a full range of integrated banking services to large and medium-sized companies, institutions and banks in France and abroad. It manages the Natexis Banques Populaires domestic and international network, with a view to bolstering the strong position that the Bank has carved out for itself in the corporate and international banking arena.

Corporate and International Banking services are organized around three business areas comprising sixteen business units. The Corporates business area serves as a lynch pin, managing all aspects of client relationships. The Structured Finance area develops a wide range of financing solutions including asset financing, syndication and financial engineering solutions, acquisition and LBO financing. The Correspondent Banking area acts as a lynch pin for relationships with financial institutions, as well as offering a broad range of services to clients in France and abroad.

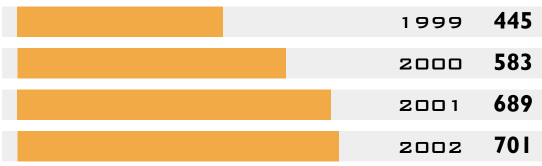
Another year of growth in Net Banking Income

In 2002, Corporate and International Banking confronted the headwinds generated both by the global economic slowdown and difficulties besetting certain industries. Against this difficult backdrop, Natexis Banques Populaires focused on gaining an even keener understanding of client businesses, in order to propose innovative solutions to their specific needs.

All told, business held firm, with contribution to Net Banking Income up 2% on 2001. Despite the less favorable economic environment, the various business units achieved satisfactory growth.

NET BANKING INCOME

IN EUR MILLIONS



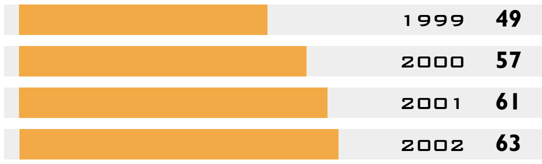
During 2002, particular attention was paid to heightening risk control through constant information exchange with the Risk Management division. At the same time, the system for managing loan guarantees and collateral was reviewed and enhanced.

Risk-weighted assets grew at a slower pace than Net Banking Income, reflecting continued efforts to achieve healthy growth.

Lastly, the business line pursued its policy of strictly monitoring operating expenses, as borne out by the cost/income ratio which came in at 44%, marking its fourth straight year of improvement.

AVERAGE OUTSTANDING LOANS

IN EUR BILLIONS



SIXTEEN BUSINESS UNITS

- **Corporates and Financial Institutions Europe and Multinationals**
- **International Trade Finance**
- **Commodities Financing**
- **Emerging Markets Corporates**
- **Natexis Pramex International**
- **International Banking Support**
- **International Investment Services**
- **Correspondent Banking**
- **Aircraft Financing**
- **Ship and Land Transportation Financing**
- **Project Finance**
- **Export Financing**
- **Real Estate Financing**
- **Loan Syndications**
- **Financial Engineering**
- **LBOs and Acquisition Financing**

Position upheld as major arranger

Two major goals were achieved in 2002: augmenting the Bank's role as arranger of major financing transactions and extending the geographic reach of Corporate and International Banking activities.

The focused strategy of steadily expanding the loan syndication business has paid off. Over the year, Natexis Banques Populaires arranged over 125 major syndicated loans for a host of leading

names such as Essilor, Technocentre Renault, Pride International and Saint-Gobain Pont-à-Mousson.

Acting as Mandated Lead Arranger, Natexis Banques Populaires structured and placed a USD450 million credit facility in July 2002 for Pride Offshore, a subsidiary of Pride International – the number three deep-sea oil exploration contractor worldwide. The placement proved highly successful, thanks to skilled teamwork between Natexis Banques Populaires' people based in Paris, Houston and London, specializing in the energy, marine financing and loan syndication sectors.

Presentation brochure in French and English given to clients and prospects

Natexis Banques Populaires was selected by Saint-Gobain Pont-à-Mousson to arrange guarantees and issue confirmed documentary credits in connection with a USD300 million contract to lay pipes supplying drinking water to Abu Dhabi. This shows strong recognition of Natexis Banques Populaires' expert skills in international financing allied with its keen understanding of local markets.

Other new international business included syndicated commodities financing – such as the loan syndication for Hurricane Kumkol, one of the leading Kazakh oil producers – international trade finance deals, asset financing deals for the aircraft industry, including aircraft financing for Air France and an innovative Japanese operating lease for Iberia.

VIVENDI UNIVERSAL PUBLISHING / LAGARDÈRE

In November 2002, Natexis Banques Populaires made an offer for Vivendi Universal Publishing's European business, on behalf of the Lagardère Group.
The EUR1.2 billion offer made in accordance with European Competition Law smoothed the way for acceptance of the entry of this business into the Lagardère Group. It also testifies to Natexis Banques Populaires' vanguard position in arranging innovative transactions as well as its leading role in the media sector.

Growing internationalization

During 2002, the business line continued to expand in the international arena. Teams were beefed up in branches across the world, through recruitment and the secondment of staff specialized in high value-added businesses.

Natexis Banques Populaires' growth potential has been clearly affirmed in Madrid and Milan, where the Bank's recently-created branches completed their first full year of operations. The Moscow-based subsidiary obtained a banking license and opened for business in the first half of the year. Lastly, a representative office was opened in Miami, with a view to tapping into the Central American market.

A foremost lender

The drive to strengthen Natexis Banques Populaires' position as bilateral lender among major counterparties is rooted in the twofold goal of leveraging the Bank's balance sheet and being a premier league lender to large and medium-sized companies.

In 2002, a plan was launched to revamp processing tools for client and market transactions, with the aim of further strengthening client relationships by improving service quality. This cornerstone project encompasses all teams, from sales to the middle and back offices.

In 2003, the Corporate and International Banking business line will be further broadening its global reach by continuing to add to teams and extending the branch network in Algeria. At grass-roots level, teams will be doing all they can to expand the client base and develop structured finance business, laying the ground for Natexis Banques Populaires to bolster its position as a top-tier arranger of large-scale transactions.

COMMODITIES FINANCING IN RUSSIA

Natexis Banques Populaires was selected as co-arranger of financing for USD200 million worth of inventory on behalf of Russia-based Norilsk, the world's largest nickel producer. The Bank also arranged a USD140 million pre-shipment export financing facility for Sidanco, a leading Russian oil producer. These innovative structured deals are evidence of Natexis Banques Populaires' premier position in commodities financing.

SPECIALIZED FINANCING

Corporate and International Banking offers lease financing through Natexis Lease and factoring services through Natexis Factorem. The bulk of specialized financing business is contributed by the Banque Populaire Group network.

Natexis Lease develops and distributes real estate and equipment lease financing products for companies of all sizes.

Natexis Factorem offers receivables management outsourcing solutions that help companies optimize their cash position and reduce client credit risks. Four types of services are offered: receivables management, receivables collection, bad debt guarantees and receivables financing

Natexis Lease: an enhanced product offer

In 2002, Natexis Lease built on its international position and broadened its offering. The strategy paid off well, with new lease financing exceeding the target set at the start of the year.

Resilient performance in a challenging market

After four years of growth, corporate capital spending contracted by 7% in 2002. Real estate and equipment lease financing held up fairly well in this more difficult market, easing back by a modest 4%. The falloff primarily concerned heavy goods vehicles and machine tools – hitherto extremely buoyant sectors.

Real estate lease financing grew by a strong 13% – a rate on a par with 2001 – reflecting the high value of financed assets and strong momentum in the logistics sector.

The only area to experience a sharp drop was lease financing for energy management and environmental projects, due to a lack of large-scale projects.

EUR5.4 billion in lease financing

Natexis Lease set up EUR1.5 billion worth of new contracts, driving up outstanding lease financing to over EUR5.4 billion at the year-end.

Equipment lease financing activities had another good year, with EUR939 million worth of new business. On the back of this performance Natexis Lease was able to grow market share while maintaining tight control over risks and upholding margins.

Press announcement on the Fructicomi offer for corporate decision-makers

New real estate finance leases surged 46% to EUR531 million, representing a growth rate which far outstripped that of the market as a whole. A total of 431 leases were set up, reflecting strong sales to the corporate clients of the Banque Populaire regional banks.

New lease financing for energy management and environmental projects climbed 18% to EUR38 million.

Fruitful partnerships

The partnership agreement signed in late 2001 between Natexis Lease and VR Leasing, a subsidiary of the Germany-based DZ Bank, has led to several significant contracts with French and German companies. In France, Natexis Lease reinforced its position among large corporations, winning a number of major real estate lease financing contracts such as with Thalès, Aldi, Bonduelle, Chronopost and Gecina.

Natexis LLD, specialized in long-term vehicle leasing, rolled out its offer to practically all of the Banque Populaire regional banks and Natexis Banques Populaires business centers.

Finally, Natexis Lease worked in partnership with Banque Fédérale des Banques Populaires towards

setting up Bail Plaisance, a leisure boat lease financing offer.

Continued product diversification

Despite the current climate, companies still need to renew and upgrade equipment, just as they need to grow capacity. Hence capital spending may pick up again in the course of 2003.

Natexis Lease will be seeking to expand its leasing offer, in phase with its ongoing strategy. Operating leases, which represent a good source of profitable growth, will continue to be a focal point. Priority will be given to purchasing public works equipment and computer hardware for lease.

After a year spent gearing up to serve the market, Natexis LLD aims to have a pool of 1,500 leased vehicles by the end of 2003.

INCREASED PRESENCE IN EUROPE

2002 was devoted to preparing Natexis Lease's entry into the Spanish market, through Natexis Banques Populaires' new Madrid branch. In parallel, Natexis Lease continued to extend its partnership network, with new operating footholds in the United Kingdom and Italy, in addition to existing partnerships in Germany and Eastern Europe, as well as in North Africa.

Natexis Factorem holds onto market share

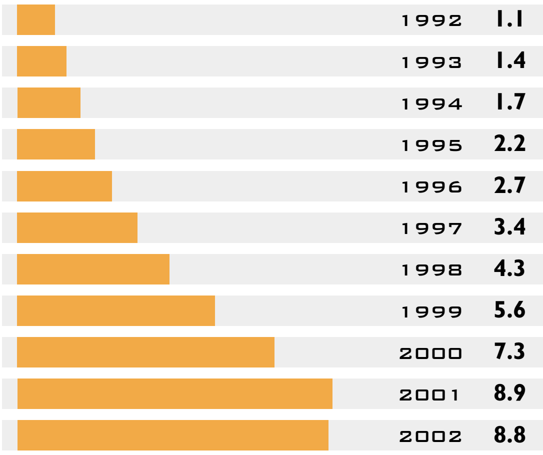
Despite the factoring market slowing significantly in 2002, Natexis Factorem's performance remained on an even keel. With a 12.5% market share, the company held onto its number three position in the French factoring market (*source: Association Française des Sociétés Financières*). At EUR8.8 billion, factored receivables were slightly down on 2001. Net Banking Income stood at EUR91 million, or 1.03% of revenues. These healthy results testify to Natexis Factorem's success in expanding its business without any attendant escalation of risk or any erosion of margins.

A refocused structure

In 2002, Natexis Factorem continued to tailor its structure to market needs and client expectations. For instance, more cross-business links have been woven, to ensure greater consistency and efficiency with the underlying objective of attracting new clients and fostering client loyalty.

The quality of service offerings was again enhanced, leading to improved client satisfaction rates. 2003 should be a year of strong business growth, as Natexis Factorem pursues the twin goals of winning new clients and offering the best possible services both to its own clients and to the Banque Populaire banks.

NATEXIS FACTOREM REVENUES
IN EUR BILLIONS



FACTORING VOLUMES

As part of the drive to enhance service quality, Natexis Factorem continued to standardize business processes. New IT systems have been delivered, including automatic payment processing applications, which will generate productivity gains and improve service levels.

Natexis Factorem has also forged closer ties with the Banque Populaire Group network by increasing its sales force throughout France. The company is now present in all client segments, and has particularly targeted the Banque Populaire network's main franchise, comprising small and medium-sized companies. This strategy represents an illustration of how Natexis Factorem is leveraging marketing intiatives undertaken in association with the Group. The company has now also set up an outlet in Réunion, to partner the expansion of BRED Banque Populaire in the French overseas *départements* and territories.

Roadmapping synergies

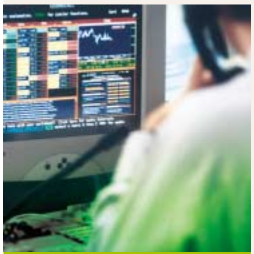
In 2003, Natexis Factorem will continue to build synergies with the Banque Populaire Group. Following the Group's acquisition of a controlling interest in Crédit Coopératif and its factoring subsidiary, Crédifrance Factor, Natexis Factorem will be looking to federate skill sets so that the combined outfit can capitalize on the expertise of the two individual companies. The merger is win-win, offering Crédit Coopératif the opportunity to distribute the Natexis Factorem product range while enabling Natexis Factorem to diversify its distribution channels.

Coface and Natexis Factorem teams are also being brought together, in a bid to position the Bank as a major player in the credit management market in France and abroad. The broader offer should help to boost sales volume and speed up expansion in France and the rest of Europe. Marketing synergies, coupled with the sharing of tools, will help to contain costs while sharpening the company's competitive edge, as well as leading to the development of a comprehensive offering for the Banque Populaire Group and its clients.

INVESTMENT BANKING

Investment Banking comprises two business lines.
The Capital Markets business line offers its clientele of securities issuers and investors a wide range of equity, Fixed Income, derivative and currency products. Its integrated origination, trading, sales, syndication and research services represent a key source of competitive advantage.

The Private Equity business line is a major player in the equity financing market, covering all segments of the French private equity market.



CAPITAL MARKETS

Natexis Banques Populaires was adversely affected by last year's highly unfavorable market conditions and it also incurred losses on structured equity products. Capital Markets Net Banking Income reflects the impact of these losses. By contrast, the Currency and Fixed Income businesses generated significantly higher profits.

EUR139 MILLION IN NET BANKING INCOME

43 BOND ISSUES

PRIVATE EQUITY

Despite a 50% falloff in the number of investment opportunities considered, Natexis Private Equity invested EUR235 million in 2002 versus EUR285 million the previous year. Several significant investments were sold, netting EUR113 million worth of gains.

EUR55 MILLION IN NET BANKING INCOME

EUR1.5 BILLION WORTH OF ASSETS UNDER MANAGEMENT

EUR235 MILLION WORTH OF INVESTMENTS

CAPITAL MARKETS

In 2002, the Capital Markets business focused on developing global product offerings. The acquisition of the Arnhold & S. Bleichroeder Holdings brokerage business paved the way for the creation of a Global Equities business. And in Fixed Income, brokerage volumes outside France rose to 31% of total volumes from 16% in 2001.

Net Banking Income declined, however, due to unfavorable market conditions and losses on equity derivatives. These losses were due to the inability of certain valuation models to successfully manage the extreme market volatility and to certain anomalies in the data fed into the models.

For 2003, the Capital Markets business has set as its goal to significantly increase Net Banking Income, by stepping up its sales drive, helped by increased international synergies. At the same time, a new organization structure will be put in place to help the business react more swiftly to changing market trends and foster a keener understanding of the product offering.

Fixed Income: leading position affirmed

Primary bond market

In a year when the number of bond issues contracted by 40%, Natexis Banques Populaires increased its market share, acting as lead or joint lead manager of 43 bond issues (Sole/Joint Lead) compared with 45 the previous year. The number of underwriting contracts was unchanged, testifying to the confidence of issuers such as Imérys, Cades, Casino, Vivendi Environnement, Findomestic and PSA.

Natexis Banques Populaires ranked among the leaders in French corporate euro bond issues, with seven issues on its score-card. It also held onto its No. 1 position in French inflation-indexed bond issues, based on the number of deals (*source: Bloomberg*). The Bank is a primary dealer in government securities in France (SVT) – a position that was boosted in 2002 by Agence France Trésor selecting Natexis Banques Populaires, along with three other major international banks, to arrange a EUR4 billion bond issue indexed to euroland inflation.

International growth

The Fixed Income business continued to expand internationally in 2002. Fixed Income teams in Milan, Madrid and London distributed products to investors in their local markets and also promoted the business's origination capacity among major issuers. Natexis Banques Populaires and DZ Bank teams joined forces to target clients in German-speaking countries and Eastern Europe. At the same time, Natexis Banques Populaires doubled the number of mandates obtained from non-resident issuers, especially in Italy.

Symbol of euro inflation-indexed bonds

Credit research

As well as offering valuable decision-making aids for investors, the Credit Research unit continued to develop its rating advisory services among clients in France and other European countries. In particular, a major contract was won from the Italian bank Cassa Di Risparmio Di Ferrara.

Securitization

During the year, Natexis Banques Populaires set up Elixir Funding Limited, a Jersey-based multiseller ABS conduit for residential mortgage-backed commercial paper programs. And the Bank also co-arranged the first residential mortgage securitization for an Italian cooperative bank.

Money markets

Natexis Banques Populaires arranges over 90% of the commercial paper programs set up by French companies (*source: Banque de France*) and is one of the leading issuing and paying agents in this market, thanks to the steady growth in its portfolio of investors. The Bank was selected as Placing Agent for the Ile de France Regional Goverment commercial paper program, the first of its kind by a French local authority.

Natexis Banques Populaires is also a primary dealer in the government securities repo market. Operating in all the euro zone repo markets, the

Bank helps clients to optimize their liquidity positions and earn higher returns on their securities portfolios.

Fixed Income derivatives

The Fixed Income derivatives business practically doubled its contribution to Net Banking Income, powered by a broader product offering and wider client reach among corporates and institutional investors.

Natexis Banques Populaires has set up structured hedging facilities that have proven highly successful in the current harsh trading conditions. The Bank also arranged EUR350 million worth of bond issues indexed to Constant Maturity Swaps (CMS), on behalf of institutional clients.

Treasury Funding: arranging refinancing for the Group

The Treasury teams in Paris and New York meet the day-to-day refinancing needs of Natexis Banques Populaires and the Banque Populaire Group by issuing paper on the euro and dollar markets. In 2002, euro-denominated bond issues totaled EUR600 million and issuance of dollar denominated bonds amounted to USD500 million.

Foreign Exchange: strong growth

Net Banking Income generated by the forex business soared 30% on a comparable basis, led by a sharp rise in sales of currency options – especially on major currencies.

Natexis Banques Populaires' large corporate clients actively trade in all segments of the forex market, generating nearly half of the Bank's profits from currency swaps and options during the year under review. In 2003, the Bank will be strengthening its derivatives and structured products sales capability to better meet the needs of this client population.

SUPPORT SERVICES

The risk management and back office unit is responsible for middle and back office functions, management accounting, technical logistics and legal and counterparty risks, while a marketing and communications team supports the Capital Markets business line's sales effort.

Natexis Banques Populaires' two arbitrage subsidiaries, Natexis ABM Corp. (mortgage bonds) and Natexis Arbitrage (equities) conduct own-account trading activities.

Equities: development of a Global Equities business

In 2002, Natexis Banques Populaires acquired Arnhold & S. Bleichroeder, a subsidiary of the U.S.-based company Arnhold & S. Bleichroeder Holdings, specialized in equities brokerage and corporate finance. The newly acquired company – renamed Natexis Bleichroeder Inc. – and Natexis Capital, renamed Natexis Bleichroeder SA, together make up the Global Equities arm of the Capital Markets business line. Through the acquisition, Natexis Banques Populaires can now sell equity products across the globe. On the primary markets, the Bank has become a genuine contender for the position of lead manager and has extended its offer to include products and services for U.S. clients, including stocks listed on the New York Stock Exchange and the Nasdaq. Other synergies exist in the prime brokerage sector which Natexis Bleichroeder is seeking to exploit by marketing a comprehensive offer ranging from conventional securities lending and borrowing and repo transactions to more complex transactions for private clients. In electronic order routing, Arnhold & S. Bleichroeder's on-line access to around 60 of the world's markets represents a solid basis for actively developing Natexis Bleichroeder's service offer for e-brokers, banking networks and institutional traders.

Weekly, bi-monthly and monthly publications designed for clients

Research

In 2002, the leading British review AQ Euro 100 ranked the Natexis Capital team of financial analysts number one over three straight quarters for the quality of their European corporate earnings forecasts. On the same positive note, the acquisition of Arnhold & S. Bleichroeder's brokerage business has enabled Natexis Bleichroeder to extend its research capabilities to the other side of the Atlantic.

Company information

Natexis Bleichroeder provides a large number of companies with a constant stream of information on their share price and the prices of strategically relevant securities.

Primary market

In 2002, Natexis Bleichroeder's role as global coordinator and leader manager of the Marionnaud Parfumeries "Oceane" issue placed it among the top five French banks in the European convertible bond market (*source: Bloomberg*).

Natexis Bleichroeder managed 25% of equity and convertible bond issues of under EUR250 million (*source: Euronext*), acting as co-lead manager for the Pierre et Vacances equity issue, lead manager for the sale of Groupe Bull's stake in Steria, and lead manager for the EUR45 million Orpea IPO.

Lastly, Natexis Bleichroeder is a major player in secondary market offers, with an 8% market share based on number of deals, and 10% of the squeeze-out market (*source: COB*).

PRIVATE EQUITY

The Private Equity business, spearheaded by Natexis Private Equity, provides financing at each stage of a company's development, from seed capital to mezzanine finance, bringing it to the point where it is ready to launch an IPO. Natexis Private Equity acquires majority or minority interests, generally in unlisted companies, which it holds for an average of five years. The business is conducted by eleven subsidiaries organized around four business units: Growth Capital, Buy-Out/Buy-In Capital (LBOs), Venture Capital and International Private Equity. Natexis Equity Management, a portfolio management company that invests primarily in listed mid-cap stocks, completes the line-up.

The business line also operates in the mergers and acquisitions market through Natexis Finance.

A prudent approach in an unfavorable economic environment

The value of investments acquired and sold in 2002 was on a par with the previous year, despite the difficult economic conditions. Responding to the unsettled conditions, Natexis Private Equity adopted a very conservative approach to risk. This was reflected in the business line's income and in its stock of unrealized gains which nevertheless represent a respectable EUR148 million, after taking into account the impact on market values of the current environment which is hostile to trade sales and IPOs.

Stable deal flow

Despite a decrease in the number of investment opportunities considered during the year, Natexis Private Equity invested a total of EUR235 million compared with EUR285 million in 2001.This amount broke down as follows across the company's business units: EUR90 million for Growth Capital, EUR34 million for Buy-out/Buy-in capital (LBOs), EUR41 million for Venture Capital and EUR70 million for International Private Equity. Natexis Private Equity has significant growth drivers, including the international development momentum provided by its German, Spanish and Italian subsidiaries, and its private equity fund management business, which now accounts for almost half of the capital managed by Natexis Private Equity.

BREAKDOWN OF INVESTED CAPITAL
IN EUR MILLIONS
AT DECEMBER 31, 2002

Growth Capital	90
Buy-Out/Buy-In Capital (LBOs)	34
Venture Capital	41
International Private Equity	70

A good balance between proprietary and non-proprietary portfolios

Natexis Private Equity has EUR738 million in private equity funds under management and an EUR805 million proprietary portfolio, versus EUR720 million and EUR780 million respectively in 2001. The expansion in non-proprietary portfolios reflects how private equity has come to be recognized as a separate asset class, alongside equities and bonds.

ASSETS UNDER MANAGEMENT
IN EUR MILLIONS
AT DECEMBER 31, 2002

Growth Capital	660
Buy-Out/Buy-In Capital (LBOs)	237
Venture Capital	480
International Private Equity	167

Investments in 670 companies

Natexis Private Equity's portfolio comprises interests in 670 companies, for the most part unlisted, spanning all sectors of the economy. These companies are monitored by over 110 experts, grouped into eleven specialized subsidiaries that combine financial engineering skills with strong industry expertise.

A smaller volume of exits

In 2002, as in 2001, opportunities for trade sales and IPOs were limited. Nonetheless, Natexis Private Equity succeeded in exiting from EUR223 million worth of investments. Transactions included the early-2002 IPO by Orpea, a private retirement home operator, and the sale of Pasteur Cerba, a specialist laboratory, in December.

The financial arrangements underlying the Pasteur Cerba exit strategy were devised five years ago by teams from Initiative & Finance and Natexis Industrie, paving the way for last year's LBO by Astorg Partners and the Pasteur Cerba biologists. Gains realized by the holding company in 2002 amounted to EUR113 million.

BANQUE POPULAIRE INNOVATION 7

In 2002, for the seventh year running, the Banque Populaire Group launched a new innovation fund (FCPI), Banque Populaire Innovation 7. The fund is managed jointly by SPEF Venture, a subsidiary of Natexis Private Equity, and Natexis Asset Management, as are the six other funds in the same range. The aim of these funds is to provide private equity capital for unlisted innovative companies that have recorded early commercial wins. The funds invest between EUR0.5 million and EUR3 million in each company, in a lump sum or in several instalments. SPEF Venture set up the first FCPI in 1997, and so far has invested over EUR90 million in 70 companies.

Developing internal synergies

Placing all of the Bank's private equity subsidiaries under the umbrella of Natexis Private Equity has unleashed new synergies through the sharing of financial and industry expertise and the pooling of share-swap and cross-shareholding opportunities.

The subsidiaries have retained their management independence under the new structure, which federates the strengths of the Natexis Banques Populaires and Banque Populaire Group networks.

The role of Natexis Private Equity is to ensure across-the-board financial consistency and leverage the increased marketing clout of the combined outfit with a view to achieving a dual objective: consolidate the Bank's position as the leading provider of private equity capital to French small caps and deepen its coverage of mid caps. The growth drive is also rooted in the goal of benefiting from the current favorable conditions for equity financing.

International expansion

2000 and 2001 were devoted to creating a network of subsidiaries throughout Europe. Building on this, Natexis Private Equity is now aiming to become a benchmark player among private equity capital providers to German, Italian and Spanish SMEs by raising fresh capital among investors from these target countries and drawing on the market knowledge of local experts. An apt example is Hügel, a German leader in small metal components that was acquired through an LBO by Finatem, the German subsidiary of Natexis Private Equity International. Founded in 1923, Hügel employs 250 people, has annual sales of

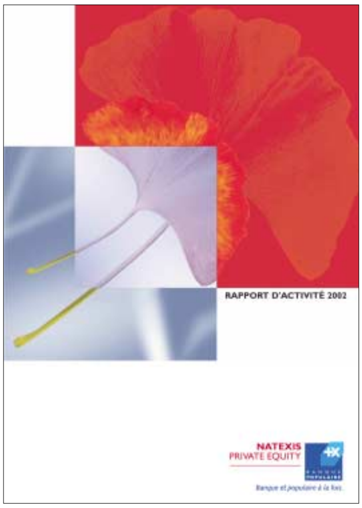
EUR36 million and is a major supplier of the Volkswagen group.

New investment vehicles

Natexis Private Equity has branched out into the European secondary market, alongside veteran partners. Secondary market transactions consist of acquiring one or several interests in partially called funds or investment portfolios, from investors, companies or asset management firms. This activity is grounded in the dual logic of meeting investor needs for new asset classes and injecting liquidity into funds when required. An illustration of the Bank's first move in this new area of business is the partnership agreement signed in late 2002 with Landmark, a US-based secondary market specialist with USD3.5 billion in capital under management, which was seeking a partner with in-depth knowledge of the European business landscape.

A EUROPEAN PARTNERSHIP

The partnership with Landmark will provide Natexis Private Equity with the opportunity to branch out into the euro zone venture capital and buy-out/buy-in capital markets, primarily France, Germany and Italy. Set up as a joint venture, the partnership provides a vehicle for pooling investment projects, exchanging financial skills and co-financing private equity-deals.



Activity report given to Natexis Private Equity clients and prospects

Natexis Finance

Despite harsh market conditions marked by a further decline in both the number and value of mergers and acquisitions, Natexis Finance consolidated its position over the year, achieving significant revenue growth. As a major player in the mid-cap segment, Natexis Finance furthered its international expansion and continued to diversify its client base that ranges from family-owned businesses to large corporates.

Innovation and Complementary skills

SERVICES

As the leading issuer in the French interbank teleclearing system (SIT), Natexis Banques Populaires is a foremost provider of high-tech outsourcing services for banks and financial institutions and a front-runner in e-banking services. A well-known and highly respected player in the bancassurance and asset management sectors, it is the leading employee savings plan manager in France and ranks fifth among fund managers.

The Services business area is organized around two clearly differentiated business lines: Banking, Financial and Technology Services for banks and financial institutions, and Asset Management and Insurance Services.

BANKING, FINANCIAL AND TECHNOLOGY SERVICES

In 2002, Natexis Banques Populaires was selected by several large banks to process their transactions. The Financial Services unit won a number of new clients, partially offsetting the sharp fall in trading volumes triggered by the depressed market conditions.

EUR322 BILLION IN ASSETS IN CUSTODY
2.6 MILLION CUSTODY ACCOUNTS
3.3 MILLION BANK CARDS MANAGED
1.8 BILLION TRANSACTIONS PROCESSED VIA THE SIT

ASSET MANAGEMENT AND INSURANCE

Assets under management totaled EUR72.5 billion, up slightly on the previous year despite the sharp fall in equity prices. The business line managed to capture additional market share in a number of sectors.

3.4 MILLION INSURANCE POLICIES
2.1 MILLION EMPLOYEE SAVINGS ACCOUNTS

BANKING, FINANCIAL AND TECHNOLOGY SERVICES

The Banking, Financial and Technology Services business area covers the entire spectrum of back office processing operations related to payments and stock market transactions handled by banks and financial institutions. It proposes service offerings to a broad array of clients ranging from high street banks with branches throughout the country to small banks operating in niche markets, and financial institutions.

The Banking Services offer spans payment media and electronic banking processing while the Financial Services offer encompasses all forms of custody services. The business line performs these back office services not only for the Banque Populaire banks, but also for over 150 other financial institutions. The offering is rounded off by the Personal Banking Services business area which is developing a Multi-Channel Bank.

A honed service offering that brings quality to the fore

In 2002, the Banking, Financial and Technology Services business line faced the dual challenge of integrating major banks into its processing systems and holding firm against the economic headwinds that buffeted the entire banking industry. The worldwide falloff in trading volumes inevitably impacted Financial Services, and particularly back office business, due to the scale of operations.

In the changing banking landscape, the business line concentrated on firming up its back office offering, improving productivity without sacrificing service quality. During the year, resources were adapted to handle further diversification of the service offer, launched in response to the market's increasing demand for outsourcing solutions. As a provider of services for a large number of financial institutions, the business line works in the background, with the client banks' identity taking centre stage.

In the business line's three main service areas, the offer now spans all distribution channels, including those using new technologies.

A watershed year for Banking Services

On several counts, 2002 was a turning point for the Banking Services business. The interbank check image exchange project was successfully completed. The leading issuer in the French interbank teleclearing system (*source: G-SIT*), Natexis Banques Populaires is also one of the top four participants in the Centrale des Règlements Interbancaires (CRI) Paris Net Settlement System, for real time settlement of high value transactions. In the area of electronic banking, Natexis Paiements continued its preparatory work aimed at ensuring that the Banque Populaire Group's electronic bank processing would meet the new international standards set by the EMV (Europay, Mastercard and Visa) international card schemes. The Group was the first bank to comply with the new payment authorization and telecollection standards. This drive will continue throughout 2003.

A new milestone was passed in the partnership with a major external banking group, with the migration of this partner's electronic banking applications to the Natexis Banques Populaires system. A project is also currently underway to migrate another major institution in the course of 2003.

BANK CARD PROCESSING

MILLION TRANSACTIONS

1992	210
1993	227
1994	251
1995	284
1996	322
1997	414
1998	466
1999	530
2000	611
2001	696
2002	806

Natexis Paiements manages 3.3 million bank cards and 171,000 retailer contracts, processing 10% of the credit card transactions carried out in France.

NATEXIS PAIEMENTS FLESHES OUT ITS OFFER

The Banking Services electronic banking offer has been expanded with the addition of several new products which already show very promising signs of marketing success. One such product is the Visa Mission Plus corporate card which combines an array of functions designed to simplify the task of processing business expenses and expense claims, including online facilities. The Visa Business and Gold Business cards meet the specific business expense tracking needs of professional firms and the management of SMEs.

In the area of retailer services, the Banque Populaire Group – through Natexis Banques Populaires' Banking Services business area – was the first French bank to process transactions according to the new international standard.

A new step for Financial Services

The dismal equity markets naturally impacted Financial Services. However, the sharp decline in processing volumes was cushioned by the integration of new clients.

The business line turned the challenging situation to its advantage by refocusing all action plans on client service quality and creating value in its core businesses. 2002 also saw strides made in developing an intranet solution bringing together all data used to manage and track the portfolios of the Banque Populaire banks' clients.

In 2002, Financial Services managed 2.6 million custody accounts and executed 8.2 million buy and sell orders, including trades on French and foreign stock markets and purchases and sales of mutual fund units. During the year, the large-scale project to integrate into its systems the Securities and Stock Market Trading activities of an external banking group was completed.

Natexis Slib, the subsidiary specialized in securities and stock market trading IT solutions for investment service providers, strengthened its market position, especially in Belgium and the Netherlands.

NUMBER OF SECURITIES PORTFOLIOS PROCESSED

IN MILLIONS

1997	1.70
1998	1.65
1999	2.00
2000	2.20
2001	2.80
2002	2.60

LineBanque goes on line

In 2002, Personal Banking Services completed the launch of LineBanque – a multi-channel offering targeted at Natexis Banques Populaires' 20,000 private clients. This online solution provides clients with access to all the banking and financial services of a high street bank, including opening a savings account, ordering a check-book, applying for a loan, online brokerage, and taking out insurance policies.

The project, developed in partnership with Cap Gemini Ernst & Young, opens up new growth avenues for the Bank. Building on LineBanque's success, Natexis Banques Populaires will be able to offer the market a comprehensive personal online banking system by the end of 2003. Three financial institutions, including two new clients from the insurance industry, are expected to be the first to put this tool to use.

New LineBourse graphics tools aimed at streamlining portfolio management

LINEBOURSE CAPTURES THE NUMBER THREE SLOT

Launched in October 2000, LineBourse ranks third among online brokers (*source: Association des Brokers On Line*), serving some 50% of online orders placed by clients of the Banque Populaire Group. A new range of services has been rolled out called *Service PLUS*, which sets LineBourse apart from competitor sites by offering personalized brokerage services.

ASSET MANAGEMENT AND INSURANCE

The Asset Management and Insurance business line comprises six businesses – insurance, multi-manager funds, real estate funds, employee savings plans, private asset management in France, and international private asset management. This organization allows the business line to offer a comprehensive range of products primarily distributed by the Banque Populaire Group network among its clientele of private individuals, small, medium and large businesses and institutions.

The subsidiaries that make up the Asset Management and Insurance business line are Natexis Assurances, Natexis Asset Management, Natexis Asset Square, Natexis Immo Placement, Natexis Interépargne, Banque Privée Saint Dominique and Natexis Private Banking Luxembourg S.A. Together they count some 1,200 employees and are mostly all subject to highly specific regulations.

Positive results achieved on the strength of innovation

The Asset Management and Insurance business line was unfavorably impacted by the deteriorating stock market conditions that persisted throughout the year. This was compounded by high market volatility, triggering changes in savings and investment behavior. In view of these shifting patterns, the business line's key goal was to anticipate new needs and propose custom-fitted solutions both in terms of innovative products and information support.

Funds that combine financial performance with socially responsible investing

Rise in assets under management and firm Net Banking Income

Despite the weak stock markets, assets under management climbed to EUR72.5 billion from EUR69.9 billion in 2001. Market share was consolidated, and even in some cases increased, reflecting the success of offerings in the areas of employee savings plans, individual life insurance and mutual funds.

Natexis Interépargne consolidated its leadership position in France in the employee savings plans sector (*source: AFG-ASFFI*). Natexis Asset Management held onto its number five ranking in mutual fund management (all categories combined) and climbed to the top spot in money market mutual funds (*source: Europerformance*).

The business line ended the year with Net Banking Income of EUR310.5 milion and Gross operating income of EUR101.4 million.

ASSETS UNDER MANAGEMENT BY ENTITY
AT DECEMBER 31, 2002
IN EUR BILLIONS

Natexis Assurances	17.8
Natexis Asset Management/Natexis Asset Square	40.4
Natexis Immo Placement	1.1
Natexis Interépargne	10.0
Banque Privée Saint Dominique	2.0
Natexis Private Banking Luxembourg S.A.	1.2

A diversified offering

The offering for each client population has been fine-tuned. Inter-business unit synergies have also been implemented, especially in the areas of socially responsible funds, multi-manager funds, alternative funds and private asset management.

Natexis Asset Management has set up the BP Sustainable Development funds with a view to extending the product offer of Natexis Interépargne and Natexis Assurances. These funds respond to market demand for a better balance between social, environmental and financial considerations.

During the year, several new funds were launched. Natexis Assurances and Natexis Asset Management created a range of guaranteed funds for private individuals called Fructi-Garanti 2002 Vie, Fructi-Garanti 2002 PEA, Fructi-Plus Vie and Fructi-Plus PEA. Natexis Asset Square, in conjunction with Natexis Assurances, developed Zelis funds – a multimanager offering for private asset management clients. And Natexis Asset Square also launched a range of alternative funds for the Banque Populaire Group's institutional clients.

Natexis Interépargne and Natexis Assurances worked together to offer complete employee savings solutions covering retirement, employee benefit schemes, employee stock plans and service vouchers (Natexis Intertitres). Meanwhile, in partnership with MAAF Assurances, Natexis Assurances has developed a comprehensive business risk solution for tradesmen and retailers who are clients of the Banque Populaire banks.

PARTNERSHIP BETWEEN NATEXIS ASSURANCES AND MAAF ASSURANCES

Natexis Assurances is present in all segments of the insurance market, offering policies tailored to each client population of the Banque Populaire Group ranging from private individuals to small, medium and large businesses. The new comprehensive business risk offering launched and actively distributed in partnership with MAAF Assurances, rounds off the range of insurance products targeted at tradesmen and retailers, and demonstrates the Group's ambition to become a recognized player in the bancassurance sector.

Marketing drive

Forging closer ties with the Banque Populaire banks

Close-knit relations have been woven between the business line and the Banque Populaire banks, thanks to a strong focus on developing private asset management solutions offered through Banque Privée Saint Dominique, Natexis Asset Management, Natexis Asset Square and Natexis Assurances. All of the Banque Populaire regional banks now market the Fructi-Epargne package created under the recently introduced Fabius Act, with 6,400 policies signed by year-end 2002.

Seeking internal synergies

In an increasingly competitive market, the business line has kept up a sustained quality drive and made steady improvements to information systems in order to tighten client relationships. It has also sought to exploit synergies in communications, financial management and reporting. These synergies were deepened in 2002 by grouping staff at one site.

Continued international expansion

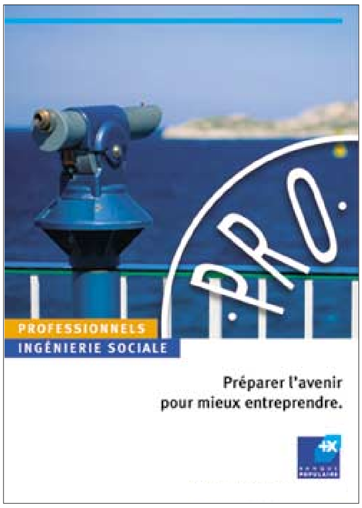
In September 2002, Natexis Assurances launched an automobile and personal risk insurance offer, following its acquisition of a stake in Adir, a subsidiary of the Byblos bank in Lebanon. The new offering has already proven highly successful.

BancAssurance Popolari (BAP), the business line's Italian subsidiary, wrote 23,092 policies in its first eighteen months of operations and is continuing to develop its business in partnership with the Banca Etruria network.

NATEXIS ASSURANCES AWARDED ISO 9001 CERTIFICATION

Since 1996, Natexis Assurances has focused intensely on client service quality. In 2002, the business line significantly enhanced its quality management system and was accredited with ISO 9001 (2000 version) certification.

The creation of Natexis Asset Management International, dedicated to marketing mutual funds outside France, is designed to build on Natexis Asset Management's expertise, especially in treasury products and European fund management, so that it can bid for international contracts and actively develop partnerships outside France.



Natexis Assurances, Natexis Interépargne and Natexis Intertitres offerings

Winning additional market share

The new Asset Management and Insurance organization structure is now up and running, and will enable the business line to position itself as a multi-business player by leveraging synergies on a national and international scale.

In 2003, the business line's key objective will continue to be capturing additional market share in France and abroad. At the same time, it will be seeking to streamline resources and ensure a seamless organizational fit by grouping teams that work in similar areas. These units will also take part in designing Equinoxe, the Banque Populaire Group's new distribution information system which will be a large-scale project for the Banque Populaire banks over the coming three years.

NATEXIS ASSET MANAGEMENT OBTAINS AIMR-PPS AND GIPS CERTIFICATION

On March 15, 2002, Natexis Asset Management was accredited with AIMR-PPS and GIPS performance presentation standards for the period covering January 1, 1998 to December 31, 2001. These standards serve as a warranty for investors that the information relayed to them is complete and transparent.

SUSTAINABLE DEVELOPMENT

Increasingly, companies and institutions operating in all sectors of the economy have come to view sustainable development and socially responsible investing as issues of crucial importance. Along with other major financial institutions, Natexis Banques Populaires upholds the highest standards in social and business practices, notably by offering equal employment opportunities, applying a strict code of ethics day in-day out, guaranteeing the safety of persons and property, and relaying transparent information on a regular basis. At the same time, for Natexis Banques Populaires, sustainable development first and foremost means building on human relationships with each and every one of its stakeholders – clients, shareholders, correspondents, service providers and suppliers.

Socially responsible rules and values

Natexis Banques Populaires applies socially responsible practices on a daily basis by respecting people, ethics, safety, and information quality.

Ethics and compliance

Socially responsible growth also means vigorously respecting the code of ethics applicable throughout the banking industry. The Bank's employment contracts include ethics clauses and in 2002, the role of the Corporate Ethics Officer was strengthened. The task of this Officer is to implement and coordinate a strict code of ethics tailored to the businesses and related risks of Natexis Banques Populaires and its subsidiaries.

As well as establishing and updating the Bank's code of ethics, the Corporate Ethics Officer's role also encompasses organizing training and information sessions, and raising awareness among employees of the need to respect the Bank's ethical standards. Each of the Bank's business lines has its own ethics officer, responsible for monitoring day-to-day compliance, and the Corporate Ethics Officer is also supported by the Internal Audit and Internal Control departments.

Another central focus for Natexis Banques Populaires is the fight against money laundering. The Bank has retooled its monitoring system and set up special employee training sessions in addition to those routinely offered. At the same time, back office and other procedures to prevent money laundering have also been stepped up.

Heightened safeguards

On July 1, 2002, an Information Systems Security Officer (ISSO) took up the post of overseeing the 26 correspondents responsible for systems security issues at the Bank and its subsidiaries. The ISSO's responsibilities include relaying to Executive Management decisions made in the event of a possible crisis situation, reconciling international expansion with secure information systems, and measuring operational risks.

A security action plan has been drawn up to ensure that operational risk remains at an acceptable level, taking into account the Bank's regulatory, organizational and technical environment. The underlying aim of this plan is to ensure that all Natexis Banques Populaires entities adopt a consistent approach to addressing operational risk, in order to properly assess each information system's level of exposure, and put in place the requisite security measures.

The first phase of the action plan was rolled out at the end of 2002, and consisted of examining information systems used to process transactions on behalf of other financial institutions, strengthening contingency plans for interbank transaction processing and laying the foundations for even tighter security.

Extanding the Foundation

In September 2002, the Natexis Banques Populaires Foundation became the Banque Populaire Group Foundation. Established by Natexis Banques Populaires ten years ago, the Foundation now also receives funding from Banque Fédérale des Banques Populaires and the 24 Banque Populaire regional banks.

In 2002, the Foundation extended its support to fourteen classical musicians, including two composers. It also helped seventeen young disabled people to fulfil life-enhancing projects in the area of work, sport, culture or their social life. And for the third year running, the town of Villevard in southwest France played host to a masterclass for fourteen talented musicians, led by the celebrated cellist Michel Strauss and financed by the Foundation.

Numerous musical events were organized to mark this watershed year in the life of the Foundation. In December 2002, fifteen musicians supported by the Foundation gave a concert with the Pasdeloup orchestra at the Théâtre des Champs-Elysées, demonstrating their talents to some 800 professionals from the worlds of music and corporate sponsorship. Partnerships with the Serre d'Auteuil Young Soloists Festival and the Périgord Noir Festival created other opportunities for young musicians to perform at prestigious events in the classical music calendar.

Painting on the theme of music, an activity supported by the Banque Populaire Group Foundation

Ong0ing communication with shareholders

Natexis Banques Populaires places prime importance on regularly publishing high quality financial information. In 2002, the Financial Communications department stepped up its efforts to inform analysts, investors and private shareholders.

As well as publishing an annual and an interim report, Natexis Banques Populaires also puts out regular press releases and organizes periodic meetings with the financial press and buy-side analysts. Special meetings and press conferences are organized when a significant event occurs, such as the acquisition of Coface in April 2002.

In 2002, information sessions also took place with employees from the Banque Populaire banks who help to sell Natexis Banques Populaires shares, and conference calls were arranged to explain the Bank's financial statements.

For individual investors, the main communication tool is a shareholders' newsletter. This is sent out systematically to the Bank's 200,000 identified shareholders. It is also addressed to around 17,000 employees of the Banque Populaire Group who took part in the employee stock ownership plan launched in June 2001.

Individual shareholders in France can also access information throughout the year by dialing the toll free number 0 800 600 525. All calls are taken by members of the financial communications team in a bid to personalize client relations and ensure quality responses.

The Annual General Meeting held on May 23, 2002 at Maison de la Chimie was the perfect

Newsletter sent to the 200,000 shareholders of Natexis Banques Populaires

opportunity for management and shareholders to come together and exchange views. It was preceded by a broad-based consultation process to identify the topics of particular interest to shareholders, including risk management, sustainable development and corporate governance. Webcasts of the General Meeting could be viewed for several weeks afterwards.

Shareholder Relations teams also met private shareholders at the Actionaria Trade Fair which was held in Paris in November 2002 at the Palais des Congrès, and at the Lundis de la Bourse event organized in conjunction with LineBourse (the Banque Populaire Group's online broker), Euronext and Investir. Each of these events is aimed at giving private individuals insight into the workings of the stock exchange.

Finally, as part of the overhaul of the Natexis Banques Populaires website, the "Shareholders & Investors" corner has been completely revamped. In addition to containing traditional corporate documents in French and English, it also hosts a special sub-site dedicated to individual shareholders, as well as an FAQ section.

NATEXIS BANQUES POPULAIRES INVESTS IN SUSTAINABLE DEVELOPMENT

Natexis Asset Management has launched two new funds – BP Développement Durable Actions and BP Développement Durable Taux – to meet the growing demand from individual and institutional investors for products that promote sustainable development. The funds aim at striking a balance between financial performance and social and environmental responsibility. Investors can acquire units in the funds as part of a PEA personal equity portfolio or under a life insurance policy with Natexis Assurances, allowing them to qualify for tax incentives.

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2002 ANNUAL REPORT

NATEXIS BANQUES POPULAIRES

Banque et populaire à la fois.

The Natexis Banques Populaires Annual Report comprises two sections. In the first section, corresponding to the Activity Report, subsidiaries are referred to by their new names, as approved or to be approved by their Extraordinary Shareholders' Meetings. In the second section, corresponding to the Financial Report, they are referred to by the names used in 2002.

The English language version of this annual report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.

2002 FINANCIAL REPORT

CORPORATE GOVERNANCE

MANAGEMENT REPORT

FINANCIAL INFORMATION

LEGAL INFORMATION

ADDITIONAL INFORMATION

COB CROSS-REFERENCE TABLE

CORPORATE GOVERNANCE

For a number of years now, Natexis Banques Populaires has undertaken to apply the principles of corporate governance. Specialist advisory sub-committees were formed as early as 1996. Other measures have since followed in response to the recommendations of the Vienot Report.

The Company provides shareholders with information which meets the recommendations of the Bouton Report.

The members of the Board of Directors and the Executive Management Committee are presented on pages 4 and 5 of this document.

1 – Composition of the Board of Directors

All directorships and functions held by members of the Board of Directors are presented at the end of this Section.

The composition of the Board of Directors changed considerably during the course of the fiscal year, with half of all seats changing hands. Corporate directors, in the form of the Banque Populaire regional banks, which held until 2001 significant direct interests in the capital stock of Natexis Banques Populaires, were replaced by private individual directors by the Shareholders' General Meeting of May 23, 2002. The presence of these corporate directors on the Board was no longer justified following the transfer at the end of 2001 of the majority of the shares held by these entities to Banque Fédérale des Banques Populaires, which remains the sole corporate director on the Board.

The Board comprises 15 directors (including one director representing employee shareholders) and a censor. The Chief Executive Officer of the Company is not a director.

As a result of the current ownership structure of Natexis Banques Populaires capital stock (approximately three-quarters of which is held by the Banque Populaire Group), the majority of directors belong to this majority shareholder group. The percentage of directors belonging to this group reflects its percentage shareholding: three independent directors (excluding the director representing employee shareholders) represent 21% of the Board of Directors (excluding the director representing employee shareholders).

The three independent directors, who have no link, direct or indirect, with company shareholders, do not belong to company executive management and have been in office less than 12 years. The companies managed by them, where applicable, do not realize a significant portion of their revenue with the Company:

- one independent director manages a major industrial company, which is one of the leading aircraft engine manufacturers wide-world;
- a second independent director manages a major service company, founded by him, which is one of two leading French groups in the collective catering sector;

Through their expertise in the industrial and service sectors, these two individuals offer the Natexis Banques Populaires Board of Directors a different but complementary point of view to that of banking professionals, who make up the majority of the Board.

- the third independent director is a retired manager of a bank and stock market company. He offers the Board considerable expertise and total independence vis-à-vis financial groups and is readily available for the activities of the Board of Directors and its specialized sub-committees. This independent director chairs the Compensation Committee and is a member of the Financial Statements Review Committee. He is extremely well placed to listen to the preoccupations of small minority shareholders.

As employees of Natexis Banques Populaires and its subsidiaries together with employees of Banque Populaire Group hold, since mid-2001, over 3% of the capital stock, they have been represented on the Board of Directors since the General Meeting of May 2002 by a director chosen from among three candidates presented to the General Meeting on behalf of the employee savings mutual funds.

2 – Exercise of Executive Management duties

Pursuant to the options offered by the New Economic Regulations Law of May 15, 2001, the Natexis Banques Populaires Board of Directors elected on January 16, 2002 to separate the functions of Chairman and Chief Executive Officer, in accordance with the general logic underlying the organizational structure of the Group.

The Board of Directors meeting of the same day appointed Mr. Philippe Dupont as Chairman of the Board of Directors. Up to this date, he had been Chairman and Chief Executive Officer. Executive Management responsibility was conferred on Mr. Paul Loriot (already Chief Executive Officer) up until the date of his sixtieth birthday at the end of October 2002, assisted by Mr. François Ladam, Deputy Chief Executive Officer, his designated successor on his departure.

Mr. François Ladam was appointed Chief Executive Officer by the Board of Directors meeting of October 23, 2002 with effect from November 1, 2002, with all the powers associated with this function.

3 – Activities of the Board of Directors

The Natexis Banques Populaires Board of Directors met eight times during 2002. The attendance rate was high, at 93% on average over the year, for all directors and meetings.

The meetings last on average three hours. A document several tens of pages long, containing detailed information on all subjects to be covered during the meeting, is presented to directors several days prior to the meeting.

The Board of Directors discusses all subjects concerning the strategy and operation of the Company, is kept informed of all activity trends and developments, approves the Company and consolidated financial statements, takes due note of the budget and examines the various communications concerning internal control and the setting of risk limits.

The Board of Directors also regularly hears, throughout the year, presentations by the heads of each of the six Natexis Banques Populaires business lines on their position and future outlook, providing the directors with a detailed picture of the internal operations of the Company.

The Board of Directors also deliberates in advance the main investment acquisitions proposed by Natexis Banques Populaires (required by the bylaws), together with those planned by its subsidiaries. Powers delegated to Executive Management in this respect are particularly limited.

Internal restructuring operations between subsidiaries are also systematically reviewed by the Natexis Banques Populaires Board of Directors.

4 – Board of Directors' specialized sub-committees

The Natexis Banques Populaires Board of Directors has created three specialized sub-committees:

- the Financial Statements Review Committee;
- the Audit Committee;
- the Compensation Committee.

The make-up of these sub-committees changed significantly following modifications to the composition of the Board of Directors in May 2002.

■ The Financial Statements Review Committee has four members, including one independent director: Messrs. Nalpas, Clavaud, de La Chauvinière, and Thibaud.

The Financial Statements Review Committee analyzes the draft financial statements and all financial documents issued by the Company at the fiscal year-end and reviews certain matters in greater depth prior to their presentation to the Board. In particular, it examines the main accounts closure options adopted, ensuring the relevance and consistent application of accounting methods and policies.

The Committee must, at a minimum, meet prior to the presentation of the annual and the half-year financial statements. It can also be convened at other times to discuss any matters falling within its scope of expertise and which in its opinion require examination. In 2002, the Committee met twice, once prior to the preparation of the 2001 financial statements and once prior to the preparation of the 2002 half-year financial statements. It paid particular attention to technical procedures and conditions concerning accounts closure and risk coverage.

■ The Audit Committee has four members: Messrs. Duquesne, Comas, Cordel, and Tourret.

The Audit Committee assists the Board of Directors with the management of Natexis Banques Populaires risks. Its role includes analyzing the Company's key risk areas (excluding those relating to the accuracy of the financial statements and financial information) and appraising the Natexis Banques Populaires internal control system and its efficiency. In the same way as the

Financial Statements Review Committee, it can consider any matters falling within its scope of expertise and which in its opinion require examination.

The newly composed Audit Committee determined, at the end of July 2002, a work program and meeting timetable for the coming 12 months. During the fiscal year, the committee notably examined the organization of inspection functions within Natexis Banques Populaires, the assignments of the Risk Management divisions, preparatory work for the implementation of the McDonough ratio, real estate risks and, in conjunction with the Financial Statements Review Committee, certain aspects of Capital Markets division operations.

■ There are two independent directors among the four members of the Compensation Committee: Messrs. de La Chauvinière, Bechat, Gentili, and Jacquier.

Before presenting them to the Board, the Compensation Committee examines all matters concerning the personal status of company officers and, in particular, compensation and pension terms and conditions and the allotment of stock subscription and purchase options.

An operating charter has been drawn up for the Audit Committee and the Financial Statements Review Committee.

The specialized sub-committees receive, in line with their needs, assistance from department heads able to help them in their work: the Inspector General, Financial Director, Risk Director, Auditors and, where necessary, any other manager able to provide the desired technical information. Neither the Chairman nor the Chief Executive Officer attend sub-committee meetings. Formal written minutes are kept of sub-committee discussions, and the sub-committee Chairmen present a summary report on their work and conclusions to the Board of Directors.

The Audit Committee met five times during the year. The Financial Statements Review Committee and the Compensation Committee each met three times during the year. The attendance rate for all meetings held in 2002 exceeded 90%.

5 – Board of Directors' Internal Regulations and Directors' Charter

The Board of Directors approved the terms and conditions of Internal Regulations governing its activities and a Directors' Charter in March 2001.

The Internal Regulations and Directors' Charter are presented to each new Board member when they take up their duties.

The Internal Regulations detail the areas of competence of the Board, its methods of operation (with in particular an obligation to meet at least six times a year) and principles of professional ethics.

The Directors' Charter details the rights and obligations of Board members. It presents the provisions of the bylaws whereby each Director must hold at least one hundred shares in the Company. It sets the rules forbidding directors to trade in the Company's shares during sensitive periods preceding the publication of results.

The Regulations also set the method of calculating directors' fees. Directors' fees comprise a small annual fixed portion (EUR1,525) and a variable portion strictly proportional to the number of meetings attended by each director, set at EUR1,220 per meeting. The Regulations set the compensation payable to members of specialized sub-committees at EUR915 per meeting.

6 – Compensation paid to members of Company bodies

At the recommendation of the Compensation Committee, the Board of Directors set the fixed compensation payable to the Chairman of the Board of Directors in respect of 2002 at EUR263,000, plus a bonus of EUR30,000. This bonus was effectively paid, as disclosed in the Notes to the financial statements.

Two individuals successively occupied the position of Chief Executive Officer in 2002:

■ Paul Loriot, Chief Executive Officer up to October 31, 2002, received compensation of EUR373,334;

■ François Ladam, Deputy Chief Executive Officer up to October 31 and appointed Chief Executive Officer from November 1 by the Board of Directors' meeting of October 23, 2002, received total compensation of EUR331,273 in respect of these successive positions, including direct compensation of EUR290,000 and benefits in kind for the balance.

In accordance with the compensation scales detailed above, the 24 individuals who successively and/or simultaneously sat on the Board of Directors during the year received total directors' fees in respect of 2002 of EUR210,145, including EUR174,460 received for attendance at Board of Directors' meetings (fixed portion of EUR36,600 and variable portion of EUR137,860 based on attendance at meetings) and

EUR35,685 received for attendance at Board specialized sub-committee meetings.

The maximum directors' fees received by a single director was EUR16,775 (see table on page 63).

7 – Stock subscription options granted to executive officers

Using the authorizations granted by shareholders in General Meeting and in accordance with applicable regulations, the Board of Directors' meeting of November 20, 2002 decided, after examination by the Compensation Committee, to allot:

- 5,500 options to the Chairman, executive officer as of November 20, 2002;

A further 5,500 options were allotted to the Chairman, in respect of his duties within Banque Fédérale des Banques Populaires;

- 11,000 options to the Chief Executive Officer, in office up to October 30, 2002;
- 5,500 options to the Chief Executive Officer, executive officer as of November 20, 2002;
- 38,500 options to the members of the Executive Management Committee, excluding executive officers benefiting from the specific provisions detailed in the preceding paragraphs.

The strike price of these options, set in accordance with the decisions of the General Meeting of May 31, 2001, is EUR72.47.

No options were exercised by executive officers during the fiscal year.

8 – Information on the different duties exercised by members of Company bodies

In accordance with regulations, a list of the duties exercised by Natexis Banques Populaires executive officers is detailed in the table on page 60.

Pursuant to regulations, this list details all duties exercised during the year. It does not enable the determination of a director's position with respect to the rules governing plurality of executive officer positions, as this requires any financial investment links between companies in which a director holds positions to be taken into account.

No Natexis Banques Populaires director, with the exception of the director representing employee shareholders, has an employment contract with the Company or one of its subsidiaries.

9 – Statutory Audit

The financial statements of the Company are audited by three Audit firms.

- Deloitte-Touche Tohmatsu, whose current term of office was approved by the General Meeting of June 16, 1998;
- RSM Salustro Reydel, whose current term of office was approved by the General Meeting of June 16, 1998;
- Barbier Frinault et Associés, whose current term of office was approved by the General Meeting of June 16, 1998.

Audit fees received by these firms in respect of their audit work are presented in Note 29.1 to the consolidated financial statements.

10 – General Meetings and Shareholder information

Natexis Banques Populaires held two General Meetings in 2002:

- the first meeting was held in May; this Annual General Meeting was held to approve the Company and consolidated financial statements, appoint new members to the Board of Directors as discussed above and authorize the Company to trade in its own stock;
- the second meeting, of an extraordinary nature, was held in December to approve an external growth operation involving the transfer by a US company of shares in its New York brokerage subsidiary, in return for approximately 1.4 million shares in the Company issued for this purpose, providing it with 3% of the capital stock of Natexis Banques Populaires; a restructuring operation involving the absorption of a real-estate subsidiary was also presented for approval.

The documentation presented to shareholders at the time of these meetings was drafted carefully to provide all shareholders, in a single document, with detailed information on the operations submitted for their approval.

Appendix: members of the Board of Directors (excluding non-director members of Senior Executive Management)

Last name and First name, or Corporate name	Date of first appointment	Date of expiry of term of office (AGM held to adopt the financial statements for fiscal year)	Main function within the company	Main function outside the company
Philippe Dupont	BOD meeting of 11/25/97	2007	Chairman of the Board of Directors, Director	Chairman and CEO of Banque Fédérale des Banques Populaires
Banque Fédérale des Banques Populaires – represented by Christian Hébrard	BOD meeting of 11/25/97	2007	Director	Honorary Chairman of CASDEN Banque Populaire
Jean-Paul Bechat	CGM of 11/18/98	2003	Director	Chairman and CEO of Snecma
René Clavaud	AGM of 05/23/02	2005	Director	Chairman of Banque Populaire du Centre
Jean-François Comas	AGM of 05/23/02	2003	Director	CEO of Banque Populaire Côte d'Azur
Claude Cordel	AGM of 05/23/02	2007	Director	Chairman of Banque Populaire du Midi
Daniel Duquesne	AGM of 05/23/02	2003	Director	CEO of Banque Populaire Loire & Lyonnais
Steve Gentili	AGM of 05/23/02	2005	Director	Chairman of BRED Banque Populaire
Alain Jacquier	BOD meeting of 11/25/97	2007	Director	Chairman of Banque Populaire Bourgogne Franche-Comté
Jean de La Chauvinière	CGM of 05/03/96	2007	Director	
Richard Nalpas	AGM of 05/23/02	2003	Director	CEO of Banque Populaire Toulouse-Pyrénées
Francis Thibaud	AGM of 05/23/02	2002	Director	CEO of Banque Populaire du Sud-Ouest
Jean-Louis Tourret	AGM of 05/23/02	2003	Director	Chairman of Banque Populaire Provençale & Corse
Robert Zolade	BOD meeting of 09/22/99	2006	Director	Chairman of H.B.M. (Holding Bercy Management)
Michel Goudard	AGM of 05/23/02	2004	Censor	Chief Operating Officer of Banque Fédérale des Banques Populaires
Jean-Pierre Chavaillard	AGM of 05/23/02	2007	Director representing employee shareholders	

Appendix: other management, decision-making and supervisory offices exercised by Natexis Banques Populaires executive officers during 2002

Philippe Dupont

Chairman and CEO of:
Banque Fédérale des Banques Populaires

Chairman of the Supervisory Board of:
Assurances Banque Populaire

Representative of Banque Fédérale des Banques Populaires, Partner manager of:
Bankeo, Cliveo

François Ladam

Chairman of the Supervisory Board of:
BPL - Banque pour les Paiements onLine

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 Altair, Assurances Banque Populaire, Fructiger

Censor of:
Banque Fédérale des Banques Populaires

Jean-Paul Bechat

Chairman and CEO of:
La Snecma

Director of:
Alstom, Sogepa, Messier-Dowty International Ltd, France Télécom

René Clavaud

Chairman of the Board of Directors of:
Banque Populaire du Centre

Chairman of the Supervisory Board of:
Smurfit Limousin, Bail Banque Populaire

Vice-Chairman of the Board of Directors of:
Banque Fédérale des Banques Populaires

Director of:
Coface

Advisor to the:
Banque de France

Jean-François Comas

CEO of:
Banque Populaire Côte d'Azur

Director of:
Banque Fédérale des Banques Populaires, Coficiné

Permanent Representative of Banque Populaire Côte d'Azur, Chairman of:
Foncière Victor Hugo, Société Méditérranéenne d'Investissement

Permanent Representative of Banque Populaire du Luxembourg, Director of:
Fructilux

Permanent Representative of Banque Populaire Côte d'Azur, Manager of:
SCI Domaine de l'Arenas

Director of:
Association Banque Populaire pour la création d'entreprise

Chairman of:
the French Bank Federation Local Committee

Technical advisor to the:
Nice Côte d'Azur Chamber of Commerce and Industry

Claude Cordel

Chairman of the Board of Directors of:
Banque Populaire du Midi

Chairman of:
Commission financière nationale de l'unicem, Cellule économique BTP du Languedoc Roussillon, SAS CPSL

Chairman of the Supervisory Board of:
Factorem

Director of:
Banque Fédérale des Banques Populaires, SAS Dupleix

Daniel Duquesne

CEO of:
Banque Populaire Loire et Lyonnais

Director of:
Banque Fédérale des Banques Populaires, Sepel

Member of the Supervisory Board of:
Volksbank CZ, as

Steve Gentili

Chairman of the Board of Directors of:
BRED Banque Populaire, BRED Gestion, Spig

Chairman of the Supervisory Board of:
Banque Populaire Asset Management

Chairman of:
Banque Fédérale des Banques Populaires, Coface, Cofibred, LFI, BRED Cofilease, BRED Gestion

Member of the Supervisory Board of:
Banque Internationale de Commerce - (Bic BRED)

Permanent Representative of:
BRED Gestion on the Board of Directors of LFI 2

Michel Goudard

Chief Operating Officer of:
Banque Fédérale des Banques Populaires

Chairman of:
SAS Guidéo

Vice-Chairman of the Supervisory Board of:
+X Altaïr

Member of the Supervisory Board of:
Natexis Private Equity, Natexis Bleichroeder SA, SBE

Representative of Banque Fédérale des Banques Populaires on the Supervisory Board of:
Assurances Banque Populaire, Banque pour les Paiements onLine, LineBourse, Novacrédit

Chairman of the Board of Directors of:
Informatique Banques Populaires

Censor of:
Europay France

Member of the Executive Committee of:
Confédération Internationale des Banques Populaires

Chairman of:
Association des Banques Populaires pour la création d'entreprise

Christian Hébrard

Chairman of the Board of Directors of:
Banque Monétaire et Financière (BMF)

Vice-Chairman of the Board of:
Banque Fédérale des Banques Populaires

Vice-Chairman of:
Parnasse MAÏF

Director of:
Assurances Banque Populaire, Parnasse Services S.A., CASDEN Banque Populaire, Umer

Permanent Representative of CASDEN Banque Populaire, Director of:
Bicec, Parnasse Finance S.A., Filia MAÏF S.A.

Censor of:
Fructiger S.A.

Alain Jacquier

Chairman of the Board of Directors of:
Banque Populaire Bourgogne Franche-Comté, SFIH (Société Financière d'Investissements Hôteliers)

Chairman and CEO of:
SA Central Hôtel, SIHT (Société d'Investissements Hôteliers et Touristiques)

Chairman of the Supervisory Board of:
Banque Privée Saint Dominique

General Manager of:
50 SNC subsidiaries of SFIH (Villages Hôtel)

Director of:
Banque Fédérale des Banques Populaires

Chairman of:
the Regional Committee for Tourism in Burgundy

Advisor to the:
Banque de France in Dijon

Member of the Management Board and Chairman of:
the Commission for the Promotion and Development of the National Hotel Industry Federation

Member of the Board of Directors of:
Maison de la France

Jean de La Chauvinière

Director of:
Natexis Actions Europe (Sicav), France Entreprises, Sogeparc France, UEB Monaco, CIC Obli moyen terme

Vice-Chairman of:
La Demeure Historique

Richard Nalpas

CEO of:
Banque Populaire Toulouse-Pyrénées

Vice-Chairman of the Board of Directors of:
Banque Fédérale des Banques Populaires

Vice-Chairman of the Supervisory Board of:
Natexis Bleichroeder SA

Permanent Representative of the Banque Populaire Group, Director of:
IRDI SA

Permanent Representative of:
Banque Populaire Toulouse-Pyrénées

Director of:
Maison du Commerçant SA, Multi-Croissance SA, Socama 31 - Société Coopérative de caution mutuelle à capital variable, IBP SA

Permanent Representative of Banque Populaire Toulouse-Pyrénées, Member of the Supervisory Board of:
Fructiger, Assurances Banque Populaire

■ Francis Thibaud

CEO of:
Banque Populaire du Sud-Ouest

Director of:
Banque Fédérale des Banques Populaires, Soprolib Sud-Ouest, Socami Bordeaux Région, Socama Sud-Ouest

Vice-Chairman of the Supervisory Board of:
BPL - Banque pour les Paiements onLine

■ Jean-Louis Tourret

Chairman of the Board of Directors of:
Banque Populaire Provençale et Corse, Proclair SAS, Tourret SAS

Chairman of the Supervisory Board of:
Natexis Interépargne, Natexis Epargne Entreprise

Director of:
Banque Fédérale des Banques Populaires, Ciments Lafarge

General Manager of:
Tourret Electronique, Tourret Entreprise, Proclair Provence

■ Robert Zolade

Chairman of:
Servinvest 2

Chairman and Director of:
Eliance, Eliance Iberica, HBM, Grupo Osesa

Director of:
Elior Nederland BV, Elior UK Ltd, Eurocater PLC

Director of:
Areas SA, Serunion, Areas Ibericoamericana, Avenance, Ristochef, IDIA Participations

Member of the Supervisory Board of:
Pragma Capital

General Manager of:
Académie Elitair, Eurl Servinvest

Co-Manager (and Partner) of:
Bercy Participations

Joint Legal Representative of the co-manager, and partner Bercy Participations for:
Société Elior

Legal Representative of the co-manager, and partner HBM for:
Société Elior

Permanent Representative of HBM, Chairman of the Board of Directors of:
MRC

Legal representative of the partner manager Eliance SAS in:
Eliance Orly Ouest, Eliance Roissy

Appendix: directors' fees paid in respect of 2002

Beneficiary	Total net amount (in EUR)
Private individual directors	
Philippe Dupont	11,285
Jean-Paul Bechat	13,725
Alain Jacquier	14,030
Jean de La Chauvinière	16,775
Robert Zolade	7,625
Jean-François Moulin	7,015
René Clavaud	7,625
Jean-François Comas	10,370
Claude Cordel	10,370
Daniel Duquesne	10,370
Steve Gentili	8,235
Richard Nalpas	10,370
Francis Thibaud	9,455
Jean-Louis Tourret	9,455
Jean-Pierre Chavaillard	7,625
Corporate directors and censor	
Banque Fédérale des Banques Populaires, represented by Paul Loriot followed by Christian Hébrard	10,065
Banque Populaire de Franche-Comté, du Mâconnais et de l'Ain, represented by Bernard Jeannin	5,185
Banque Populaire de Lorraine, represented by Jean-Claude Halb	4,575
Banque Populaire de l'Ouest, represented by Alphonse Eon	5,185
Banque Populaire Toulouse-Pyrénées, represented by Richard Nalpas	5,185
BICS-Banque Populaire, represented by Jean-Michel Laty	6,100
B.P. ROP Banque Populaire, represented by Michel Farrugia	7,930
BRED Banque Populaire, represented by François-Xavier de Fournas	3,965
Michel Goudard, censor	7,625
Total	**210,145**

MANAGEMENT REPORT

1 – Group structure

The principal changes in Group structure since fiscal year 2001 relate to:

- the buy-out by Natexis Banques Populaires of minority interests held by the Banque Populaire regional banks in Banque Populaire Asset Management and Interépargne, leading to the full consolidation of these companies in 2002, compared to their proportional and full consolidation in the amount of 69.9% and 50.1% respectively in 2001;
- the entry into the scope of consolidation of new subsidiaries: Coface, fully consolidated from July 1, 2002; Axeltis Ltd; Worledge and Edval, defeasance structures previously not consolidated; Arnhold & S. Bleichroeder, acquired on December 6 and fully consolidated at balance sheet level only.

To facilitate comparison, the review of Natexis Banques Populaires activities and results is presented exclusive of Coface in sections 2 and 3. The Natexis Banques Populaires income statement, financial structure and ratios, inclusive of Coface, are presented in sections 5 and 6.

2 – Overview of activities and results (excluding Coface)

in EUR millions	2002	2001	Change
Net Banking Income	1,611	1,840	- 12%
General operating expenses, depreciation and amortization	(1,259)	(1,227)	+ 3%
Gross operating income	352	613	- 43%
Provisions for loan losses and country risks	(193)	(184)	+ 5%
Net gains on disposals of fixed assets	53	3	nm
Income from companies accounted for by the equity method	3	13	- 77%
Income before exceptional items and tax	215	445	- 52%
Exceptional items	(16)	3	nm
Corporate income tax	(18)	(79)	- 77%
Goodwill amortization	(35)	(20)	+ 75%
Net reversal from Fund for General Banking Risks (FGBR)	21	0	nm
Minority interests	(54)	(58)	- 6%
Net income	**113**	**291**	**- 61%**

Fiscal 2002 was marked by geopolitical uncertainties, a substantial economic slowdown in Europe, a more muted recovery than expected in the USA, and depressed and volatile financial markets. In this particularly difficult context for its core businesses, Natexis Banques Populaires enjoyed varied fortunes, with financing and service businesses putting up good resistance and investment banking businesses suffering a downturn.

- The core businesses reported Net Banking Income of EUR1,644 million, down 9% on last year. After deduction, notably, of provisions recorded against the own funds equity investment portfolio, Net Banking Income is EUR1,611 million, down 12% on 2001;
- operating expenses totaled EUR1,259 million, representing an increase of only 2.6% compared to 17% in 2001, in a context of ongoing Natexis Banque and Caisse Centrale des Banques Populaires merger operations;

- as such, Gross operating income is EUR352 million, down 43% on 2001;
- Provisions for loan losses and country risks increased moderately by 5% to EUR193 million, representing 0.34% of Natexis Banques Populaires weighted outstandings;
- Income before exceptional items and tax but after net gains on disposals of fixed assets and income from companies accounted for by the equity method is EUR215 million, compared to EUR445 million in 2001;
- Net income is EUR113 million compared to EUR291 million last year. The figure takes into account an increase in exceptional expenses and goodwill amortization, a decrease in the corporate income tax charge, and a reversal of EUR21 million from the FGBR performed in the first half of the year.

3 – Income statement review

Revenues (Net Banking Income) by core business

The marked drop in investment banking NBI more than offset the growth recorded by the financing and services businesses.

Revenues (Net Banking Income) by core business

in EUR millions	2002	2001	Change
Financing	881	874	+ 1%
Investment Banking	194	377	- 48%
Services	569	555	+ 2%
Total	**1,644**	**1,806**	**- 9%**

Financing

With NBI of EUR881 million, up 1% year-on-year, the financing businesses consolidated the remarkable 20% growth recorded in 2001 and accounted for 54% of total Natexis Banques Populaires core business revenues.

in EUR millions	2002	2001	Change
Corporate and International Banking	701	689	+ 2%
Specialized Financing	180	185	- 3%
Total	**881**	**874**	**+ 1%**

Corporate and International Banking

in EUR billions	2002	2001	Change
Companies	42	40	+ 4%
Asset financing	13	13	-
External commerce and trading	8	8	-
Corporate and International Banking average outstandings	**63**	**61**	**+ 3%**

Average outstandings increased 3%, and 5% excluding US dollar exchange rate fluctuations, to reach EUR63 billion.

Natexis Banques Populaires continued its commercial policy during the year of privileging the risk/return ratio, with an increase in the margin rate on last year, while retaining substantial diversification of outstandings both at industry and geographical level, as shown in the risk management tables (see below).

New production in 2002 totaled EUR11.4 billion, up 36% year-on-year, due partly to the contribution of the branches. It breaks down as follows:

- EUR7 billion, corporate financing;
- EUR3.3 billion, asset financing and acquisitions;
- with the balance attributable to International commerce and trading.

Financing business Cooke outstandings, contrary to average outstandings, fell 4% to EUR37.2 billion at the end of the period. This fall, which was partly due to US dollar exchange rate fluctuations, forms part of a risk management policy aimed at optimizing the risk/return ratio of weighted outstandings.

in EUR millions	2002	2001*	Change
Companies	368	347	+ 6%
Structured finance	169	184	- 8%
International commerce and trading	164	158	+ 4%
Corporate and International Banking NBI	**701**	**689**	**+ 2%**

* The 2001 breakdown was adjusted for comparison purposes with 2002.

With 2% growth in NBI, Corporate and International Banking activities consolidated in 2002 the growth surge recorded in 2001 (21%). This overall performance hides varied trends in the different activity sectors:

- Corporate activities (France, Europe and multinational) report NBI growth of 6% on 2001 to EUR368 million. This growth is due to both financing operations (marked increase in margins and commission on new operations) and the rapid development of services, notably concerning the management of payment media. Conversely, income from cash balances and interest-free deposits is down on last year due to the fall in interest rates.
- Structured finance activities marked time in 2002 (8% fall in NBI to EUR169 million), after an exceptional 2001 (33% growth in NBI). The main contributing business lines were LBO and acquisition financing (NBI of EUR35 million, net of provisions of EUR30 million against a Private Equity Fund portfolio in the USA); corporate real estate (EUR38 million), aircraft, ship and rolling stock financing (EUR27 million) and financial arrangements (EUR18 million).
- International commerce and trading activities generated NBI of EUR164 million in 2002 compared to EUR158 million last year, primarily fed by the development of commodity financing activities (EUR67 million), which generated rapidly growing arrangement fees, and by a turnaround in trade finance activities (EUR59 million).

Specialized Financing

The Specialized Financing sector, which encompasses the activities of the lease financing (Bail Banque Populaire), and factoring (Factorem) subsidiaries, reported NBI of EUR180.1 million, down 3% on last year.

in EUR millions	2002	2001	Change
Lease financing	89	86	+ 3%
Factoring	91	99	- 8%
Specialized Financing NBI	**180**	**185**	**- 3%**

In the lease financing sector, Bail Banque Populaire is one of the top five players in the French market. In an unfavorable economic climate, new production totaled EUR1.5 billion in 2002, up 14% year-on-year, attributable in the amount of EUR940 million to equipment lease financing (up 1% on 2001), EUR530 million to real estate lease financing (up 46%) and EUR40 million to Sofergie.

While the Banque Populaire regional banks network remains the primary customer, providing 59% of new production, the contribution of Natexis Banques Populaires increased significantly during the year (21% of new production compared to 10% in 2001).

Average lease financing outstandings total EUR5.2 billion, up 1% on last year.

The 3% growth in NBI in 2002 to EUR88.7 million, was primarily the net result of :

- 10% growth in "current" NBI (EUR82.1 million), primarily in the real estate lease financing sector;
- an increase in capital gains on disposals (EUR9.7 million, compared to EUR2.4 million in 2001);
- an increase in losses, the cost of which is deducted directly from NBI (EUR4.6 million in 2002).

In the factoring sector, 2002 broke with recent trends. After a long period during which the market grew at annual rates of between 12% and 24%, 2002 recorded a brutal stop (growth of only 1.1%). In this context, Factorem maintained its share of the market (12.5% compared to 12.7% in 2001), remaining the number three operator in France.

Factoring inflows are similar to last year (EUR8.84 billion compared to EUR8.88 billion), but potential inflows from new contracts fell to EUR3.1 billion from EUR3.7 billion in 2001. In addition, the factoring commission rate continues to fall on new contracts, due to significant pressure from competitors and the increasing importance of products sold to major companies.

Factoring activity Net Banking Income fell 8% in 2002 to EUR91.4 million:

- factoring commission fell 6% to EUR54 million, despite steady factored revenues year-on-year. The French market has witnessed a gradual erosion in commission rates charged for a number of years now;
- financing commission fell 10% to EUR42.6 million, due to both a fall in outstandings (down 5%) and income from demand deposits.

Investment Banking

The Investment Banking sector, encompassing Capital Markets and Private Equity activities, was heavily hit by the weakness and volatility of the equity markets in 2002 and, more generally, the fall in company values. Overall, Net Banking Income totaled EUR194 million, down 48% on 2001.

in EUR millions	2002	2001	Change
Capital Markets	139	267	- 48%
Private Equity	55	109	- 50%
Total	**194**	**376**	**- 48%**

Capital Markets

Capital Markets activities reported NBI of EUR139 million, compared to EUR267 million last year.

This fall was primarily due to the capital markets sector.

in EUR millions	2002	2001	Change
Capital markets	74	186	- 60%
Brokerage and market origination	41	55	- 24%
Subsidiary activities	24	26	- 9%
Capital Markets NBI	**139**	**267**	**- 48%**

■ Capital markets NBI is EUR74 million, compared to EUR186 million last year. This drop reflects the severe crisis in the financial markets in 2002 and integrates the heavy loss recorded on equity structured products (Net banking loss of EUR118 million), due to certain valuation models being poorly adapted to the exceptional volatility of the equity markets. Consequently, Natexis Banques Populaires developed new tools and reviewed its procedures, with the help of external advisors, to adapt them to the new market conditions.

The other capital market activities held up well in 2002, whether treasury activities (NBI of EUR56 million compared to EUR61 million in 2001), foreign exchange activities (EUR33 million compared to EUR24 million), debt securities held for investment and securities held for sale portfolios (EUR36 million compared to EUR37 million), securitization activities (EUR33 million compared to EUR29 million), or even derivative or structured interest rate activities (EUR19 million compared to EUR24 million).

■ Natexis Capital brokerage and market origination activities also suffered as a result of the equity market crisis in 2002, although to a lesser extent, whether in terms of stock market indices (34% drop in the CAC 40 over the year) or trading volumes (fall of approximately one-third from July). This activity generated NBI of EUR41 million compared to EUR55 million in 2001, with notably a substantial downturn in convertible bond activities, penalized by the marked increase in certain credit spreads and the high volatility of underlying shares.

■ Subsidiary activities reported a slight drop in NBI (EUR24.2 million compared to EUR26.6 million). This overall performance masks contrary trends: significant drop in ABM Corp. NBI (EUR16 million compared to EUR23 million), whose mortgaged debt portfolio arbitrage activities were penalized by loan renegotiations provoked by the historic fall in long-term interest rates in the United States, stable Dupont-Denant Contrepartie NBI at EUR9 million (financial and foreign index arbitrage), a lower loss than last year for Natexis Arbitrage (EUR8 million compared to EUR11 million), whose results continue nonetheless to suffer the consequences of the market slump and, finally, an improvement in the results of Natexis Metals, purchased at the end of 2000 and specializing in commodities trading and broking (NBI of EUR8 million compared to EUR6 million in 2001).

Private Equity

The Private Equity division reported NBI for the year ended December 31, 2002 of EUR55 million, down 50% on 2001.

Private equity activities remained high with investments of EUR235 million (up 11% on 2001 on a constant Group structure basis). Divestments generated revenues of EUR223 million, compared to EUR293 million in 2001. Capital under management increased 3% to EUR1.54 billion, including 48% held in third-party portfolios, and breaks down as follows:

Growth capital	EUR660 million	(43%)
Venture capital	EUR480 million	(31%)
Buy-out/buy-in financing	EUR237 million	(15%)
International	EUR167 million	(11%)

in EUR millions	2002	2001	Change
Own funds	41	90	- 54%
Fund management	8	15	- 43%
Mergers/Acquisitions	6	4	+ 42%
Private Equity NBI	**55**	**109**	**- 49%**

With NBI of EUR41 million, own fund activities represent 75% of total sector income. The 54% drop recorded in 2002 is primarily attributable to the increase in risk charges deducted from NBI, rather than net capital gains realized (only 7% below 2001 levels).

Similarly, NBI generated by asset management activities totaled EUR8.5 million (down 43%), due to the fall in management and distribution commission linked to fund performance.

Conversely, merger and acquisition activities enjoyed growth, reporting NBI of EUR5.6 million compared to EUR4 million last year.

Services

The total contribution of service businesses to Natexis Banques Populaires NBI increased 3% to EUR569 million.

in EUR millions	2002	2001	Change
Banking, Financial and Technology Services	258	261	- 1%
Asset Management and Insurance	311	294	+ 6%
Total	**569**	**555**	**+ 3%**

Banking, Financial and Technology Services

NBI of the Banking, Financial and Technology Services division fell slightly on last year from EUR260.7 million to EUR258 million.

in EUR millions	2002	2001	Change
Banking services	67	61	+ 11%
Financial services	172	184	- 7%
Services to private individuals	19	16	+ 19%
Banking, Financial and Technology Services NBI	**258**	**261**	**- 1%**

■ The Banking services sector reported NBI of EUR67 million, up 11% on 2001. The 16% growth in revenues from automated payment services more than offset the 8% fall in NBI generated by check processing and exchange system activities. Services to Banque Populaire regional banks reported growth of 9%, while NBI from activities with non Banque Populaire Group customers remained stable at EUR18 million, after recording a substantial increase in 2001.

Activity indicators clearly reflect payment media trends in 2002, both with respect to the customer base and the organization of the financial market: the card pool increased 6%, the number of card transactions 16% and ITS transactions 67%, mainly due to the launch of check truncation in June 2001. Conversely, the number of checks processed fell 75% for national checks and 52% for international checks.

■ The Financial services sector is closely linked to the stock market. As such, the fall recorded in 2002 is relatively limited: activity NBI is EUR172 million, down only 7% on 2001.

This downturn is almost exclusively attributable to Xeod Services order-flow activities, which reported a drop in NBI from EUR27 million to EUR15 million, due to a significant fall in the number of orders processed (31% drop in on-line broker orders, which represent close to 57% of Xeod Services' activities).

Conversely, financial production activities maintained NBI at last year's levels (EUR129 million compared to EUR130 million), thanks to the good performance of custody (assets under custody up 5%), accounting services (net assets up 16%) and depository (outstandings up 9%) activities.

Subsidiary activities improved their contribution slightly with NBI of EUR28 million (up 2%). LineBourse, an on-line broker with over 30,000 open accounts, reported NBI of EUR3 million, compared to EUR2 million last year. Samic, the IT services company which specializes in software for private asset management banks, reported a 15% fall in NBI on 2001 (EUR8.4 million).

Asset Management and Insurance

Asset Management and Insurance business outstandings under management and NBI increased 4% and 6% respectively in 2002. Excluding changes in Group structure relating to the buy-out of minority interests in BPAM, NBI fell 2%.

in EUR billions	2002	2001	Change
Fund management	40.4	37.1	+ 9%
Private asset management	2.0	2.6	- 22%
Employee savings plans	10.0	10.8	- 8%
Insurance	17.8	17.1	+ 4%
Estate planning	1.2	1.2	-
Real-estate asset management	1.1	1.1	-
Total assets under management at the year-end	**72.5**	**69.9**	**+ 4%**

in EUR millions	2002	2001	Change
Fund management	72	54	+ 33%
Private asset management	24	30	- 2%
Employee savings plans	58	55	+ 5%
Insurance	130	124	+ 4%
Estate planning	19	24	- 18%
Real-estate asset management	8	7	+ 21%
NBI from management activities	**311**	**294**	**+ 6%**

The contribution of the different business lines to this total was as follows:

■ Fund management

Mutual fund outstandings managed by Banque Populaire Asset Management (BPAM) increased significantly by 9% to reach EUR57 billion at the end of 2002. As a result, BPAM's market share increased from 5.4% to 6.4% in one year, consolidating its position in the short-term mutual fund market (market share of 9.9%) and losing some ground in the long-term mutual fund market (market share of 3%).

On a constant Group structure basis, Fund management NBI fell 6% on 2001 to EUR51 million. This fall was primarily due to the absence of commission for outperforming the market in 2002 and the reduction in equity outstandings caused by the stock market crisis.

■ Private asset management

Assets under management fell EUR0.6 billion (from EUR2.6 billion in 2001 to EUR2.0 billion in 2002), following a loss in equity portfolio values. Collection flows remained almost stable on last year and Private asset management activities reported a net increase of close to 900 in the number of accounts.

Banque Privée Saint Dominique reported a 21% fall in NBI on 2001 to EUR24 million, due to a reduction in both management and movement commissions.

■ Employee savings plans

Interépargne assets under management fell 8% to EUR10 billion. Interépargne nonetheless improved its market share slightly (20.7% compared to 20% in 2001) and increased the number of its corporate clients by 54% to 15,200, thanks notably to the success of the Fructi-Epargne product within the framework of the "Fabius Act".

In this context, Interépargne reported NBI of EUR58 million, up 5% on last year.

■ Insurance

Assurances Banque Populaire outstandings under management increased 4% to EUR17.8 billion, due to net collections on individual life insurance policies. Personal risk insurance activities also developed significantly.

Total NBI of the Assurances Banque Populaire sector amounted to EUR130 million, compared to EUR124 million last year (up 4%). Of this income, 55% comprises remuneration on life-insurance assets under management, which increased 5% despite the negative impact of the markets on unit of account policies.

■ Estate planning

While outstandings under management by Banque Populaire du Luxembourg, which specializes in estate planning, increased slightly to EUR1.2 billion (up 1%), NBI fell considerably (EUR19.4 million compared to

EUR23.6 million in 2001) due to reduced customer portfolio activity.

■ Real-estate asset management

Real-estate assets managed by Fructiger increased 3% (EUR1.1 billion) and NBI 21% (EUR8 million).

Non-divisional activities

Non-divisional activities reported NBI of negative EUR33 million in 2002 compared to NBI of EUR35 million in 2001, a fall of EUR68 million.

Information systems and logistics activities reported NBI of EUR18 million, primarily generated by Altaïr, which recorded a 41% increase in NBI from own customer activities.

Institutional activities, encompassing a range of activities performed on behalf of the French State under a mandate initially carried out by Crédit National and BFCE, generated NBI of EUR17 million, compared to EUR18 million last year.

The real-estate subsidiaries reported NBI of EUR11.5 million, compared to EUR7 million last year.

Finally, other items (NBI of negative EUR27 million) include corporate treasury and banking income and expenses not attributable to specific activities. The contribution of these headings decreased significantly in 2002, primarily due to capital losses and provisions recorded against the own fund investment portfolio (negative NBI of EUR52 million).

Operating expenses

Operating expenses

The increase in operating expenses was limited to 2.6% in 2002 and gives rise to the following comments:

■ it marks, in accordance with 2002 budget orientations, the end of a period of rapid growth in expenses (17% increase in 2001) linked to the merger operations and the implementation of both external and internal development projects, in a buoyant economic context. The impact of these investment categories in 2002 was less significant, without calling in to question the development actions currently in progress (electronic banking, equities, LineBanque, etc.);

■ it reflects excellent reactivity to the economic difficulties encountered in 2002. The slow-down in expenses was amplified during the year, both with respect to employee costs and control over operating expenses;

■ as such, the 2.6% or EUR32 million increase must be considered taking into account the carry-forward effect of EUR20 million in respect of personnel costs and Group structure changes (full consolidation of BPAM), which generated additional expenses of EUR15 million in the 2002 financial statements.

■ Employee numbers

The number of Natexis Banques Populaires employees remained stable overall in 2002: 7,838 full-time equivalent (fixed-term and permanent contracts) as of December 31, 2002 compared to 7,810 one year previously (+28 FTE). The carry-forward impact from 2001 nonetheless generated an automatic increase in average employee numbers (7,863 FTE compared to 7,458 in 2001).

The stabilization of employee numbers at the year-end was accompanied by the implementation of a policy to reduce recourse to external employees, with notably the completion of a certain number of IT convergence programs: external personnel numbers were reduced from 1,374 to 875 in one year.

The average number of Natexis Banques Populaires employees (internal and external) was therefore 8,713 in 2002, compared to 9,184 one year previously (reduction of 471).

This trend breaks down as follows by activity sector:

■ two divisions benefited from an increase in employee numbers: Corporate and International Banking activities (+55) and Information Systems and Logistics (+33), accompanied, in the case of the latter division, by a significant decrease in the number of external employees;

■ two divisions recorded a decrease in employee numbers: Capital Markets (-19) and Banking, Financial and Technology Services (-32).

Personnel costs

The moderate increase in personnel costs (3.2%) was due to:

■ the carry-forward effect of the increase in employee numbers and salary measures taken in 2001 (+EUR20 million), plus the impact of salary measures taken in 2002 and more negligibly, the increase in employee numbers in 2002;

■ partially offset by the decrease in variable compensation components, employee profit-sharing and incentives.

Other operating expenses

Other operating expenses increased only 2.1%, due to a decrease in expenses associated with the Natexis Banque and Caisse Centrale des Banques Populaires merger and the implementation of a cost control program encompassing all types of expenditure (external services, logistic costs, current operating costs, etc.) and involving all departments of Natexis Banques Populaires and its subsidiaries.

Net income

Risk hedging policy

The charge to Provisions for loan losses and country risks totaled EUR193 million, compared to EUR184 million in 2001 (+5%). It encompasses net charges of EUR218 million to provisions for specific credit risks and net reversals of EUR25 million from provisions for industry and country risks.

The Natexis Banques Populaires risk hedging policy focuses on three levels:

- provisions for specific credit risks cover 59.6% of non-performing loans used to calculate the solvency ratio. The net charge for the period of EUR218 million is up 16% on last year, with a wider spread of risk than in 2001;
- provisions for industry and country risks are recorded in respect of performing loans, in activity sectors or geographical areas requiring particular vigilance. Total provisions amounted to EUR358 as of December 31, 2002, or 2.7% of Cooke outstandings;
- in addition, EUR21 million was reversed from the FGBR, which stands at EUR242 million as of December 31, 2002 and covers 0.6% of remaining Cooke outstandings. Added to provisions for industry and country risks, it represents a loan loss and country risk provision rate of 1.11% of total outstandings, compared to an average annual cost over the last three years of 0.29%.

Industry and country risks

Purely industry provisions represent 30% of total provisions, or EUR107 million. Net charges to these provisions in 2002 totaled EUR14 million, as a result of the inclusion of new sectors (for example the cable audiovisual sector) and, to a lesser extent, changes in outstandings and provision rates. Provisions for country risks total EUR171 million. A net amount of EUR18 million was reversed from these provisions, with the reduction in outstandings more than offsetting the increase in provision rates in certain countries. Finally, EUR9 million was reversed from other industry and country risk provisions, on a constant exchange rate basis, following a reduction in outstandings.

Divisional analysis of the net charge to provisions for specific credit risk

in EUR millions	2002	2001
Corporate and International Banking	(180)	(155)
Specialized Financing	(15)	(14)
Capital Markets	(10)	(5)
Private Equity	5	-
Banking, Financial and Technology Services	(28)	(12)
Asset Management and Insurance	(1)	(3)
Real-estate investments	3	-
Other provisions	8	1
Net charge to provisions for specific credit risk	**(218)**	**(188)**

The net charge to provisions for specific credit risk increased 16% from EUR188 million in 2001 to EUR218 million in 2002.

While 2001 was characterized by the concentration of loan loss provisions on certain dossiers concerning all major French and international banks, 2002 recorded a wider spread of provisions, clearly reflecting the downturn in the economic climate: net charges to provisions in excess of EUR1 million were recorded in respect of approximately 50 dossiers compared to only 30 in 2001.

Corporate and International Banking activities recorded a 17% increase in charges to loan loss provisions to EUR180 million, representing 0.48% of Cooke outstandings. This increase is attributable to international commerce and trading and structured financing activities. Conversely, corporate activities recorded a lower charge to provisions than in 2001.

Banking, Financial and Technology Services account for EUR28 million of net charges to provisions, compared to EUR12 million in 2001, attributable almost exclusively to Xeod Services. Other services pass from a net charge of EUR3 million in 2001 to a net charge of EUR1 million in 2002.

The other divisions did not record any major changes: stable net charge to Specialized Financing provisions

(EUR15 million); increase in the net charge to Capital Markets provisions (EUR10 million) due to charges to equity portfolios exposed to corporate risk in the USA; reversal of EUR5 million from Private Equity provisions.

As already indicated, provisions for loan losses in respect of certain of these activities are also deducted from NBI.

Geographical analysis of the net charge to provisions for specific credit risk

in EUR millions	2002	2001
Africa	(2)	2
Central and Latin America	(41)	(10)
North America	(67)	(64)
Asia	4	6
Eastern Europe	1	1
Western Europe	(111)	(129)
Other	(2)	6
Net charge to provisions for specific credit risk	**(218)**	**(188)**

Charges to provisions for specific credit risk recorded in 2002 concern three main geographical areas:

- Western Europe (EUR111 million, 51% of total), affected by the general economic slowdown;
- USA (EUR67 million, 31% of total), where provisions of EUR42 million were recorded in respect of high-yield security portfolios due to the increase in corporate risk in this country;
- Central and Latin America (EUR41 million, 18% of total), where the majority of charges concerned Argentina (EUR29 million) and Cuba (EUR6 million).

in USD millions	Net loan outstandings	Specific credit risk provisions	Industry and country risk provisions	Total provisions	% coverage
Asia (5 countries)	210	50	9	60	29%
China and Hong Kong	193	16	1	17	9%
Other Asian countries	370	16	11	26	7%
Total Asia	**773**	**82**	**21**	**103**	**13%**
Argentina	91	33	20	54	59%
Other Central American countries	655	34	81	114	17%
Total Central America	**746**	**67**	**101**	**168**	**23%**

Other items

- Net gains on disposals of fixed assets total EUR53 million, compared to EUR3 million in 2001. They primarily comprise:

– capital gains on disposals of investments in affiliates of EUR45 million;

– capital gains on disposals of real-estate assets of EUR19 million, including additional consideration of EUR11 million received in respect of the sale of the former BFCE Haussmann building;

- income from companies accounted for by the equity method fell from EUR13 million to EUR3 million, primarily due to:

– nil contribution from private-equity companies in 2002, compared to a contribution of EUR4 million in 2001;

– a Coface contribution, on a constant Group structure basis, of EUR2 million, compared to EUR8 million last year;

- the combination of these factors produced Income before exceptional items and tax of EUR215 million, down 52% on the 2001 figure of EUR445 million;
- the net exceptional expense for the period is EUR16 million, compared to net exceptional income of EUR3 million in 2001. This expense almost entirely comprises a definitive additional charge to provisions in respect of the former Natexis Banque Employment Adaptation Plan;
- the corporate income tax charge fell significantly during the period from EUR79 million in 2001 to EUR18 million. This decrease was primarily due to:

– a substantial decrease year-on-year in consolidated net income before tax, goodwill amortization and income from companies accounted for by the equity method, which represents the theoretical base taxable at the standard rate: the EUR217 million decrease in this base accounts for EUR77 million of the fall in the tax charge, assuming a theoretic tax rate in France of 35.43%;

– an increase in the loss reported by Natexis Investment Corp. in the United States to EUR69 million. This loss, included in the reduced tax base referred to above, accounts conversely for a EUR20 million increase in the tax charge on 2001, during which such losses only concerned a few French companies not consolidated for tax purposes. In effect, in application of the rule of prudence, these losses are not recognized as deferred tax assets, and losses limited in the interests of prudence total EUR25 million in 2002 compared to only EUR5 million in 2001;

- goodwill amortization increased significantly (EUR34 million compared to EUR20 million in 2001), following the buy-out by Natexis Banques Populaires of minority interests in BPAM and Interépargne.

Analysis of Income before exceptional items and tax by core business

The breakdown of Income before exceptional items and tax by core business reflects the difficulties encountered in 2002 by Investment Banking businesses.

in EUR millions	2002	2001	Change
Financing	282	284	- 1%
Investment Banking	(80)	97	-
Services	71	101	- 30%
Total contribution to Income before exceptional items and tax	**273**	**482**	**- 43%**

These contributions exceed total Income before exceptional items and tax, which includes non-divisional items (drop in NBI generated by the investment of own funds).

Financing

Corporate and International Banking activities generated Income before exceptional items and tax of EUR213 million, up 4% on last year. This increase was primarily due to an improvement in Gross operating income (EUR393 million, up 4%), attributable in turn to tight control over costs (down 1%), and a slight increase in NBI (up 2%). The strengthening of operating headings enabled the absorption of a slight increase in loan loss provisions. The 2002 cost/income ratio of the division is 44%.

Income before exceptional items and tax of Specialized Financing activities fell 13% on last year to EUR 69 million. This fall was due to three factors: a slight decrease in NBI (down 3%), additional expenses relating to the modernization of IT tools (up 5%) and an increase in charges to loan loss provisions (up 12%). The management ratios of these activities remain, nonetheless, favorable (cost/income ratio of 34% for lease financing and 58% for factoring).

Investment Banking

Capital Markets activities generated a net loss of EUR70 million, compared to Net income of EUR68 million last year. This decrease was due to the substantial fall in NBI (48%), a breakdown of which is presented in this report. At the same time, expenses were reduced 6%.

Private Equity activities generated a net loss before exceptional items and tax of EUR10 million, again attributable to the substantial fall in NBI (49%), which includes charges to loan loss provisions in respect of these activities. Operating expenses fell 1%.

Services

Banking, Financial and Technology Services, which more or less broke even last year, reported a loss before exceptional items and tax of EUR13 million. The improvement in the Gross operating income of these activities, due to reduction in expenses (down 2%) was more than offset by the increase in charges to loan loss provisions (EUR28 million compared to EUR10 million in 2001).

Asset Management and Insurance activities reported income of EUR84 million (EUR96 million in 2001), despite the unfavorable economic climate for these businesses. Expenses in 2002 include the regrouping of various entities of this division at the "Rives de Seine" site.

4 – Risk Management

While overall the Natexis Banques Populaires risk control system remained unchanged in 2002, close attention was paid to three areas. Firstly, the capital market risk control structures were strengthened significantly during the second half; the organization of these structures will be finalized in the first half of 2003. Secondly, the difficult economic climate led to increased vigilance of counterparty risks, in order to maintain the quality of our assets. Finally, work continued in 2002 aimed at the implementation in 2003 of the tools necessary for the calculation of the future solvency ratio.

General principles

The risk management system is structured around the Large Exposures committee. This committee brings together the Chairman, all operating directors, the Risk Management division and Internal Audit. Its role is to monitor the bank's key risks, measure any developments and take the necessary preventive corrective measures. The Large Exposures committee also assesses the quality of the security measures implemented by each division, such as risk monitoring tools. It focused in 2002 on the treatment of legal risks, money laundering, the disaster recovery plan and the risk control systems of the New York branch and six subsidiaries.

At a more operational level and with greater frequency, Risk Management committees were set up by the principal divisions. They bring together operating managers, the Risk Management division and Internal Audit. These committees include:

- the credit committee of the Corporate and International Banking division and its associated subsidiaries;
- the Risk Management committees of the Capital Markets division and its associated subsidiaries;
- the Risk Management committee of the Specialized Financing division;
- the Risk Management committee of the Banking, Financial and Technology Services division;
- the Investment committee of the Private Equity division;
- the Risk Management committee of the Asset Management and Insurance division.

Finally, the Operating Risks committee seeks to appraise, on a transversal basis, all Natexis Banques Populaires operating risks. It concentrated specifically in 2002 on crisis management, physical security, the business line disaster recovery plans and fraud attempts.

Risk Management division

The Risk Management division reports to the General Secretariat and, as such, is independent of the operating divisions.

Its activities include the setting of delegation rules for the operating divisions. Natexis Banques Populaires has retained its highly centralized delegation system. The Risk Management division issues an opinion on all Natexis Banques Populaires counterparty risks, when new risks are accepted or existing facilities renewed. For example, Risk Management analysts considered approximately 9,500 dossiers for Corporate and International Banking activities alone in 2002.

The Risk Management division controls the internal rating system. With a view to the future solvency ratio, it performed significant work in 2002 on rating tools able to assess counterparty failure probability. The underlying statistical models were developed in conjunction with Banque Fédérale des Banques Populaires. At the same time, the rating procedures were overhauled and a new, more detailed, rating grid was produced. These measures should be brought into operation in 2003.

The Risk Management division is also responsible for implementing counterparty monitoring and control tools. Fiscal 2002 was marked by a series of one-off or industry analyses in order to increase the reaction speed of the bank. Similarly, controls on compliance with limits were extended. The Risk Management division also monitored country risks using forecasting tools and monitored compliance with commitment ceilings per country, which can be revised to reflect changes in the economic environment. These ceilings apply to the Bank in its entirety.

Created in 2001, the capital markets risk department of the Risk Management division progressively increased its employee numbers and widened its scope of expertise during 2002. Capital market difficulties encountered during the year accelerated the strengthening of the department's resources. Work was concentrated in 2002 on the revision of a certain number of procedures and the implementation of an expanded and more rigorous limits framework. The department also took part in important work on valuation models during the second half of the year.

The Risk Management division also develops risk reporting instruments. During 2002, it worked on enriching these management reports. It also produced a number of studies covering sensitive sectors and counterparties for Senior Executive Management.

Finally, the Risk Management division coordinates work on operating risks via the Operating Risks Committee. Work carried out in 2002 is described above.

Credit risks

Corporate customer average loan outstandings in 2002 (on and off balance sheet):

- Corporate and International Banking: EUR63 billion
  - Companies: EUR42 billion
  - Asset financing: EUR13 billion
  - International commerce: EUR8 billion
- Specialized Financing: EUR7 billion
  - Lease financing: EUR5 billion
  - Factoring: EUR2 billion

Breakdown of Corporate and International Banking loan outstandings by economic sector

Food sector	6.0%
Building industry	4.8%
Consumer goods	3.5%
Distribution, commerce	5.7%
Energy	8.1%
Finance, insurance	6.6%
Holding companies and conglomerates	8.0%
Tourism, hotel trade, leisure	1.8%
Real-estate	5.5%
Communications	7.3%
Primary industries	4.7%
Mechanical and electrical construction	6.8%
International commodity trading	3.4%
Pharmaceuticals, healthcare	2.6%
Services	10.7%
Technology	8.1%
Utilities	2.4%
Public authorities	3.5%
Miscellaneous	0.5%
Total	**100.0%**

Commitments are spit evenly between the different activity sectors.

Breakdown of loan outstandings by major class of counterparty *as of December 31, 2002*

Risk category	% Category/loan outstandings	% of top 10
Central government authorities and central banks	5.7%	81.6%
Interbank	19.9%	40.7%
Other financial institutions	9.3%	35.8%
Local authorities	2.4%	30.5%
Companies	62.6%	10.1%
Professions	0.1%	78.1%
Private individuals	0.1%	55.2%
Total	**100.0%**	

The various risk categories are relatively stable on 2001.

Breakdown of corporate loan outstandings by geographical area

France	67.5%
Other European Economic Area countries	11.7%
Other European countries	3.3%
North America	10.6%
Latin America	2.2%
Africa/Middle East	1.6%
Japan	0.1%
Asia and Australasia	3.0%
Total	**100%**

The European Union accounts for 79.2% of total outstandings, compared to 77.9% as of December 31, 2001. North America (primarily the United States) accounts for 10.6% of outstandings, down slightly on last year. Japanese commitments remain marginal. Together, all emerging countries account for 6.8% of gross outstandings, down significantly on last year (7.3% at the end of 2001).

Breakdown of corporate loan outstandings by internal rating *as of December 31, 2001*

Internal rating	Percentage of loan outstandings
1	3.8%
2	10.5%
3	27.9%
4	38.3%
5	15.0%
6	2.0%
7	1.0%
8	0.8%
Not rated, Balance	0.7%
Total	**100%**

Ratings 1 to 4 are equivalent to the investment grade of rating agencies. The fiscal year was, nonetheless, marked by a general deterioration in counterparty risk, particularly with respect to the 2 rating. Close to 40% of loan outstandings are now rated 4.

The current internal rating system was implemented in 1997. Natexis Banques Populaires continues to adapt its internal rating system in line with the future international capital adequacy and solvency ratio system to be implemented in 2005. To this end, Natexis Banques Populaires, which created a dedicated taskforce to concentrate on this assignment, is working in close conjunction with Banque Fédérale des Banques Populaires and participating in the deliberations of the French Banking Federation.

Breakdown of the 2002 charge to provisions for loan losses and country risks by geographical area

in EUR millions Geographical area	Specific credit risks	Country risks	Industry risks	Total provisions for loan losses and country risks
France	(70)	-	(2)	(72)
Other Western European countries	(41)	-	(3)	(44)
Eastern European countries	1	(1)	(3)	(3)
North America	(67)	-	(3)	(70)
Central and Latin America	(41)	(3)	9	(35)
Africa and the Middle East	(4)	4	(2)	(3)
Japan	-	-	-	-
Asia and Australasia	4	17	-	21
Balance	-	1	12	13
Total provisions for loan losses and country risks	**(218)**	**18**	**7**	**(193)**

Breakdown of risks and provisions by geographical area ***as of December 31, 2002***

in EUR millions Geographical area	Specific credit risks	Country risks (net basis)	Total risks	Specific credit risk provisions	Country risk provisions	Industry risk provisions	Total provisions
France	1,027	-	1,027	667	-	59	726
Other Western European countries	186	231	417	97	-	19	116
Eastern European countries	40	322	362	24	3	7	34
North America	203	-	203	83	-	76	159
Central and Latin America	127	619	746	67	87	14	168
Africa and the Middle East	119	488	607	54	65	5	125
Japan	-	-	-	-	-	-	-
Asia and Australasia	145	632	777	84	15	7	105
Balance	22	-	22	21	-	-	21
Risk and coverage	**1,869**	**2,292**	**4,161**	**1,097**	**171**	**187**	**1,455**

Financial risks

The Natexis Banques Populaires capital markets risk control system is founded on three pillars:

- a control architecture organized around three control levels: the Middle Offices, Internal Control departments of each entity, and the capital market risk department of the Risk Management division, which is responsible for the independent supervision of risks;
- a capital market risk measurement methodology aimed at identifying the risks to which the bank is exposed, whether interest rate, foreign exchange, equity, commodity or option risks;
- a limits system consistent with the risk indicators defined in the internal risk measurement methodology. This limits system covers both Natexis Banques Populaires and its subsidiaries.

The difficulties encountered by the Structured Equities desk during the second half of 2002 led to the strengthening of control means and procedures, which continued during the opening months of 2003.

1 – Organization of the capital market risk control system

The capital market risk control function operates at several levels:

- level one control is performed by the Middle Offices of each entity. These are responsible for designing the capital market risk appraisal system and the capital market risk authorization and limits system, as well as for the daily monitoring of capital market risks and the control of market data;
- level two control is performed by the Internal Control departments of each entity. These perform occasional compliance tests (regulatory and accounting standards and internal procedures) and ongoing controls of general (regulatory, accounting) and specific risks generated by the activities of the entities;
- level three control is performed by the Risk Management division, which is responsible, on behalf of the entire Natexis Banques Populaires Group, for defining, in conjunction with the entities concerned, methods of quantifying capital market risks applicable to the group, ensuring the reliability of the models used, formulating crisis scenarios and assisting Senior Executive Management with the allocation of capital market limits by entity.

The risk control organizational structure is completed by capital market risk management committee meetings held monthly and bringing together the heads of the different control levels and Front Office managers. The committee is chaired by the head of Capital Markets activities. It validates any proposed changes to limits and reviews the various overruns identified.

The Board of Directors of the Bank validates the overall risk limit for all entities.

In addition, Natexis Banques Populaires Internal Audit and Banque Fédérale des Banques Populaires Internal Audit, intervene occasionally within the framework of targeted audit assignments.

2 – Risk measurement methodology

Natexis Banques Populaires Capital Markets risks are controlled using a system which measures the capital market risks to which the different Group entities are exposed. The current methodology consists of a number of standard indicators, although Natexis Banques Populaires is developing an internal model based on VaR.

2-1 – Standard indicators

The main standard indicators used are:

- sensitivity to a change in interest rates of +/- 1%;
- exchange position;
- exposure to the equity markets;
- sensitivity to a change of +/- 1% in equity, foreign exchange and interest rate market implicit volatility;
- change in the delta for a change in the underlying (equity, interest rate or foreign exchange rate);
- sensitivity to a change in dividend levels;
- sensitivity to a change in the government security/swap spread;
- monthly and annual loss alert;
- theta.

2-2 – VaR

In parallel to these standard indicators, Natexis Banques Populaires performs global VaR calculations. It calculates the historical VaR using the Riskmetrics Riskmanager tool. It seeks to quantify, based on prudent assumptions, the potential loss risk to which capital market activities are exposed. The measure is defined based on:

- historical data covering one year;
- a ten-day potential loss horizon;
- a confidence interval of 99%.

VaR in EUR millions	as of December 31, 2002
Interest rate risk	6.359
Foreign exchange risk	5.567
Equity risk	7.823
Commodities risk	0.095
Diversification	(8.383)
Total	**11.461**

In 2002, calculations of the impact of historic shocks (notably the crash of 1987, Gulf war, 1997 Asian crisis), performed each month, did not identify any movements in portfolio values significantly greater than the value at risk.

The US subsidiary, ABM Corp., which operates in the securitized mortgaged debt market, is monitored individually on a stress scenario basis which simulates a uniform movement in the interest rate curve of plus or minus 100 base points and takes account of specific market characteristics (early repayments, volatility, etc.). As of December 31, 2002, the most unfavorable scenario provokes a reduction in the portfolio value of USD7.3 million.

3 – Limits system

The Natexis Banques Populaires limits system covers the capital markets activities of Natexis Banques Populaires and its subsidiaries. Its coverage was intensified considerably during 2002. Natexis Banques Populaires sought throughout the period to implement limits in risk areas not previously covered. Efforts were concentrated in particular on interest rate, foreign exchange and stock option activities.

In this bid to strengthen the limits system, the Risk Management and Capital Markets divisions implemented a Loss Alert procedure in August 2002, enabling the rapid identification of abnormal losses and their analysis, as well as the necessary measures to contain the source of losses.

The maximum sensitivity of interest rate schedules to a 1% translation of the interest rate curve is EUR100 million. This limit also applies to a point-for-point deviation of the interest rate curve.

A specific limit has been set for security/swap arbitrage transactions. It enables the impact on results of a 0.1% gap between these two benchmark curves to be measured. This limit stood at EUR40 million at the beginning of 2002 and was reduced to EUR30 million in September.

The foreign exchange limit is EUR35 million.

Volatility risk limits for interest rate, foreign exchange and stock option transactions represent a total of EUR4.5 million, for a 1% change in volatility.

4 – Global interest rate, liquidity and foreign exchange

The ALM Committee, chaired by the Chief Executive Officer and comprising members from the Capital Markets, Financial Management and Risk Management divisions, defines the general thrust of asset and liability management, liquidity and own fund investment activities.

Since 2000, interest rate, exchange rate and liquidity risks are centralized within Natexis Banques Populaires. These risks are monitored and managed by the Capital Markets division.

Global interest rate

The maximum sensitivity of interest rate schedules to a 1% translation of the interest rate curve is EUR100 million. This limit also applies to a point-for-point deviation of the interest rate curve. Sub-limits for short-term and long-term treasury were set at EUR20 million and EUR30 million respectively.

in EUR millions	Limits as of December 31, 2002
Global	100
of which Short-term treasury	20
of which Long-term treasury	30

Liquidity

In terms of liquidity risks, the Capital Markets division refinances the needs of the different Natexis Banques Populaires activities, rebilling the liquidity cost.

This centralization enables the optimized management of liquidity transformation risk thanks to precise knowledge of the different gaps. A range of limits was approved by the ALM Committee. In conjunction with Financial Management, the Capital Markets division also monitors regulatory limits (short-term liquidity ratio and permanent resources ratio) and internal prudential ratios validated by the ALM Committee.

The authorized liquidity gap and transformation limits are monitored and reviewed by the Balance Sheet Management committee.

Transformation limits were expressed in value terms up until May 7, 2002, when the Balance Sheet Management committee approved the expression of transformation limits as a percentage of net assets. Minimum liquidity gap coverage levels are as follows:

Horizon	limit
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%

Foreign exchange

Foreign exchange risk is monitored by the capital markets Risk Management committee and the ALM committee. Foreign exchange risk is measured using an equivalent positions indicator, expressed in euro. The current limit is EUR35 million.

5 – Other risks

Natexis Banques Populaires is governed by the laws and regulations applicable to credit institutions and, notably, those concerning investment services. In particular, it is subject to the confidentiality obligations detailed in Article L 511-33 of the Monetary and Financial Code and Investment Service rules of good conduct.

Natexis Banques Populaires' activities do not expose it to any industrial or environmental risks. Natexis Banques Populaires has adequate insurance coverage encompassing all risks to which it is exposed as a result of its activities: third-party liability, damage and/or losses (in particular multi-risk, building, material and consequential damage to computer hardware and data, bank, fraud and misappropriation).

Furthermore, Natexis Banques Populaires is not subject to any significant commitments which should be recorded off-balance sheet, other than those relating to its every-day activities.

5 – Income statement review including Coface

Coface activity trends in 2002

Group revenues measured in accordance with insurance sector standards increased 5% between 2001 and 2002 to EUR973 million.

Despite a fall in activity in the second half, all insurance businesses (which account for 73% of total revenue) reported growth in 2002. The group won market share, particularly in the self-insurance sector, despite a difficult economic climate. The greatest year-on-year growth was recorded by guarantee bond activities (+18.7%), notably in Italy where the group enjoys considerable technical expertise and a leading position.

Revenue from sales of services increased 2.8% to EUR266 million. This increase was driven by debt management activities (+24.3%), which benefited notably from the dynamism of the factoring market in Germany and by insurance-related services (+8.5%). This growth was offset by a fall in income from the management of public procedures (-9.4%) and from corporate information and marketing activities (-3.2%).

Revenue growth in 2002 varied from country to country. France remained, nonetheless, the group's main market, generating revenues of EUR407 million, up 3.8% on 2001. Elsewhere, the two other traditional Coface markets, Germany and Austria, and more recent markets saw revenue growth penalized by a strengthened selectivity policy.

Spain reported revenue growth of close to 70% thanks to excellent commercial performances.

Coface Income statement for the second half of 2002

The Coface Income statement for the second half of 2002 breaks down as follows by banking analytical income statement heading:

Net Banking Income:

- consolidated NBI for the second half of 2002 is EUR191 million, compared to EUR211 million for the first half of the year.

NBI fell 9% period-on-period, including a fall of 5.5% for Insurance activities to EUR77 million, 19.4% for insurance-related services and 6.5% for activities performed on behalf of the French State. Only Information and Debt management activities recorded growth in the second half, increasing 15% to EUR56.3 million;

- excluding net income from investments, insurance NBI increased 12% period-on-period to EUR81.2 million. This includes a 2% fall in NBI to EUR350 million, a 21% reduction in the risk charge to EUR221 million and a 3% reduction in business provider costs to EUR30 million.

In addition, the two technical amortization mechanisms represented by reinsurance and the equalization provisions continue to impact annual data with, respectively, a positive reinsurance contribution of EUR3.8 million and a reversal of EUR15.8 million from equalization provisions. The half-year profile is, however, highly contrasted, as the reinsurance contribution falls from positive EUR22 million in the first half to negative EUR18.2 million in the second half. Similarly, a charge of EUR1.7 million is booked to the equalization provision in the second half, after a reversal of EUR17.5 million in the first half;

- elsewhere, the significant tightening of financial markets lead to poorer performances by Group assets. In the absence of a significant deduction from unrealized capital gains as in 2001, net income from financial investments fell considerably: a net loss of EUR4.2 million was recorded in the second half giving total income for 2002 as a whole of EUR5 million, compared to EUR57 million in 2001;

- operating expenses totaled EUR187 million in the second half of 2002, roughly stable on the previous period.

Year-on-year operating expenses increased only 1%. Cost control remained a top priority in 2002.

Control measures were particularly notable in Coface France and AK Coface, with the cessation of external recruitment, a substantial reduction in variable expenses and optimization at group level of information purchases;

- Gross operating income totaled EUR4.7 million, compared to EUR25 million for the first half of 2002;

- after deduction of exceptional expenses, corporate income tax, goodwill amortization and minority interests, Net income for the second half of 2002 is EUR6.2 million, down 46% on first half Net income of EUR11.4 million.

The Natexis Banques Populaires Consolidated income statement including the full consolidation of Coface in the second half of 2002 is as follows (*):

in EUR millions	12/31/2002	12/31/2001
Net Banking Income	**1,793**	**1,840**
General operating expenses, depreciation and amortization	(1,446)	(1,227)
Gross operating income	**347**	**613**
Provisions for loan losses and country risks	(193)	(184)
Net gains on disposal of fixed assets	53	3
Income from companies accounted for by the equity method	3	13
Income before exceptional items and tax	**210**	**445**
Exceptional items	(16)	3
Corporate income tax	(13)	(79)
Goodwill amortization	(38)	(20)
Net reversal from the Fund for General Banking Risks	21	-
Minority interests	(56)	(58)
Net income	**108**	**291**

(*) These consolidated financial statements and the notes thereto are presented in the Financial Information section..

6 – Financial structure and regulatory ratios

Review of the Consolidated balance sheet (Consolidated balance sheet as of December 31, 2002 with Coface fully consolidated)

Assets

in EUR billions	12/31/2002	12/31/2001
Interbank and money market assets	18.8	20.0
Customer loans	34.0	36.4
Reverse repurchase agreements	27.7	5.8
Security transactions	19.1	19.5
Insurance company investment portfolios	19.2	17.3
Other assets	12.9	10.9
Fixed assets and equity affiliates	1.7	0.5
Total assets	**133.4**	**110.4**

Liabilities and Shareholders' Equity

in EUR billions	12/31/2002	12/31/2001
Interbank and money market liabilities	25.6	29.1
Customer deposits	9.5	7.7
Repurchase agreements	33.9	13.1
Debt securities and subordinated debt	25.8	25.4
Insurance company technical reserves	19.0	17.3
Other liabilities and provisions	14.9	13.2
Shareholders' equity and FGBR	4.7	4.6
Total liabilities and shareholders' equity	**133.4**	**110.4**

Total consolidated assets amounted to EUR133.4 billion as of December 31, 2002, compared to EUR110.4 billion as of December 31, 2001.

Assets

Customer loans, including lease financing outstandings, total EUR34 billion, down 7% on last year due to the marked drop in the US dollar/euro exchange rate in 2002 and tight control over outstandings.

Reverse repurchase agreements, which primarily concern government securities, increased substantially to EUR27.7 billion following the significant development of this activity created in 2001.

Security transaction outstandings fell slightly to EUR19.1 billion, while insurance company investment portfolios increased 11% to EUR19.2 billion.

Interbank and money market assets fell 6% to EUR18.8 billion.

Liabilities

Interbank liabilities fell back – in the same way as assets – to EUR25.6 billion, while customer deposits and debt securities increased slightly to EUR35.3 billion, compared to EUR33.1 billion one year previously. Insurance company technical reserves increased 10% to EUR19 billion. Repurchase agreements increased significantly, similarly to reverse repurchase agreements, reaching EUR33.9 million.

Shareholders' equity and regulatory ratios

Capital stock

The capital stock was increased by 1,717,431 shares in 2002 following the conversion of TSDIC and the issue of 1,401,082 shares to finance the purchase of Arnhold & S. Bleichroeder in the Unites States. A further 9,972 shares were issued under existing employee savings mutual funds and on the exercise of stock subscription options.

Overall, these operations increased the capital stock to EUR759,085,392, comprised of 47,442,837 shares of EUR16 par value each as of December 31, 2002.

Shareholders' equity and the international solvency ratio

As of December 31, 2002, Natexis Banques Populaires consolidated regulatory capital for international solvency ratio purposes, extended to include capital market risks, amounted to EUR5.8 billion, compared to EUR5.6 billion as of December 31, 2001.

Tier one capital remains stable at EUR4.1 billion. The capital stock increase and the issue of USD150 million of preferred shares was offset by an increase in goodwill and negative movements in currency translation reserves, notably in respect of the US dollar.

Tier two capital increased following the issue of 300 million redeemable subordinated securities in June 2002, which exceeded the impact of conversion of the TSDIC.

Weighted assets (EUR57.2 billion) are up slightly by EUR0.1 billion on last year.

The international solvency ratio is 10.2%, including Tier one capital of 7.2%.

Capital adequacy ratio

French financial institutions have, since 1996, been required to measure and comply at all times with global regulatory capital levels covering both counterparty risks and capital market risks: interest rate, foreign exchange, etc.

These risks are measured by the relationship between available capital and the level of capital required to cover counterparty and capital market risks.

Regulatory requirements state that this ratio must exceed 100%. As of December 31, 2002, the capital adequacy ratio was 135%, compared to 132% as of December 31, 2001.

Other regulatory ratios

The liquidity ratio confirms that cash balances available within less than one month at least cover balances falling due within the same period. This ratio is equal to the relationship between assets and liabilities maturing within less than one month.

Regulatory requirements state that this ratio must exceed 100%. At December 31, 2002, it stood at 118%.

The purpose of the equity capital and permanent resources ratio is to ensure the level of long-term resources, by fixing a minimum coverage level of 60% for assets with a residual duration of more than 5 years by liabilities of an identical maturity.

As of December 31, 2002, this ratio stands at 75% for Natexis Banques Populaires, unchanged on December 31, 2001.

Natexis Banques Populaires complies with prudential rules for large exposures.

Under banking regulations, no single loan or advance must exceed 25% of capital and the sum of risks exceeding 10% of capital must not exceed eight times equity capital.

Refinancing

Natexis Banques Populaires refinancing is managed by a treasury team from Paris, New York and Singapore, which uses all available short and long-term instruments as and when necessary: CD, USCP, ECP, EMTN, BMTN and Schuldschein.

In strict compliance with regulatory and internal prudential ratios, Natexis Banques Populaires constantly optimizes its refinancing cost through the active management of its debt.

This requires:

- a constant presence on the main European, American and Asian financial markets in order to diversify sources of funds and capitalize on all refinancing opportunities;
- substantial trading capacity on secondary debt markets, in order to ensure liquidity for investors.

Natexis Banques Populaires issues in 2002 (equivalent in EUR millions)

	CD	USCP	ECP	EMTN	BMTN	Schuldschein
Total issues during the year	214,676	3,420	2,021	1,714	145	50
Outstandings as of December 31, 2002	7,341	1,850	473	2,650	1,380	250

Proposed distribution of company net income

The Natexis Banques Populaires company financial statements for the year ended December 31, 2002 report a net income of EUR206,037,266.02.

The third resolution presented to the General Meeting of May 22, 2003 asks shareholders to increase this net income by retained earnings brought forward from the prior year of EUR1,155,880.11 and to transfer an amount of EUR10,301,863.30 to the legal reserve, giving distributable earnings of EUR196,891,282.83.

The General Meeting will propose the following appropriation of retained earnings: dividend distribution of EUR71,164,255.50, transfer of EUR125,000,000 to general reserves and allocation of the remaining balance of EUR727,027.33 to retained earnings.

7 – Corporate and environmental information

Corporate information

At Natexis Banques Populaires level (parent company), employee statistics show that 357 employees joined the Company during 2002, including 184 job creations and 81 employees transferred from the Banque Populaire regional banks.

At the same time, the Company recorded 316 departures during 2002, including 93 resignations and 60 dismissals, 7 redundancies and 59 employees who left at the end of fixed-term contracts.

A total of 27,513 overtime hours were paid during 2002.

The average annual contractual salary paid to men working full-time under permanent contracts was EUR48,502 (EUR29,007 for technician positions and EUR58,949 for executive positions).

The average annual contractual salary paid to women working full-time under permanent contracts was EUR34,578 (EUR27,647 for technician positions and EUR46,797 for executive positions).

In 2002, Natexis Banques Populaires had 79 handicapped employees and paid a contribution of EUR568,597 to the AGEFIPH fund for the professional insertion of handicapped employees.

Environmental information

Natexis Banques Populaires has adopted a global approach to environmental issues. This consists of assessing the financial impact on long-term operations of any decision concerning the installation or modification of energy consuming technical equipment.

One of Natexis Banques Populaires' major preoccupations is white paper consumption. Between 2001 and 2002 it reduced consumption by 6.29%, representing 46 tons of paper. This saving was the result of an aggressive policy based on measures such as rebilling the actual cost of consumables and photocopies, restricting the number of personal printers, setting up a highly reactive central photocopying department and the wider use of e-mail.

Selective waste sorting was introduced in 2002 at Rives de Seine (new Paris site).

An "eco-project" approach is adopted for all new work projects. A "sustainable development" correspondent has been appointed within the Information Systems and Logistics division.

Electricity and fluid consumption in 2002 has been determined taking into account Natexis Banques

Populaires and all subsidiaries housed in its operating buildings.

Consumption figures are as follows:
- electricity: 20,498.8 MWh (up 0.10% on 2001);
- hot/cold energy: 11,359 MWh equivalent (up 7.59% on 2001);
- water: 51,520 m³ (up 5.7% on 2001).

These increases were the results of changes in Group structure, changes in configuration and transitional technical measures.

8 – Recent developments and outlook for the future

■ In January 2003, François Ladam, Chief Executive Officer, appointed Olivier Schatz Head of Capital Markets and Jean-Yves Forel Head of Banking, Financial and Technology Services.

■ On the presentation of its results in March 2003, Natexis Banques Populaires detailed the areas of priority action for the current year:

– continued development of businesses where the Group has a strong commercial position and proven distinctive expertise;

– capitalization on the opportunities offered by new acquisitions: Coface and Natexis Bleichroeder;

– in-depth review of Capital Markets and Banking, Financial and Technology Services portfolios, with revalidation of the strategic choices of certain activities generating insufficient profits and improvement of commercial efficiency and the level of control;

– continuation of cost control efforts;

– rigorous risk control in an unstable environment.

■ At Banque Populaire Group level, recent transactions in the retail banking sector will have a positive impact on Natexis Banques Populaires results and activities from 2003:

– in January 2003, the Crédit Coopératif Group became one of the parent companies and affiliates of Banque Fédérale des Banques Populaires, adopting the status of a Banque Populaire regional bank. The Crédit Coopératif Group is one of the major players in France in the social and solidarity economy. Its customer base comprises cooperatives, associations and mutual insurance companies, as well as SME-SMIs and private individuals.

– at the same time, Crédit Maritime became an affiliate of Banque Fédérale des Banques Populaires. Under the terms of the agreement, Banque Fédérale des Banques Populaires took the place of Caisse Centrale de Crédit Coopératif as the central body of the Crédit Maritime establishments. This agreement will enable the Banque Populaire Group to target customers involved in maritime businesses.

The alliance of these establishments, with identical origins and cooperative cultures, will enable them to capitalize on complementary geographical, industry and commercial areas. The Group network now includes 2,476 branches (including 95 Crédit Coopératif branches and 140 Crédit Maritime branches).

FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31

Assets

in EUR millions	*note*	2002	2001	2000
Interbank and money market assets	*3*	42,084	22,757	27,998
of which institutional activities		1,379	1,267	1,435
Customer loans	*4*	33,021	34,204	33,606
of which institutional activities		96	251	437
Lease financing	*4*	5,404	5,204	5,018
Bonds, equities and other fixed and variable income securities	*5*	19,166	19,498	18,023
Insurance company investment portfolios	*6*	19,181	17,302	16,078
Investments in affiliates and associated undertakings and other securities held for investment	*7*	1,686	489	470
Property and equipment and intangible assets	*8*	971	529	620
Goodwill	*9*	429	238	277
Accrued income, prepaid expenses and other assets	*10*	11,458	10,133	11,041
of which institutional activities		-	1	5
Total assets		**133,400**	**110,354**	**113,131**
of which institutional activities		1,475	1,519	1,877

Liabilities & shareholders' equity

in EUR millions	*note*	2002	2001	2000
Interbank and money market liabilities	*11*	46,184	35,624	37,956
of which institutional activities		1,453	1,279	1,447
Customer deposits	*12*	22,820	14,264	15,701
of which institutional activities		106	36	114
Debt securities	*13*	23,621	23,411	21,881
of which institutional activities		-	305	495
Insurance company technical reserves	*6*	18,997	17,254	16,297
Deferred income, accrued charges and other liabilities	*14*	13,956	12,366	13,866
of which institutional activities		108	106	119
Negative goodwill	*9*	89	103	115
Provisions for contingencies and charges	*15*	796	758	817
Long-term subordinated debt	*16*	2,209	2,023	2,263
Fund for General Banking Risks	*17*	242	263	263
Minority interests	*17*	726	620	657
Shareholders' equity		3,760	3,668	3,315
Capital stock	*17*	759	709	684
Additional paid-in capital	*17*	1,750	1,579	1,706
Retained earnings	*17*	1,143	1,089	675
Net income for the year	*17*	108	291	250
Total liabilities & shareholders' equity		**133,400**	**110,354**	**113,131**
of which institutional activities		1,667	1,726	2,175

COMPARATIVE CONSOLIDATED OFF-BALANCE SHEET ITEMS

AT DECEMBER 31

in EUR millions	2002	2001	2000
COMMITMENTS GIVEN			
Banking operations	**37,086**	**35,630**	**31,817**
Financing commitments given in favor of:	21,386	19,774	18,297
financial institutions	3,614	3,503	2,969
customers	17,772	16,271	15,328
of which institutional activities	-	*13*	*14*
Guarantees given on behalf of:	15,237	15,237	12,511
financial institutions	1,687	1,480	539
customers	13,550	13,757	11,972
of which institutional activities	*9*	*28*	*34*
Commitments on securities	463	619	1,009
of which securities acquired with repurchase options	-	-	-
COMMITMENTS RECEIVED			
Banking operations	**4,899**	**4,142**	**3,984**
Financing commitments received from financial institutions	964	1,665	1,652
Guarantees received from financial institutions	3,499	2,195	1,977
Commitments on securities	436	282	355
of which securities sold with repurchase options	-	-	-

COMPARATIVE CONSOLIDATED INCOME STATEMENTS

YEAR ENDED DECEMBER 31

in EUR millions	note	2002	2001	2000
Interest income	21	5,748	5,272	8,307
Interest expenses	22	(5,056)	(5,096)	(8,124)
Income from variable income securities	23	40	48	67
Net fee and commission income	24	499	549	586
Net gains/(losses) on trading account securities	25	(59)	396	482
Net gains on securities held for sale	26	4	293	169
Other banking revenues and expenses		114	115	49
Gross margin on insurance operations	27	395	204	202
Other net banking income	28	108	59	88
Net Banking Income	34	**1,793**	**1,840**	**1,826**
General operating expenses	29	(1,379)	(1,184)	(997)
Depreciation, amortization and provisions for impairment of property and equipment and intangible assets		(67)	(43)	(50)
Gross operating income		**347**	**613**	**779**
Provisions for loan losses and country risks	30	(193)	(184)	(147)
Net operating income		**154**	**429**	**632**
Income from companies accounted for by the equity method		3	13	20
Net gains/(losses) on disposals of fixed assets	31	53	3	(3)
Income before exceptional items and tax	34	**210**	**445**	**649**
Exceptional items	32	(16)	3	(80)
Corporate income tax	33	(13)	(79)	(171)
Goodwill amortization		(38)	(20)	(2)
Net reversal of/(charge to) FGBR		21	-	(76)
Minority interests		(56)	(58)	(70)
Net income		**108**	**291**	**250**
Earnings per share Consolidated net income per share, based on the average number of shares outstanding during the year.		2.42	6.73	7.14
Diluted earnings per share Consolidated net income per share, based on the number of shares outstanding at the year-end.		2.28	6.57	5.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 – Consolidation methods and principles

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and the accounting rules and methods laid down in French accounting regulations and, in particular, Regulation 99-07 regarding consolidation rules and Regulation 2000-04 regarding summarized consolidated documents.

1.1 – Scope of consolidation

The Natexis Banques Populaires (NBP) consolidated financial statements include the financial statements of Natexis Banques Populaires and its main subsidiaries.

Only those subsidiaries providing a material contribution are consolidated. The materiality of a subsidiary is not determined with respect to numerical thresholds but based on a qualitative appraisal of the relevance of its contribution to the Group financial statements. As such, IT logistic subsidiaries are included in the scope of consolidation due to their material impact on the split of consolidated general expenses between payroll costs and other operating expenses.

The main changes during the fiscal year were as follows:

- removal from the scope of consolidation of CITA, as its activity is no longer considered material at group level;
- removal from the scope of consolidation of SCI Villcom, following the sale of its assets;
- entry into the scope of consolidation of Spef LBO, a fund management company involved in business transfers;
- entry into the scope of consolidation of ZAO Natexis Banques Populaires, a banking subsidiary in Russia;
- entry into the scope of consolidation of Axeltis Ltd., a NBP subsidiary in London involved in the central distribution of mutual funds;
- entry into the scope of consolidation of Natexis Bleichroeder Inc., a broker-dealer company incorporated under New York State law, acquired in December by NBP;
- entry into the scope of consolidation of NBP Preferred Capital II, a NBP subsidiary set up to manage the issue of the third tranche of preferential shares;
- entry into the scope of consolidation of Edval Investment Ltd. and Worledge Investment Ltd., two NBP subsidiaries created in 1991 and 1992 for the adjustment of former BFCE country risks (see Note 2.2 A);
- sale of CFJPE, a private-equity company;
- buy-out of minority interests in BPAM and Interépargne, providing the group with full control of these subsidiaries. Accordingly BPAM, accounted for by the proportional method in 2001, was fully consolidated;
- Coface: this company was accounted for by the equity method up to June 30, 2002; during the second half, the Coface sub-group was fully consolidated following the takeover bid for cash in July 2002.

Special-purpose entities: special-purpose entities encompass three types of transaction:

A – Securitization

Since 2000, Natexis Banques Populaires has performed four synthetic securitization transactions on its own account, the principle behind which is described in note 2.3.

In 2002, NBP performed a securitization transaction on behalf of customers to refinance their loan portfolios on the commercial paper market. NBP acted as arranger, depository, underwriter, liquidity provider, and letter of credit guarantor for this transaction.

Of the three criteria used to assess control of the vehicle, the sole determinant criteria is the "majority of risks" criteria: Initially, NBP intends to syndicate the majority of risks within one year; once in full development, the syndication of over 50% of liquidity lines and the letter of credit shall be effective at all times. Under these conditions, the vehicle is excluded from the scope of consolidation.

B – Tax arrangements

These cover the financing of assets (planes, boats, hotel complexes, technological centers, etc.) on behalf of customers using tax transparent structures (EIGs, real-estate investment companies, public companies consolidated for taxation purposes) in which Natexis Banques Populaires is the sole shareholder or where control is shared with other banks. Under these arrangements, NBP takes the role of lender and vendor of tax positions. As regards the consolidation of these structures, NBP has the power of decision over ordinary activities as trustee, which it exercises in the interest of its customers. The savings generated by these arrangements are equivalent to asset management income where NBP does not control the entity, as defined in Section 10052 of CRC Regulation 99-07.

C – Real estate arrangements

These cover the financing of real-estate assets (car parks, offices, corporate headquarters, etc.) on behalf of customers, using real-estate investment companies as holders of finance leases set up by NBP finance lease subsidiaries or finance lease companies themselves. As for tax arrangements, NBP Group intervenes as trustee at the request of its customers without exercising control as defined by the three criteria set forth in Section 10052 of CRC Regulation 99-07.

D – Specific transaction during the year

The European publishing assets of Vivendi Universal Publishing "VUP" were acquired on behalf of Groupe Lagardère by Investima 10, a wholly owned subsidiary of Ecrinvest 4, itself wholly owned by Segex, which is a wholly owned subsidiary of Natexis Banques Populaires.

In December 2002, Investima 10 acquired the entire European publishing assets of VUP on behalf of Groupe Lagardère ("GL").

Simultaneously, Segex sold Groupe Lagardère Ecrinvest 4 capital stock, payable immediately. As this sale is subject to the prior authorization of the European Commission, the transfer of ownership will only take effect following a decision of the anti-trust authorities.

Ecrinvest 4 is excluded from the scope of consolidation pursuant to CRC Regulation 99-07, as its capital stock is held solely with a view to a future sale. Furthermore, "severe and sustainable restrictions" prevent NBP from exercising control over its assets, and NBP is not exposed to the majority of risks and does not receive the majority of net income.

1.2 – Presentation of the financial statements

1.21 – Consolidated financial statements

The financial statements are presented in millions of euro, with comparative figures covering three years.

Due to the full consolidation of Coface in the second half of 2002, and its recording under the equity method in the first half, as well as in fiscal years 2001 and 2000, the balance sheets and income statements of these years are not comparable on a uniform basis.

1.22 – Adjusted consolidated financial statements

To enable meaningful comparisons over three fiscal years, note 39 presents the financial statements without full consolidation of Coface in the second half of 2002. Instead, Coface is accounted for by the equity method for the entire fiscal year, as in 2001 and 2000.

1.23 – Institutional activities

The assets, liabilities and commitments of the bank resulting from its institutional activities are identified in the balance sheet and off-balance sheet items under each heading concerned by procedures managed by Natexis Banques Populaires on behalf of the State.

Article 84 of the 2001 amended Finance Act (No. 2001-1276 of December 28, 2001) extends until December 31, 2005, the mandate entrusted to Natexis Banques Populaires and companies under its control to manage, on behalf of the State, certain fund-raising and other institutional activities relating to the public purse. Transactions performed pursuant to this mandate are recorded separately in the accounts and certain of them may be guaranteed by the State. These arrangements constitute the net assets of Natexis Banques Populaires that are allocated to institutional activities relating to the public purse, to which the State and other related creditors are specifically entitled.

Insurance transactions managed by Coface on behalf of the State are not recorded in the balance sheet, off-balance sheet items or the income statement. Only management fees received are recorded in the income statement under Net fee and commission income.

1.3 – Consolidation methods

Companies under exclusive control are fully consolidated. Jointly controlled companies are accounted for by the proportional method.

Companies in which Natexis Banques Populaires owns a direct or indirect interest of 20 to 50% of the capital stock (giving it a significant influence over such companies) are accounted for using the equity method.

1.4 – Basis of consolidation

The consolidated financial statements are based on the financial statements of Group companies at December 31.

1.5 – Goodwill

When a company is consolidated for the first time, the difference between the acquisition cost of the investment and the total value of identified assets and liabilities as of the acquisition date is recorded as goodwill and amortized in an appropriate manner taking account of the objectives and characteristics of the acquisition. Goodwill and negative goodwill is amortized on a straight-line basis over periods not exceeding ten years. Balances of less than EUR1 million are amortized over one year.

Goodwill is revalued periodically in order to revise, where necessary, the amortization schedule.

On the partial disposal of securities, the residual unamortized goodwill (or negative goodwill) is reversed pro rata to the securities sold.

The derogation method permitted by Section 215 of CRC Regulation n° 99-07 was applied to the Natexis Bleichroeder Inc. acquisition, and the related goodwill deducted from shareholders' equity.

Further information on goodwill and negative goodwill is presented in Note 9.

1.6 – Foreign currency translation

The balance sheets of foreign subsidiaries and branches are translated into euro at year-end rates of exchange (as published by the Banque de France) except for capital, reserves and charges to capital which are translated at historical rates. The resulting translation gains or losses are taken directly to shareholders' equity.

Income statement items are translated at average annual rates of exchange (as published by the Banque de France) and the resulting differences (closing versus average rate) are taken directly to translation reserves in shareholders' equity.

1.7 – Lease financing

Lease financing transactions entered into by Natexis Banques Populaires subsidiaries which specialize in this sector are recorded separately and valued in accordance with financial accounting policies. Deferred tax is calculated on the full amount of the financial reserve.

1.8 – Lease financing – lessee

Natexis Banques Populaires elected from December 31, 2000 to account for financing transactions where it is the lessee using the preferred method. Operating assets purchased under lease finance contracts (lessee) are recorded in property and equipment in the consolidated balance sheet where material and depreciated over the expected useful life of assets of the same category.

1.9 – Adjustments and inter-company transactions

Prior to consolidation, the statutory financial statements of companies included in the scope of consolidation are restated to bring them into line with the Group accounting policies described below.

Inter-company balances and gains and losses arising on inter-company transactions are eliminated on consolidation.

Accounting policies and valuation rules specific to non-banking activities are retained in the consolidated financial statements, in particular those applicable to insurance subsidiary accounts. However, eliminating transactions between these subsidiaries and the banking subsidiaries cancels the matching of investments and technical reserves in the insurance companies' balance sheet. As a result, technical reserves are covered by insurance and banking assets.

1.10 – Other provisions of a reserve nature

The special revaluation reserve and the provision for investments, which are purely tax-driven, are incorporated within consolidated reserves. Annual movements in these provisions are reversed in the income statement.

1.11 – Full consolidation of insurance companies

Since the application as of January 1, 2001 of Regulation 2000-05 on the consolidation of insurance companies, the following rules are applied for the consolidation of insurance subsidiary financial statements:

- income and expenses are classified by nature in accordance with banking accounting policy and not by destination;
- balance sheet and off-balance sheet items are presented using the same headings already existing under the banking format.

Items specific to insurance activities are grouped together in the following headings:

- insurance company investment portfolios in assets and insurance company technical reserves in liabilities,
- "gross margin on insurance operations" in the income statement.

Life and personal risk insurance company capitalization reserves are adjusted against 2001 opening shareholders' equity, net of an amount representing an adverse movement in the interest rate curve impacting reserve liability securities. This adjustment results in the recognition of deferred profit-sharing in the amount of the calculated risk.

The equalization provision for these companies (life and personal risk insurance) is eliminated and reclassified in consolidated reserves, except for that part included in the calculation of underwriting profits paid under contract to business providers.

Movements during the year in the capitalization reserve and equalization provision are reversed from consolidated net income and result in movements in deferred profit-sharing and deferred tax balances.

Until December 31, 2000, the capitalization reserve and equalization provision were recorded in full within technical reserves.

Conversely, the equalization provision recorded by Coface was maintained in technical reserves in liabilities, insofar as this provision covers a macro-economic risk of fluctuations in incident probabilities over several fiscal years.

Pursuant to Article R331-5-1 of the Insurance Code, a reserve for enforceability risk was recorded under technical reserves in the consolidated financial statements in respect of insurance activities in the amount of EUR64 million. With the agreement of the Insurance Audit Commission, this reserve was recorded in the amount of 30% of total net unrealized capital losses of investments subject to Article R332-20 of the Insurance Code and not covered by Asset impairment provisions in balance sheet assets.

1.12 – Notes to the financial statements

Unless otherwise stated, the figures shown in the notes are in millions of euro.

2 – Accounting policies and valuation methods

2.1 – Customer loans

Loans are recorded in the balance sheet at face value. Undrawn amounts on loans already committed and agreed are included in off-balance sheet items under the heading "Financing commitments given".

2.2 – Provisions

Since fiscal year 2000, Natexis Banques Populaires focuses its risk coverage policy on three provision levels:

A – Specific provisions

Principal recovery risk

Where there is a risk of partial or total non-recovery of loans or non-compliance with loan conditions or covenants, loan loss allowances or other provisions for risk are raised and the charge taken to the income statement within Provisions for loan losses and country risks. Provisions are valued quarterly on a case-by-case and country-by-country basis, taking into account an appraisal of risks and security available. As regards lease financing transactions, capital gains and losses on disposal and charges to and reversals of provisions (leased assets and assets temporarily not leased) are recorded in Net Banking Income. Termination compensation is recorded within Interest income. Only the capital portion of doubtful lease installments is provided within Provisions for loan losses and country risks.

Interest recovery risk

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 this interest is subsequently recovered, it is credited to income through this same account on receipt;
- doubtful loan interest, where customer repayments are overdue three, or, if the case arises, six or nine months, is also fully provided by deduction from the interest account in which it was initially recorded;
- under the contamination principle, all loan outstandings of these customers are classified as non-performing, even if the risk appraisal does not call for provision of principal recovery risks;
- this similarly applies to assets leased under lease financing arrangements, where a loan loss allowance is raised for the amount outstanding, as soon as a lease installment or ancillary costs are overdue more than three (equipment) or six (real-estate) months.

Adjustment of former BFCE sovereign risks

In 1991 and 1992, sovereign risks in respect of former BFCE assets were subject to a number of adjustments. These fell into two categories, defeasance-based (removal from the balance sheet) and put option-based. Accordingly, two structures were set up, Edval for the defeasance operation and Worledge for the put option, and consolidated for the first time as of December 31, 2002.

The consolidation of these companies, pursuant to Section 10052 of CRC Regulation 99-07 on special-purpose entities, required a review of the level of provisions covering loans at risk underlying the put option.

In assets in the consolidated balance sheet, the net loan outstandings underlying the options are covered by zero-coupon securities held by these entities. Changes in net income of these entities are solely due to increases in the value of the zero-coupon securities until their redemption date and the end of the arrangement in 2014. Over this period, the increase in value of these securities exactly offsets the full provision of these loans underlying the options to ensure the complete neutrality of net income and the cash necessary to refinance these operations.

Consequently, the net income from the first consolidation of these subsidiaries (EUR6.6 million) was allocated, in full, to an additional charge to provisions for country risks to maintain the balance between provision charges and entity income.

As of December 31, 2002, net loan outstandings underlying the options totaled EUR77 million (gross EUR152 million, provisions of EUR75 million), while the defeasance loan portfolio was sold in full on the secondary market.

B – Industry and country risk provisions

Industry and country risk provisions cover certain Natexis Banques Populaires activity sectors presenting potential future but unknown risks. They primarily include tax-driven country risk provisions. These geographical areas and the provision rates vary with time and in line with the economic cycles of the different activity and geographical sectors.

Group loans which present sovereign risks not covered by the adjustments referred to in paragraph (A) above are reviewed on a periodic basis, and provisions are raised where necessary in accordance with the method recommended by the supervisory authorities, based on the estimated value of these loans on the secondary country risk market.

C – Fund for General Banking Risks (FGBR)

In order to complete the range of general risk coverage, Natexis Banques Populaires maintains a Fund for General Banking Risks out of post-tax income.

2.3 – Securitization transactions

Securitization transactions in progress transfer credit risk without disposing of the reference portfolios. Such transactions are credit-derivative based synthetic securitization transactions entered into with third-party banks jointly with special-purpose entities. The credit derivatives are equivalent in principle to credit insurance and provide protection against the signature risk (bankruptcy, restructuring of the terms and conditions of a reference asset and inability to pay) of debtors making up the portfolio. The special-purpose entities are not consolidated, as their financial statements merely reflect the protection provided to Natexis Banques Populaires and its hedging on the market, the residual risk being insured by the investors who finance the entities.

2.4 – Receivables, payables and off-balance sheet commitments denominated in a foreign currency

Receivables, payables and off-balance sheet commitments denominated in a foreign currency are translated into euro at exchange rates prevailing at the year-end. Resulting unrealized exchange gains or losses are taken directly to income.

Conversely, unrealized exchange gains or losses arising upon translation of borrowings covered by an exchange rate guarantee from the French State or attributable to Institutional activities are carried forward under Accruals, Deferrals and Miscellaneous Assets & Liabilities.

2.5 – Securities portfolio

A – Securities transactions (trading account securities, securities held for sale, debt securities held for investment)

The following rules apply irrespective of the legal form of the security (equity, bonds and notes, treasury bills, certificates of deposit, negotiable instruments, money market securities, etc.) and depend solely on the purpose of the transaction:

- trading account securities: these securities, which are acquired or sold with the original intention of reselling or repurchasing them after a short period, are traded on markets with guaranteed liquidity. Such securities are recorded at transaction value (including expenses and any accrued interest). At the balance sheet date, they are marked to market, and the aggregate net amount of differences arising is taken to the income statement. If these securities are held for more than six months, they are reclassified as securities held for sale at their market value on the date of reclassification;

- securities held for sale: these securities are acquired with the intention of holding them for a period of more than six months, and are valued individually at the year-end at the lower of cost or market value. Unrealized losses are provided; unrealized gains are not recognized. Any premium or discount between the acquisition cost (excluding purchased interest) and redemption value is deferred and amortized to income over the remaining period to maturity;
- debt securities held for investment: these are Fixed Income securities, acquired with the original intention of holding them as permanent investments and are either specifically funded or appropriately hedged with respect to interest rate risk. They are recorded at acquisition cost (excluding purchased interest), and any premium or discount between acquisition cost and redemption value is deferred and amortized to income over the remaining period to maturity.

In accordance with French banking regulations, unrealized losses on such securities are not provided, except where there is an intention to dispose of the securities in the short term, in which case the provision covers market risks, and the charge is recorded in Net gains/(losses) on disposals of fixed assets, or there is a risk of counterparty failure, in which case the charge is recorded within Provisions for loan losses and country risks;

- treasury stock: own shares are purchased for four purposes: the regularization of the stock market price by trading against market trends, as part of stock market interventions, to accompany external growth operations and for allotment to Group employees under stock purchase option schemes or via corporate savings schemes.

B – Unconsolidated investments in affiliates and equity securities held for investment

- Unconsolidated investments in affiliates are stated individually at the lower of fair value at December 31 and cost. Fair value at year-end is determined according to criteria such as revalued net worth and profitability.
- Equity securities held for investment are securities acquired in an entity which is to be managed with the aim of increasing its value and obtaining the highest possible capital gain in the long term. These securities are stated at cost. Where necessary, a provision is raised to ensure that the net book value does not exceed the estimated current value (recent transaction value, value based on profitability, market value for listed securities or other valuation method used at the time of acquisition).

2.6 – Income, adjustments in value and gains or losses on securities

- Income from variable income securities is recorded on a receipts basis.
- Income from Fixed Income securities is recorded on an accruals basis.
- Gains or losses on sales of securities and adjustments in value appear under different headings depending on the nature of the transaction:

– trading account securities, securities held for sale and equity securities held for investment: the appropriate Gains/(losses) heading in Net Banking Income,

– debt securities held for investment: Provisions for loan losses and country risks where the gains or losses reflect counterparty risk and Net gains/(losses) on disposals of fixed assets where the gains or losses reflect a market risk or are the result of a disposal,

– investments in affiliates and other long-term equity investments: Net gains/(losses) on disposals of fixed assets

2.7 – Property and equipment and intangible assets

Operating property and equipment and intangible assets

- Former Crédit National assets purchased prior to December 31, 1976 are stated at the value resulting from the 1976 statutory revaluation. Purchases since this date are stated at acquisition cost.

The former BFCE assets are recorded in the Group consolidated financial statements at their fair value attributed on the acquisition of BFCE by Crédit National.

Caisse Centrale des Banques Populaires fixed assets were transferred in at net book value following the partial asset transfer.

- Property and equipment are depreciated, generally on a straight-line basis, over their estimated useful lives as follows:

Buildings used for operations	25 to 40 years
Other property and equipment	5 to 10 years

Intangible assets mainly comprise Coface group network assets, valued based on 40% of net sales for insurance companies, and a multi-criteria valuation analysis (discounted net cash flows, PER multiple, net sales multiple) for service companies (information and loan management).

These network securities are not amortized on an annual basis but are subject to an annual impairment test.

Non-operating property and equipment and intangible assets

Non-operating property and equipment and intangible assets are depreciated over their estimated useful lives (30 to 40 years).

In accordance with the letter issued by the General Secretariat of the Banking Commission dated October 21, 1997, non-operating real-estate assets, whether occupied or leased-out, have been provided on a case-by-case basis to cover all risks of unrealized capital loss.

The majority of Natexis Banques Populaires Group occupied and leased-out buildings are recorded in the balance sheets of real-estate companies, which, as detailed in note 1.3, are fully consolidated as under the exclusive control of the Group.

Buildings under lease financing arrangements

In accordance with the aforementioned October 21, 1997 letter, a provision is raised in respect of leased buildings where their accounting value exceeds their estimated market value and where there is a probable or certain risk that the building which is the subject of the lease contract will remain, on termination, the property of the lessor.

Computer software and hardware

Computer hardware is depreciated on a declining balance basis over five years.

Purchased software is amortized on a straight-line basis over one year.

Computer program internal development costs are expensed in the year incurred, where the computer program is intended for internal use; where it is intended for commercialization, costs are capitalized and amortized over an appropriate period of use.

2.8 – Perpetual and fixed-term subordinated notes

The Group has perpetual and fixed-term subordinated notes in circulation, the redemption of which, in the case of liquidation, ranks after the satisfaction of all other creditors.

Where perpetual subordinated notes are treated as equivalent to debt instruments repayable as to principal, each coupon payable is apportioned between effective repayment of principal and an effective interest cost, which is included in the income statement under Interest expense.

2.9 – Participating securities

Debt service costs in respect of participating securities are considered equivalent to an interest cost and expensed in the income statement on a time-apportioned basis.

2.10 – Interest, premiums, fees and commission

Interest, together with premiums, fees and commission considered as equivalent to interest income are recorded in the income statement on a time-apportioned basis. Other commission is recognized on a receipts basis.

2.11 – Interest rate review charges and early repayment penalties

Interest rate review charges and early repayment penalties are considered as unearned interest income and are amortized to income over the life of the loan, allocated to each year in proportion to the loss of interest income for the year according to the loan repayment schedule.

2.12 – Loan and capital issuance costs

For all transactions performed post January 1, 1994, Natexis Banques Populaires has elected to spread loan issuance costs over the life of the related loan, as permitted by tax legislation (Law of August 8, 1994) and in line with changes in the nature of loan issuance costs, which essentially represent an additional financing cost.

Expenses relating to issues of parent company capital stock are offset, net of tax, against the issue premium. Expenses relating to issues by subsidiaries are charged against income for the year.

2.13 – Financial instrument transactions performed on Natexis Banques Populaires' own account

The nominal amount of these instruments is recorded off-balance sheet for internal monitoring and regulatory purposes, but is not included within published off-balance sheet commitments. Further details concerning these instruments can be found in the notes to the consolidated financial statements.

The accounting treatment applied differs according to the instrument involved and the purpose of the contract entered into (hedging or trading).

A – Interest rate swaps

These transactions are performed for one of four purposes:

– micro-hedging (transaction-specific)
– macro-hedging (overall balance sheet management)

– speculative position-taking
– specialized management of a trading portfolio.

■ Hedging transactions belonging to the first two categories are treated for income statement purposes as equivalent to lending/borrowing transactions and amounts received and paid are taken to income on a time-apportioned basis.

■ The accounting treatment of speculative positions is identical as regards interest flows; however, capital losses arising on the period-end mark-to-market are provided for via a charge to income, unlike hedging transactions.

■ The last category is marked to market on an individual instrument basis. Movements in value from one period-end to the next are taken immediately to the income statement. Valuations are corrected for counterparty risks and the discounted present value of future management charges under the contracts.

B – Currency swaps

Open spot swap transactions are valued at closing rates at the period-end.

Forward currency hedging transactions are taken to income on a time-apportioned basis, either as premiums and discounts where the transactions form part of commercial activities, or as accrued interest where they are intended to hedge long-term foreign currency denominated assets and liabilities.

C – Interest rate, currency and stock options and forward contracts

The nominal value of the underlying instrument covered by the option or forward contract is recorded off-balance sheet, with hedging and trading transactions separately identified.

Revenues or expenses relating to hedging transactions are matched against those relating to the hedged item.

Where trading transactions are concerned, positions in a class of option or forward contract are marked to market. For instruments listed on an organized or equivalent market, movements in value are taken directly to the income statement. For instruments traded over the counter, any net position losses are taken to the income statement via a charge to a provision against financial instruments. Net unrealized gains are not recognized.

D – Institutional activities

Commitments, which by their nature may be deemed to fall within this category, given to banks granting foreign currency export credits, in order to guarantee the exchange rate of the funding, are not disclosed in the published off-balance sheet statement. Income and expenses in respect of Institutional activities (swaps and exchange rate guarantees) are charged or credited to the French Treasury, in accordance with agreed terms and conditions.

2.14 – Exceptional items

Exceptional income and expense items are determined by reference to the materiality of their amount, the extent to which they fall outside the ordinary activities of the company and the low probability of recurrence of the events concerned.

2.15 – Corporate income tax

The current tax charge includes:

■ taxes payable by French companies included in the consolidation, at a rate of 35.43%, and at the local prevailing rate for foreign companies and branches;

■ deferred tax resulting from timing differences in the statutory accounts and from consolidation adjustments calculated using the liability method.

Deferred tax assets and liabilities are offset within the same tax entity. The tax entity consists of either the entity itself or the tax group where one exists. Prudence requires that deferred tax assets only be recognized where they can be effectively used in the future to reduce the overall tax charge. Accordingly, tax losses carried forward are not recognized, and it is assumed that future tax savings will not be recovered if the tax entity has reported tax losses in the last two fiscal years.

Account is taken of all timing differences, irrespective of the recovery or due date.

The net deferred tax balance is recorded within Accrued income, prepaid expenses and other assets.

2.16 – Employee-related liabilities and retirement benefit commitments

Employee-related liabilities mainly comprise commitments in respect of:

■ retirement termination payments;

■ early-retirement and supplementary pension contributions;

■ payments for the cessation of salaried employee activity;

■ employer contributions payable to private health insurance companies in respect of retired employees and employees having accepted early retirement;

■ long-service medals.

These commitments were calculated taking account of:
- vested benefit entitlement;
- PV discounting rates of 4.75% to 5%;
- life-expectancy table: TV 88/90;
- most recent salaries, including employer social security contributions;
- historical staff turnover rates.

In accordance with opinion n° 2000-C issued by the Urgent Issues Taskforce, retirement benefit commitments were provided in full, as per the preferred method identified in CRC Regulation 99-07, by deduction from fiscal year 2000 opening shareholders' equity.

The difference between retirement benefit commitments as of January 1, 2000 and total pension fund reserves and provisions raised in this respect in the company accounts of the entities concerned, amounted to EUR24 million, net of deferred tax assets.

Following the harmonization of long-service medal schemes within the different Natexis Banques Populaires entities, an identical treatment was adopted for these commitments during fiscal year 2001. An amount of EUR5.7 million was deducted from shareholders' equity, net of deferred tax assets.

2.17 – Change in accounting method

CRC Regulation 2000.06 regarding liabilities is applicable to fiscal years commencing on or after January 1, 2002 and as such was applied for the first time in the preparation of the 2002 financial statements. This regulation lays down the terms and conditions for recognition of provisions for contingencies and charges not directly relating to banking or associated activities and defines a liability as "an obligation of the company to a third party which is probable or certain to lead to an outflow of resources to this third party, without a counterparty at least equivalent in amount from this third party."

Application of this new regulation did not impact the consolidated financial statements for the year ended December 31, 2002 or the amount of provisions for contingencies and charges recorded in the 2002 opening consolidated balance sheet.

3 – Interbank and money market assets

in EUR millions	2002	2001	2000
Cash, central banks and post office banks	223	233	201
Government securities and equivalent (1)	4,893	5,851	11,835
Trading account securities	1,113	1,571	9,945
Securities held for sale	2,769	3,471	1
Debt securities held for investment (2)	881	646	1,800
Accrued interest receivable (3)	130	163	89
Loans and advances to banks (4)	36,968	16,673	15,962
Demand deposits	3,656	4,122	5,706
Time deposits	32,713	12,380	10,096
Non-performing loans	90	79	95
Accrued interest receivable	571	147	124
Provisions for loan losses	(62)	(55)	(59)
Total	**42,084**	**22,757**	**27,998**
(1) After provisions of:	(9)	(12)	-
Securities held for sale	(9)	(12)	-
Debt securities held for investment	-	-	-
(2) Including sold before maturity:	(199)	(1,182)	(407)
(3) Including accrued interest receivable on:	130	163	89
Securities held for sale	117	143	-
Debt securities held for investment	13	20	89
(4) Including subordinated debts:	18	18	2
Performing	15	15	2
Non-performing	-	-	-
Accrued interest receivable	3	3	-

4 – Customer loans and lease financing

in EUR millions	2002	2001	2000
Current accounts in debit	3,679	3,424	3,559
Commercial loans	651	751	784
Factoring	1,705	1,804	1,601
Other loans to customers	26,199	27,436	26,704
Accrued interest receivable and amounts not allocated	274	302	480
Non-performing loans	1,176	1,173	1,121
Provisions for loan losses	(663)	(686)	(643)
Customer loans	**33,021**	**34,204**	**33,606**
Lease financing and operating leases	5,482	5,267	5,119
Accrued interest receivable	98	113	62
Provisions for loan losses	(176)	(176)	(163)
Lease financing	**5,404**	**5,204**	**5,018**

4.1 – Other loans to customers

in EUR millions	2002	2001	2000
Cash loans and consumer credit	10,807	11,641	10,566
Equipment loans	3,232	3,712	4,040
Export credits	1,412	1,897	2,274
Home purchase loans	152	180	180
Reverse repos	4,406	3,017	2,640
Subordinated loans	230	464	334
Other loans	5,960	6,525	6,670
Other loans to customers	**26,199**	**27,436**	**26,704**

4.2 – Lease financing

in EUR millions	2002	2001	2000
Real-estate lease financing	3,411	3,375	3,358
Outstandings	3,214	3,206	3,198
Assets temporarily not leased and non-performing loans	253	215	246
Accrued interest receivable	94	110	58
Provisions for asset impairment	(16)	(19)	(25)
Provisions for loan losses	(134)	(137)	(119)
Equipment lease financing	1,404	1,267	1,127
Outstandings	1,400	1,264	1,124
Assets temporarily not leased and non-performing loans	24	18	18
Accrued interest receivable	3	2	2
Provisions for asset impairment	(12)	(8)	(7)
Provisions for loan losses	(11)	(9)	(10)
Operating leases	589	562	533
Outstandings	588	561	532
Assets temporarily not leased and non-performing loans	3	3	1
Accrued interest receivable	1	1	2
Provisions for asset impairment	(1)	-	-
Provisions for loan losses	(2)	(3)	(2)
Total	**5,404**	**5,204**	**5,018**

4.3 – Non-performing loans and provisions for loan losses

in EUR millions	2002	2001	2000
Non-performing loans and advances to banks	90	79	95
Provisions for loan losses against non-performing loans and advances to banks	(62)	(55)	(59)
Non-performing customer loans	1,176	1,173	1,121
Provisions for loan losses against non-performing customer loans	(663)	(686)	(643)
Non-performing lease financing	280	236	266
Provisions for loan losses against non-performing lease financing	(176)	(176)	(163)
Coverage: provisions for loan losses against gross non-performing accounts	58%	62%	58%

5 – Bonds, equities and other fixed and variable income securities

in EUR millions	2002	2001	2000
Trading account securities (1)	3,009	2,968	6,302
Equities and other variable income securities	360	227	86
Bonds and other Fixed Income securities	2,649	2,741	6,216
Securities held for sale (2)	6,785	6,598	2,045
Equities and other variable income securities	1,017	862	833
Bonds and other Fixed Income securities	5,768	5,736	1,212
Debt securities held for investment (3)	8,426	8,988	8,827
Equity securities held for investment (5)	795	791	671
Accrued interest receivable (4)	151	153	178
Total	**19,166**	**19,498**	**18,023**
(1) Of which:			
receivables representing securities loaned	281	716	322
transferred to securities held for sale	-	(5,430)	-
(2) Of which:			
listed	5,320	5,219	826
receivables representing securities loaned	-	-	-
transferred from trading account securities	-	5,430	-
transferred to/from debt securities held for investment	18	1,678	-
subordinated	51	105	135
issued by public institutions	71	-	-
treasury stock	4	47	2
unrealized capital gains (excess of market value over cost)	38	12	21
unrealized capital losses provided in the balance sheet	(103)	(92)	(68)
(3) Of which:			
listed	5,451	7,231	7,628
transferred to/from securities held for sale	(18)	(1,678)	-
subordinated	-	5	201
issued by public institutions	742	776	617
doubtful securities	92	106	53
provisions	(50)	(48)	(26)
disposals before maturity	(1,104)	(1,346)	-
(4) Net of provisions of	(3)	(1)	(1)
(5) Of which:			
listed	22	189	171
net of provisions of	(210)	(150)	(140)

ESTIMATED VALUE OF EQUITY SECURITIES HELD FOR INVESTMENT

in EUR millions	2002 Net book value	2002 Estimated value	2001 Net book value	2001 Estimated value	2000 Net book value	2000 Estimated value
Portfolio valuation basis						
market price	22	31	188	194	171	276
other	773	909	603	771	500	733
Total (5)	**795**	**940**	**791**	**965**	**671**	**1,009**

6 – Insurance company transactions

ASSETS - INSURANCE COMPANY INVESTMENT PORTFOLIOS AND OTHER ASSETS

in EUR millions	2002	2001	2000
Land and buildings	613	383	285
Unconsolidated investments in affiliates	39	-	-
Other investments	15,756	13,633	12,538
Amounts receivable on grantor company deposits	2	-	5
Assets representative of unit of account contracts	2,771	3,286	3,250
Subtotal insurance company investment portfolios	**19,181**	**17,302**	**16,078**
Accrued income, prepaid expenses and other assets	11,458	10,133	11,041
Reinsurers' shares of technical reserves:			
Life contracts	2,300	2,289	2,261
Non-Life contracts	341	2	2
Subtotal reinsurers' shares of technical reserves	**2,641**	**2,291**	**2,263**
Total	**21,822**	**19,593**	**18,341**

As of December 31, 2002, reinsurers' shares of technical reserves were transferred from Insurance company investment portfolios to Accrued income, prepaid expenses and other assets, while amounts receivable on deposits with grantor companies were transferred from Accrued income, prepaid expenses and other assets to Insurance company investment portfolios.The account balances as of December 31, 2000 and December 31, 2001 were adjusted accordingly for this reclassification to enable year-on-year comparison, in the amount of EUR2,291 million and EUR2,258 million for fiscal years 2001 and 2000 respectively.

Insurance investments consisting of resources issued by other Group entities are eliminated as inter-company transactions.

LIABILITIES - INSURANCE COMPANY TECHNICAL RESERVES

in EUR millions	2002	2001	2000
Mathematical provisions	17,884	17,032	15,990
of which: ■ life insurance	14,935	13,684	12,657
■ non-life insurance	128	6	5
■ representative of unit of account contracts	2,821	3,342	3,328
Claims provisions	833	88	75
Profit-sharing provisions	91	134	96
Other technical reserves	101	-	-
Capitalization reserves (1)	-	-	132
Equalization provisions (1)	88	-	4
Total	**18,997**	**17,254**	**16,297**

(1) The accounting treatment of these provisions is presented in note 1.11

7 – Investments in affiliates and associated undertakings and other securities held for investment

in EUR millions	2002	2001	2000
Equity affiliates			
Venture capital activities	27	31	36
+X Développement	12	13	13
IDF Nord Croissance	6	7	8
Sofinnova	2	3	6
Sud-Est Croissance	7	8	6
Other	-	-	3
of which Share in net income/(loss)	*-*	*3*	*11*
Real-estate activities	0	0	4
Europolis invest Holding	-	-	4
of which Share in net income/(loss)	*-*	*-*	*1*
Insurance activities	28	97	106
Coface Division (1)	15	86	82
Assurances Banque Populaire Division	13	11	24
of which Share in net income/(loss)	*4*	*10*	*8*
Financial service activities	6	7	-
OFIVM	7	7	-
of which Share in net income/(loss)	*(1)*	*-*	*-*
Other activities	1	1	1
of which Share in net income/(loss)	*-*	*-*	*-*
Subtotal	**62**	**136**	**147**
of which Share in net income/(loss)	*3*	*13*	*20*

Other investments in affiliates and associated undertakings and other securities held for investment

Investments in affiliates (2) (3)	358	329	309
Related receivables (4)	1,266	24	14
Subtotal	**1,624**	**353**	**323**
Total	**1,686**	**489**	**470**
Net of provisions of	(101)	(94)	(94)

(1) Coface SA shares equity accounted in 2000 and 2001.
Coface consolidated group shares equity accounted in 2002.

	2002	2001	2000
(2) Including unconsolidated investments in financial institution affiliates	56	65	31
(3) Including listed securities	56	81	72

(4) Including EUR1,250 million shareholder advance to Ecrinvest 4 as part of the temporary holding of Vivendi Universal Publishing securities.

7.1 – Investments in unconsolidated subsidiaries and affiliates

in EUR millions	2002	2001	2000
Main shareholdings:			
Soparind	43	43	26
SCI Colomb Magellan	21	38	20
Sicovam Holding	30	30	7
IKB Deutsche Industriebank	29	29	29
Athlon Groep	23	-	-
Finantia	15	15	15
Euronext (SBF)	-	15	23
Other investments:	197	159	189
Total	**358**	**329**	**309**

8 – Property and equipment and intangible assets

in EUR millions	2002 Gross book value	2002 Deprec, amort, provisions	2002 Net book value	2001 Gross book value	2001 Deprec, amort, provisions	2001 Net book value	2000 Gross book value	2000 Deprec, amort, provisions	2000 Net book value
Operating property and equipment and intangible assets									
Intangible assets	560	(126)	434	139	(86)	53	142	(95)	47
Property and equipment	692	(300)	392	526	(208)	318	635	(246)	389
Total	**1,252**	**(426)**	**826**	**665**	**(294)**	**371**	**777**	**(341)**	**436**
Non-operating assets	29	(5)	24	30	(5)	25	39	(5)	34
Assets leased out under non-financial operating leases	226	(105)	121	256	(123)	133	285	(135)	150
Total property and equipment and intangible assets	**1,507**	**(536)**	**971**	**951**	**(422)**	**529**	**1,101**	**(481)**	**620**

in EUR millions	2001	Additions	Disposals	Changes in Group structure	Other	2002
Gross book value						
Operating intangible assets:	139	52	(15)	391	(7)	560
Purchased goodwill	29	10	-	346	3	388
Software	104	30	(13)	43	(9)	155
Other intangible assets	6	12	(2)	2	(1)	17
Operating property and equipment:	526	109	(39)	107	(11)	692
Operating land and buildings	298	45	(3)	11	(2)	349
Other operating property and equipment	228	64	(36)	96	(9)	343
Non-operating property and equipment:	30	1	(2)	0	0	29
Non-operating land and buildings	28	-	(2)	-	-	26
Other non-operating property and equipment	2	1	-	-	-	3
Assets leased out under non-financial operating leases	256	-	(30)	-	-	226
Total	**951**	**162**	**(86)**	**498**	**(18)**	**1,507**

in EUR millions	2001	Charge/ (reversal)	Disposals	Changes in Group structure	Other	2002
Depreciation, amortization and provisions						
Operating intangible assets:	**(86)**	**(23)**	**10**	**(31)**	**4**	**(126)**
Purchased goodwill	-	(1)	-	(1)	(2)	(4)
Software	(84)	(22)	10	(28)	5	(119)
Other intangible assets	(2)	-	-	(2)	1	(3)
Operating property and equipment:	**(208)**	**(44)**	**17**	**(69)**	**4**	**(300)**
Operating land and buildings	(88)	(12)	-	3	(1)	(98)
Other operating property and equipment	(120)	(32)	17	(72)	5	(202)
Non-operating property and equipment:	**(5)**	**(1)**	**1**	**0**	**0**	**(5)**
Non-operating land and buildings	(5)	(1)	1	-	-	(5)
Other non-operating property and equipment	-	-	-	-	-	-
Charge to depreciation, amortization and provisions	-	-	-	-	-	-
Assets leased out under non-financial operating leases	**(123)**	**1**	**17**	**0**	**0**	**(105)**
Total	**(422)**	**(67)**	**45**	**(100)**	**8**	**(536)**

9 – Goodwill and negative goodwill

Goodwill

in EUR millions	2002	2001	2000
Opening balance	238	277	145
Impact of full consolidation of insurance companies	-	-	15
Charge to income in respect of consolidated companies	(52)	(33)	(26)
Charge to income in respect of equity affiliates -	-	-	
Arising on new acquisitions	243	(4)	143
Assurances Banque Populaire	-	(41)	105
Banque Populaire Asset Management	132	-	-
Coface	70	-	-
Natexis Interépargne	32	-	-
Spef	7	10	-
Fructiger	1	-	-
Natexis Algérie	1	-	-
Banque Populaire du Luxembourg	-	14	-
Sofinindex	-	6	-
Ofivm	-	4	-
Initiative & finance Investissement	-	1	-
Natexis Bleichroeder SA	-	1	-
+X Altaïr	-	1	-
Samic	-	-	16
Natexis Bail	-	-	14
Natexis Metals	-	-	3
Other	-	-	5
Goodwill removed following deconsolidation	-	(2)	-
Château de Fieuzal	-	(1)	-
Fructigérance	-	(1)	-
Total	**429**	**238**	**277**

Negative goodwill

in EUR millions	2002	2001	2000
Opening balance	103	115	91
Impact of full consolidation of insurance companies	-	-	30
Reversal to income in respect of consolidated companies	(14)	(13)	(24)
Arising on new acquisitions		1	18
Bail Banque Populaire	-	-	13
Factorem	-	-	5
Other	-	1	-
Total	**89**	**103**	**115**

10 – Accrued income, prepaid expenses and other assets

in EUR millions	2002	2001	2000
Reinsurers' shares of technical reserves	2,641	2,291	2,263
Miscellaneous receivables	2,630	1,953	1,906
Contingent instruments purchased	2,174	742	404
Checks and notes presented for collection, settlement accounts in respect of security transactions	1,112	401	1,237
Income receivable	635	587	675
Specific insurance accounts	369	113	140
Technical adjustments	312	911	680
Deferred tax	139	63	5
Receipts accounts	44	514	409
Other	1,402	2,558	3,322
Total	**11,458**	**10,133**	**11,041**

As of December 31, 2002, reinsurers' shares of technical reserves were transferred from Insurance company investment portfolios to Accrued income, prepaid expenses and other assets, while amounts receivable on deposits with grantor companies were transferred from Accrued income, prepaid expenses and other assets to Insurance company investment portfolios. The account balances as of December 31, 2000 and December 31, 2001 were adjusted accordingly for this reclassification to enable year-on-year comparison, in the amount of EUR2,291 million and EUR2,258 million for fiscal years 2001 and 2000 respectively.

11 – Interbank and money market liabilities

in EUR millions	2002	2001	2000
Central banks and post office banks	3	143	235
Interbank liabilities	45,697	35,176	37,354
Demand deposits	12,960	13,452	12,548
Time deposits	32,737	21,724	24,806
Other amounts due	106	111	121
Accrued interest payable	378	194	246
Total	**46,184**	**35,624**	**37,956**

12 – Customer deposits

in EUR millions	2002	2001	2000
Accounts and borrowings	8,966	7,363	7,801
Demand deposits	4,629	5,268	5,123
Time deposits	4,337	2,095	2,678
Securities delivered under repurchase agreements	13,551	6,607	7,564
Guarantee deposits	89	27	38
Other amounts due	125	248	248
Accrued interest payable	89	19	50
Total	**22,820**	**14,264**	**15,701**

13 – Debt securities

in EUR millions	2002	2001	2000
Interbank market and money market securities	17,827	15,450	12,443
Debenture loans (1)	4,804	6,771	8,143
Treasury notes and savings certificates	6	9	5
Other commercial paper	672	777	778
Accrued interest payable	312	404	512
Total (2)	**23,621**	**23,411**	**21,881**

(1) Convertible bonds
In 1993, Natexis Banques Populaires issued 1,781,000 bonds, for a total amount of FRF 1.3 billion, convertible into stock at a rate of 1 share for 1 bond and redeemable in full on January 1, 2001.
As of December 31, 2001, all bonds had been redeemed.

(2) Including securities issued directly by:

in EUR millions	2002	2001	2000
Natexis Banques Populaires	22,432	22,206	20,594
Factorem	672	777	777
Val A	152	181	159
Banque Populaire du Luxembourg	139	135	9
Coface	120	-	-
Natexis US Finance	-	-	10
Interfinance Natexis N.V.	99	99	300
Other	7	13	32
Total	**23,621**	**23,411**	**21,881**

14 – Deferred income, accrued charges and other liabilities

in EUR millions	2002	2001	2000
Contingent instruments sold	2,449	573	276
Specific insurance accounts	2,441	2,331	2,295
Trading account securities – liabilities on borrowed securities	2,339	2,478	3,389
Miscellaneous payables	1,980	1,404	1,053
Unearned income (1)	1,413	187	175
Accrued charges	805	747	617
Settlement accounts in respect of security transactions	641	447	1,211
Technical adjustments	213	928	1,353
Deferred tax	133	103	12
Payment accounts	94	424	420
Other	1,448	2,744	3,065
Total	**13,956**	**12,366**	**13,866**

(1) Including unearned income of EUR1,247 million received in respect of the temporary holding of Vivendi Universal Publishing securities.

15 – Provisions for contingencies and charges

in EUR millions	2002	2001	2000
Provision for country risks	287	333	330
Provision for industry risks	137	158	165
Provision for specific credit risks	100	78	53
Provisions for off-balance sheet commitments	11	8	8
Provisions for employee-related liabilities (1)	143	92	75
Restructuring provisions	-	-	11
Provision for IT convergence	-	-	11
Provisions for future losses on index-based contracts	12	-	-
Provisions for forward financial instruments	19	9	27
Provisions for real-estate promotion risks	6	5	17
Other provisions (2)	81	75	120
Total	**796**	**758**	**817**

(1) In **2000**, in accordance with Opinion n° 2000-C issued by the French National Accounting Institute Urgent Issues Taskforce, retirement benefit commitments were provided in full by deducting EUR38 million, gross of deferred tax, from opening shareholders' equity.

(1) In **2001**, in accordance with Opinion n° 2001-G issued by the French National Accounting Institute Urgent Issues Taskforce, policies covering employee-related liabilities taken out by group companies with group insurance companies are eliminated on consolidation in the amount of premiums paid and the value of these contracts is transferred from Mathematical provisions to Provisions for contingencies and charges – employee-related liabilities in the consolidated balance sheet. A total of EUR15 million was transferred in this way.

(1) In **2002**, the increase in employee-related liabilities (+EUR51 million) was due to changes in Group structure with the full consolidation of Coface (+EUR34 million), an additional charge to provisions in respect of the Natexis Employment Assistance Plan (+EUR10 million), a charge to provisions in respect of the Early Cessation of Salaried Employment contracts (+EUR3 million) and miscellaneous adjustments (+EUR4 million).

(2) Movements in other provisions between 2000 and 2001 consist of utilizations in the amount of EUR14 million (Y2K, euro, employee IT hardware) and reclassifications to other balance sheet headings in the amount of EUR31 million (primarily provisions for tax payable).

(2) Movements in other provisions between 2001 and 2002 are due to changes Group structure with the full consolidation of Coface in the amount of EUR5 million.

16 – Long-term subordinated debt

in EUR millions	2002	2001	2000
Fixed-term subordinated debt (1)			
Subordinated securities	1,185	1,016	987
Subordinated loans	709	538	495
Subtotal	1,894	1,554	1,482
Perpetual subordinated debt			
Subordinated securities (2)	127	258	557
Subordinated loans	158	167	171
Subtotal	285	425	728
Total	**2,179**	**1,979**	**2,210**
Mutual guarantee deposits	3	4	4
Related liabilities	27	40	49
Total long-term subordinated debt (3)	**2,209**	**2,023**	**2,263**

(1) Redeemable subordinated notes and subordinated loans:

Maturity	Currency	2002	2001	2000
2013	EUR	150	-	-
2012	EUR	334	14	-
2011	EUR	39	39	-
2010	FRF	9	9	9
2010	EUR	312	312	312
2009	FRF	56	56	56
2009	EUR	98	98	98
2008	FRF	2	2	2
2007	FRF	101	101	101
2006	FRF	154	154	154
2005	USD	297	353	334
2005	FRF	45	45	45
2004	FRF	31	31	31
2004	LUF	151	151	151
2003	LUF	50	50	50
2003	FRF	65	65	65
2002	LUF	-	74	74
Total		**1,894**	**1,554**	**1,482**

(2) Perpetual subordinated debt:

- of USD 100 million at a post-swap rate of 12.7% and with an effective maturity date of February 25, 2004, treated as debt repayable as to capital in the accounts (see Note 2.8).

in EUR millions	2002	2001	2000
- amount in USD million	20	31	46
- euro equivalent	19	36	45
- convertible into Natexis Banques Populaires stock, issued in May 1996	1	115	137
- of USD 150 million issued in December 1996	-	-	161
- of USD 100 million issued in February 1997	-	-	107
- Non-redeemable participating securities issued in 1985 by BFCE, where the remuneration comprises a fixed-dividend component payable at TAM x 45% (benchmark money market rate for variable issues) and a variable component linked to the year-on-year increase in consolidated net income	107	107	107
Total	**127**	**258**	**557**

(3) Borrowings by:

Natexis Banques Populaires	2,009	1,800	2,025
Fructivie Sa	85	85	85
Interfinance	19	36	45
Factorem	33	33	33
Bail Banque Populaire	16	16	16
Fructicomi	11	11	11
Banque Populaire du Luxembourg	10	10	10
Natexis Arbitrage	10	10	-
Natexis Metals	-	5	9
Sofingest	5	5	5
Coficiné	2	2	2
Fructibail	2	2	2
SBFI	2	2	2
La Prospérité	2	2	2
Natexis Capital	-	-	12
Total	**2,206**	**2,019**	**2,259**

17 – Movements in equity and equivalents (per proposed appropriation of income)

in EUR millions	Capital stock	Additional paid-in capital	Retained earnings (1)	Shareholders' equity before FGBR	FGBR	Share-holders' equity	Minority interests
Equity and equivalents at 12/31/2000 after appropriation	**684**	**1,706**	**818**	**3,208**	**263**	**3,471**	**592**
Capital stock issues	25	97	-	122	-	122	-
Currency translation differences	-	-	21	21	-	21	16
Changes in method (2)	-	-	27	27	-	27	-
Changes in Group structure	-	-	-	-	-	-	(46)
Other movements	-	(224)	223	(1)	-	(1)	-
Equity and equivalents at 12/31/2001 before appropriation	709	1,579	1,089	3,377	263	3,640	562
2001 Net income	-	-	291	291	-	291	58
Dividend distribution	-	-	(111)	(111)	-	(111)	(54)
Equity and equivalents at 12/31/2001 after appropriation	**709**	**1,579**	**1,269**	**3,557**	**263**	**3,820**	**566**
Capital stock issues	50	170	-	220	-	220	-
Currency translation differences	-	-	(74)	(74)	-	(74)	(64)
Changes in method (3)	-	-	1	1	-	1	-
Changes in Group structure (4)	-	-	(54)	(54)	-	(54)	169
Other movements	-	-	1	1	(21)	(20)	-
Equity and equivalents at 12/31/2002 before appropriation	759	1,750	1,143	3,651	242	3,893	671
2002 Net income	-	-	108	108	-	108	56
Proposed dividend distribution	-	-	(71)	(71)	-	(71)	(56)
Equity and equivalents at 12/31/2002 after appropriation (5)	**759**	**1,750**	**1,180**	**3,689**	**242**	**3,931**	**671**

(1) Reserves, retained earnings, consolidation differences, revaluation reserves, translation reserves and consolidated net income attributable to the Group.

(2) Provision for long-service medals	(5)
Inclusion of the capitalization reserve in consolidated reserves	32
Total	**27**
(3) Change in method regarding the amortization of the difference between the purchase and redemption price of inflation-indexed bonds	1
(4) Natexis Bleichroeder Inc. goodwill	(107)
Revaluation of the historical holding in Coface	53
Total	**(54)**

(5) Minority interests in subsidiaries having issued preferred stock total EUR648 million.

18 – Information concerning counterparty risk on derivatives

in EUR millions	2002	2001	2000
Breakdown of weighted risk equivalent by type of counterparty (net of collateral)			
Bankers	572	461	269
Customers	256	115	24

19 – Information concerning off-balance sheet outstandings (derivatives)

in EUR millions	2002	2001	2000
Off-balance sheet outstandings (nominal) on derivatives	**643,850**	**592,701**	**508,401**
Hedging transactions (micro and macro-hedging)	247,368	145,767	81,718
Management of trading positions	396,482	446,934	426,683
	643,850	**592,701**	**508,401**
Transactions traded over the counter	563,322	544,708	427,648
Transactions on organized or equivalent markets	80,528	47,993	80,753
	643,850	**592,701**	**508,401**
Firm transactions	472,278	525,518	456,944
Contingent transactions	171,572	67,183	51,457
	643,850	**592,701**	**508,401**
Type of market			
Interest rate	404,194	459,029	472,090
Foreign exchange	180,924	96,512	27,975
Other	58,732	37,160	8,336
	643,850	**592,701**	**508,401**
Type of product			
Swaps	108,127	371,600	354,231
FRAs	207,394	26,427	6,713
Futures	59,128	42,942	80,753
Interest rate caps, floors and options	42,942	40,268	12,586
Other options	104,820	17,011	24,251
Forward currency transactions	97,503	84,543	27,008
Other	23,936	9,910	2,859
	643,850	**592,701**	**508,401**
Commitments on over-the-counter markets by period to maturity			
0 to 1 year	383,730	394,696	293,435
1 to 5 years	117,840	98,672	87,785
5 + years	61,752	51,340	46,429
Commitments on organized and equivalent markets by period to maturity			
0 to 1 year	78,316	47,407	80,165
1 to 5 years	872	415	131
5 + years	1,340	171	456
	643,850	**592,701**	**508,401**
Balance sheet outstandings related to derivatives			
Contingent instruments purchased	2,174	742	404
Contingent instruments sold	2,449	573	276

20 – Foreign currency transactions

Net positions on- and off-balance sheet in EUR millions		2002		2001		2000	
Currency	Country of issue	Long	Short	Long	Short	Long	Short
USD	USA	177	-	-	(169)	-	(87)
GBP	UK	63	-	-	(10)	12	-
CAD	Canada	-	-	5	-	1	-
NOK	Norway	-	-	-	(2)	-	-
DKK	Denmark	2	-	-	(2)	2	-
JPY	Japan	-	(85)	1	-	-	(23)
CHF	Switzerland	-	-	-	-	1	-
Other		2	(26)	32	(13)	40	(7)
Total		**133**		**(158)**		**(61)**	

21 – Interest income

in EUR millions	2002	2001	2000
Interbank transactions	2,328	1,488	2,107
Customer transactions	1,977	2,354	1,944
Lease financing and equivalent	304	339	363
Bonds and other Fixed Income securities	1,136	1,085	856
Macro-hedging transactions	3	6	3,037
Total	**5,748**	**5,272**	**8,307**

22 – Interest expenses

in EUR millions	2002	2001	2000
Interbank transactions	(2,456)	(2,457)	(2,499)
Customer transactions	(1,259)	(1,037)	(886)
Lease financing and equivalent	(4)	(4)	(6)
Bonds and other Fixed Income securities	(1,331)	(1,582)	(1,488)
Macro-hedging transactions	(6)	(16)	(3,245)
Other interest expenses	-	-	-
Total	**(5,056)**	**(5,096)**	**(8,124)**

23 – Income from variable income securities

in EUR millions	2002	2001	2000
Securities held for sale	7	4	10
Equity securities held for investment	18	21	48
Investments in affiliates	15	23	9
Total	**40**	**48**	**67**

24 – Net fee and commission income

in EUR millions	2002	2001	2000
Fee and commission income from			
Customer transactions	274	236	187
Other financial services	227	205	217
Securities transactions	168	231	310
Other commitments given	162	151	151
Payment services	121	116	94
Financing commitments	31	23	57
Forward financial instruments	23	24	15
Guarantee commitments	9	8	52
Foreign exchange transactions	2	2	2
Interbank transactions	1	5	5
Total	**1,018**	**1,001**	**1,090**
Fee and commission expenses on			
Other financial services	(182)	(180)	(212)
Insurance activities	(175)	(114)	(113)
Securities transactions	(49)	(68)	(95)
Payment services	(39)	(38)	(28)
Forward financial instruments	(25)	(18)	(11)
Interbank transactions	(24)	(28)	(31)
Customer transactions	(12)	(1)	(2)
Other commitments given	(12)	(4)	(2)
Guarantee commitments	(1)	(1)	(10)
Total	**(519)**	**(452)**	**(504)**
Net fee and commission income	**499**	**549**	**586**

25 – Net gains/(losses) on trading account securities

in EUR millions	2002	2001	2000
Net gains/(losses) on trading account securities	(11)	(222)	891
Net gains/(losses) on foreign exchange transactions	40	5	64
Net gains/(losses) on forward financial instruments	(88)	613	(473)
Total	**(59)**	**396**	**482**

26 – Net gains on securities held for sale

in EUR millions	2002	2001	2000
Securities held for sale			
Gains on disposal	58	266	74
Losses on disposal	(8)	(11)	(41)
Charged to provisions	(115)	(96)	(70)
Reversed from provisions	70	51	59
Purchase costs	-	-	-
Subtotal	**5**	**210**	**22**
Equity securities held for investment			
Gains on disposal	136	236	172
Losses on disposal	(73)	(137)	(20)
Charged to provisions	(112)	(65)	(33)
Reversed from provisions	51	50	28
Equity securities held for investment disposal costs	(3)	(1)	-
Subtotal	**(1)**	**83**	**147**
Net gains	**4**	**293**	**169**

27 – Gross margin on insurance operations

in EUR millions	2002	2001	2000
Life insurance premiums	2,098	1,996	2,402
Non-life insurance premiums	335	48	285
Net income from financial investments	151	358	506
Service costs	(2,040)	(1,694)	(1,612)
Net charge to technical reserves	(149)	(504)	(1,379)
Total	**395**	**204**	**202**

28 – Other net banking income

in EUR millions	2002	2001	2000
Real-estate sales and rental income recorded by real-estate subsidiaries	18	11	30
IT services	46	42	55
Credit management services (information and debt management)	41	-	-
Other	3	6	3
Total	**108**	**59**	**88**

29 – General operating expenses

in EUR millions	2002	2001	2000
Personnel costs			
Wages and salaries	500	420	378
Social security contributions (1)	224	184	153
Profit-sharing and incentive schemes	21	30	30
Payroll taxes	40	35	30
Recharged costs	(9)	(19)	(32)
Subtotal	**776**	**650**	**559**
Other administrative costs			
Taxes other than corporate income tax	67	64	50
External services	565	510	410
Recharged costs	(29)	(40)	(22)
Subtotal	**603**	**534**	**438**
General operating expenses	**1,379**	**1,184**	**997**
Average number of employees (full time equivalent)	9,875	7,458	6,671
(1) Including retirement costs	70	51	35

29.1 – Audit fees

in EUR thousands	Barbier Frinault & Autres	%	RSM Salustro Reydel	%	Deloitte Touche Tohmatsu	%
Financial statement audit						
Statutory audit	496	56%	828	97%	1,747	88%
Incidental assignments	-	-	25	3%	27	1%
Subtotal	**496**	**56%**	**853**	**100%**	**1,774**	**89%**
Other services						
Tax, legal, social	4	-	-	-	189	9%
Information technology	-	-	-	-	-	-
Internal audit	367	41%	-	-	-	-
Other	24	3%	-	-	28	1%
Subtotal	**395**	**44%**	**0**	**0%**	**217**	**11%**
Total	**891**	**100%**	**853**	**100%**	**1,991**	**100%**

30 – Provisions for loan losses and country risks

in EUR millions	2002	2001	2000
On loans:	**(166)**	**(162)**	**(74)**
Charged to provisions	(204)	(220)	(152)
Reversed from provisions	165	174	227
Losses covered	(125)	(114)	(145)
Losses not covered	(8)	(9)	(11)
Recoveries on debts already provided	6	6	7
On securities:	**(45)**	**(20)**	**(13)**
Charged to provisions	(62)	(31)	(16)
Reversed from provisions	17	11	3
Net charge against assets	**(211)**	**(182)**	**(87)**
On contingencies and off-balance sheet commitments:			
Charged	(134)	(151)	(167)
to provisions for contingencies	(130)	(146)	(164)
to provisions for signature commitments	(4)	(5)	(3)
Reversed	152	149	107
from provisions for contingencies	147	141	101
to provisions for signature commitments	5	8	6
Net charge against liabilities	**18**	**(2)**	**(60)**
Total	**(193)**	**(184)**	**(147)**

in EUR millions	2001	Charge	Reversal	NBI*	Other**	2002
Movements in provisions						
Non-performing loans & debtors	743	204	(165)	(1)	(53)	728
Doubtful securities	84	62	(17)	3	(10)	121
Country and industry risks (liabilities)	491	48	(89)	-	(26)	424
Specific credit risks (liabilities)	85	86	(63)	1	2	111
Total	**1,403**	**400**	**(334)**	**2**	**(88)**	**1,383**

* Provisions for unpaid interest are recorded within NBI.
** "Other" primarily consists of translation differences and inter-account reclassifications.

31 – Net gains/(losses) on disposals of fixed assets

in EUR millions	2002	2001	2000
Long-term investments			
Gains			
Investments in affiliates and other securities held for investment	51	23	21
Debt securities held for investment	1	1	1
Losses			
Investments in affiliates and other securities held for investment	(17)	(20)	(4)
Debt securities held for investment	(5)	(15)	(8)
Charged to provisions			
Investments in affiliates and other securities held for investment	(10)	(15)	(19)
Debt securities held for investment	-	-	-
Reversed from provisions			
Investments in affiliates and other securities held for investment	24	20	9
Debt securities held for investment	-	-	-
Subtotal	**44**	**(6)**	**0**
Property and equipment and intangible assets	**9**	**9**	**(3)**
Total	**53**	**3**	**(3)**

32 – Exceptional items

in EUR millions	2002	2001	2000
Restructuring costs			
Charge to the provision	-	-	(15)
Exceptional charge	-	(11)	(23)
Reversal of the provision	-	11	23
Personnel costs			
Charge to the provision	(15)	-	(4)
Exceptional charge	-	(4)	(10)
Reversal of the provision	-	4	-
Net income attributable to minority shareholders bought out	-	-	(32)
IT convergence and euro costs			
Charge to the provision	-	-	(10)
Exceptional charge	-	(17)	-
Reversal of the provision	-	17	-
Other exceptional items			
Other exceptional charges	(1)	-	(9)
Other exceptional income	1	6	-
Net income of defeasance and put-option structures			
Charge to country risk provisions for loans hedged by options	(6)	-	-
Exceptional income from first consolidation of Edval and Worledge structures	6	-	-
Market guarantee funds	(1)	(3)	-
Total	**(16)**	**3**	**(80)**

33 – Corporate income tax

in EUR millions	2002	2001	2000
Current tax charge	**(44)**	**(62)**	**(178)**
Tax group	(23)	(28)	(83)
Other French subsidiaries	(16)	(14)	(68)
Foreign subsidiaries	2	(9)	(16)
Foreign branches	(7)	(11)	(11)
Deferred tax	**31**	**(17)**	**7**
Total	**(13)**	**(79)**	**(171)**

33.1 – Reconciliation of the tax charge per the financial statements and the theoretical tax charge

in EUR millions	2002	2001
plus:		
Net income	108	291
Minority interests	55	58
Corporate income tax charge	13	79
Goodwill amortization	38	20
less:		
Income from companies accounted for by the equity method	(3)	(13)
= Consolidated accounting net income before tax, goodwill amortization, and income from companies accounted for by the equity method	**211**	**435**
plus/minus permanent timing differences (1)	(209)	(185)
= Consolidated tax income	**2**	**250**
x Standard tax rate	33.33%	33.33%
= Theoretical tax charge	**(1)**	**(83)**
plus:		
Contributions and minimum annual tax charges	(3)	(7)
Income taxed at reduced rates	(16)	(2)
Losses of the period restricted in the interests of prudence (2)	(25)	-
Impact of tax grouping	21	6
Impact of foreign subsidiary income taxed at different rates	(4)	1
Revised tax assessments	6	(16)
Tax credits	11	15
Other	(2)	7
= Corporate income tax charge for the year	**(13)**	**(79)**

(1) The main deductions in respect of permanent timing differences concern the tax-exempt net income of venture capital subsidiaries and subsidiaries which have issued preferred stock, the dividends of which are treated as interest expenses for tax purposes.

(2) In 2001, losses restricted in the interest of prudence were included in "Other", as immaterial in amount.

34 – Income statement analysis by activity sector

in EUR millions	Financing	Investment banking	Services	Coface	Other	Total
Net Banking Income (*)	**869**	**161**	**552**	**191**	**20**	**1,793**
General operating expenses, depreciation, amortization and provisions	(391)	(232)	(451)	(187)	(185)	(1,446)
Gross operating income	**478**	**(71)**	**101**	**4**	**(165)**	**347**
Provisions for loan losses and country risks	(196)	(4)	(29)	-	36	(193)
Operating income	**282**	**(75)**	**72**	**4**	**(129)**	**154**
Income from companies accounted for by the equity method	-	-	1	2	1	4
Net gains/(losses) on disposals of fixed assets	-	(5)	(2)	-	59	52
Income before exceptional items and tax	**282**	**(80)**	**71**	**6**	**(69)**	**210**

(*) Sector Net Banking Income excludes income from own fund investment activities of subsidiaries and, as such, differs from NBI as detailed in the Management Report.

34.1 – Contribution of fully consolidated non-banking companies to consolidated net income

The principal fully consolidated companies belong to the Assurances Banque Populaire business line (Fructilife, Fructiprévoyance, Fructivie SA, La Prosperité, Vitalia Vie and BancAssurance Popolari) and the Coface consolidated group.

	2002		2001		2000	
in EUR millions	Contrib. to consolidated net income	Insurance underwriting income	Contrib. to consolidated net income	Insurance underwriting income	Contrib. to consolidated net income	Insurance underwriting income
Interest margin	-	-	11	11	3	3
Net fee and commission income	(112)	(157)	(90)	(91)	(84)	(85)
Net gains/(losses) on securities held for sale	(3)	-	-	-	-	-
Gross margin on insurance operations	395	385	204	186	203	187
Other net banking income	41	-	-	-	-	-
Net Banking Income	**321**	**228**	**125**	**106**	**122**	**105**
General operating expenses	(231)	(169)	(53)	(42)	(43)	(37)
Depreciation, amortization and provisions for impairment of property and equipment and intangible assets	(9)	(10)	(1)	(1)	(1)	-
Gross operating income	**81**	**49**	**71**	**63**	**78**	**68**
Provisions for loan losses and country risks	-	-	-	-	-	-
Operating income	**81**	**49**	**71**	**63**	**78**	**68**
Income from companies accounted for by the equity method	-	-	-	-	-	-
Net gains/(losses) on disposals of fixed assets	2	-	-	-	(1)	-
Income before exceptional items and tax	**83**	**49**	**71**	**63**	**77**	**68**
Exceptional items	(1)	-	-	-	(1)	(1)
Underwriting Income	**-**	**49**	**-**	**63**	**-**	**67**
Corporate income tax	(28)	-	(17)	-	(29)	-
Goodwill amortization	-	-	-	-	-	-
Minority interests	-	-	-	-	-	-
Net income	**54**		**54**		**47**	

35 – Management compensation

in EUR	2002	2001	2000
Natexis Banques Populaires Directors (1)	210,145	188,185	190,561
Executive Management (2)	3,749,423	3,169,501	3,075,643

(1) In 2002, as in previous years, directors' fees paid to Board members included a fixed portion (EUR1,525 per year and per director) and a variable portion (EUR1,220 per Board meeting and per director). Members of the Financial Statements Review Committee, the Audit Committee and the Compensation Committee received in addition EUR915 per meeting and per director. This compensation is paid in full at the end of the year.

(2) Total gross compensation paid to members of the Natexis Banques Populaires Executive Management Committee during their term of office during the period, including to the Chairman, the Chief Executive Officer and the Deputy Chief Operating Officer (see Note 35 A).
Number of Executive Management Committee members: 11 in 2002; 12 in 2001; 11 in 2000.

35 A – Executive officer compensation

Total gross compensation paid to executive officers was as follows:

in EUR	2002	2001	2000
Chairman	293,002	306,000	305,492
Chief Executive Officer (01/01/2002 to 10/31/2002)	373,334	459,000	365,878
Chief Executive Officer, former Deputy Chief Operating Officer (10/15/2001 to 12/31/2001)	331,273	80,912	-

The number of stock subscription options allotted in respect of offices held in the issuing company and associated undertakings was as follows:

in number	2002	2001	2000
Chairman	11,000	20,000	-
Chief Executive Officer (01/01/2002 to 10/31/2002)	11,000	20,000	20,000
Chief Executive Officer, former Deputy Chief Operating Officer (10/15/2001 to 12/31/2001)	5,500	4,500	-

36 – Comparative balance sheet - institutional activities

ASSETS

in EUR millions	2002	2001	2000
Interbank and money market assets	1,379	1,267	1,435
Customer loans	96	251	437
Accrued income, prepaid expenses and other assets	-	1	5
Total assets	**1,475**	**1,519**	**1,877**

LIABILITIES

in EUR millions	2002	2001	2000
Interbank and money market liabilities	1,453	1,279	1,447
Customer deposits	106	36	114
Debt securities	-	305	495
Deferred income, accrued charges and other liabilities	108	106	119
Total liabilities	**1,667**	**1,726**	**2,175**

in EUR millions	2002	2001	2000
COMMITMENTS GIVEN			
Banking operations	**9**	**41**	**48**
Financing commitments given	-	13	14
Guarantees given	9	28	34

37 – Debt maturity analysis

December 31, 2002 in EUR millions	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Perpetual	Total
Assets						
Loans and advances to banks	8,938	19,207	6,073	3,265	-	37,483
Customer loans	13,611	4,461	6,467	3,921	-	28,460
Lease financing	258	788	2,912	1,244	-	5,202
Bonds and other Fixed Income securities	5,637	2,023	5,785	3,356	-	16,801
Total assets	**28,444**	**26,479**	**21,237**	**11,786**	**0**	**87,946**
Liabilities						
Loans and advances from banks	14,793	15,396	1,209	1,339	-	32,737
Customer deposits	16,267	1,234	311	76	-	17,888
Debt securities	11,129	6,246	4,821	1,114	-	23,310
Long-term subordinated debt	25	90	779	999	285	2,178
Total liabilities	**42,214**	**22,966**	**7,120**	**3,528**	**285**	**76,113**

38 – Companies included in the scope of consolidation in 2000, 2001 and 2002

	Activity	2002 % control	2002 % interest**	2001 % control	2001 % interest**	2000 % control	2000 % interest**
Consolidated subsidiaries							
ADG COFACE ALLGEMEINE DEBITOREN GESELLSCHAFT	Information and debt management services	75	74	(5)	(5)	(5)	(5)
ALLGEMEINE KREDIT COFACE	Credit insurance and services	100	98	(5)	(5)	(5)	(5)
AK COFACE FINANZ	Factoring company	100	98	(5)	(5)	(5)	(5)
ALLGEMEINE KREDIT INFORMATIONS	Information and debt management services	100	98	(5)	(5)	(5)	(5)
ASSET-BACKED MANAGEMENT CORPORATION	Securitized security arbitrage	100	100	100	100	100	100
ASSET SQUARE	Mutual fund distribution	100	100	100	100	-	-
ASSURANCES BANQUE POPULAIRE	Insurance company holding company	100	100	100	100	100	100
AUDLEY FINANCE	Financial operations	(1)	(1)	(1)	(1)	100	100
AUXILIAIRE ANTIN	Real-estate company	100	100	100	100	100	100
AXELTIS LTD (Asset Square London)	Mutual fund distribution	100	100	-	-	-	-
BANCASSURANCE POPOLARI	Life Insurance	51	51	51	51	-	-
B.P. LUXEMBOURG	International asset management	88	88	88	88	51	51
BANQUE POPULAIRE ASSET MANAGEMENT (2)	Management of Collective Savings Schemes	100	100	70	70	70	70
BANQUE POUR LES PAIEMENTS ONLINE	Banking services	100	100	100	100	100	100
BANQUE PRIVEE SAINT DOMINIQUE GESTION	Private asset management	100	100	100	100	99	99
BAIL BANQUE POPULAIRE	Equipment lease financing	100	100	100	100	100	100
BAIL EXPANSION	Lease financing	100	100	100	100	100	100
BANQUE PRIVEE SAINT DOMINIQUE	Private asset management	100	100	100	100	99	99
BANQUE SAINT DOMINIQUE	Private asset management	(3)	(3)	(3)	(3)	100	99
C.C.B.P. HOLDING B.V.	Investment company	(1)	(1)	(1)	(1)	100	100
C.C.B.P. INTERNATIONAL	Commercial company	(1)	(1)	(1)	(1)	100	100
CAURI	Insurance broker and advisor	(1)	(1)	(1)	(1)	100	100
CFJPE *	Private equity	(4)	(4)	(4)	50	50	50
CIMCO SYSTEMS LDT	Information and debt management services	100	98	(5)	(5)	(5)	(5)
CITA*	Private equity	(1)	(1)	25	25	25	25
CO-ASSUR	Insurance broker	100	100	100	100	100	100
COFACE	Credit insurance and services	98	98	(5)	(5)	(5)	(5)
COFACE DEBT PURCHASE	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACE EXPERT	Training services	100	98	(5)	(5)	(5)	(5)
COFACE HOLDING NORTH AMERICA	Holding company	100	98	(5)	(5)	(5)	(5)
COFACE INTERCREDIT HOLDING AG	Holding company	75	73	(5)	(5)	(5)	(5)
COFACE INTERCREDIT CZECHIA	Information and debt management services	97	71	(5)	(5)	(5)	(5)
COFACE INTERCREDIT POLAND	Information and debt management services	97	71	(5)	(5)	(5)	(5)

		2002 %		2001 %		2000 %	
	Activity	control	interest**	control	interest**	control	interest**
COFACE INTERCREDIT SLOVENIA	Information and debt management services	60	44	(5)	(5)	(5)	(5)
COFACE INTERCREDIT SLOVAKIA	Information and debt management services	100	73	(5)	(5)	(5)	(5)
COFACE INTERCREDIT BULGARIA	Information and debt management services	65	48	(5)	(5)	(5)	(5)
COFACE INTERCREDIT ROMANIA	Information and debt management services	60	44	(5)	(5)	(5)	(5)
COFACE INTERCREDIT HUNGARY	Information and debt management services	100	73	(5)	(5)	(5)	(5)
COFACE INTERCREDIT HRATSKA	Information and debt management services	100	73	(5)	(5)	(5)	(5)
COFACE ITALIA	Holding company	100	98	(5)	(5)	(5)	(5)
COFACE MOPE	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACE NORTH AMERICA	Credit insurance and services	100	98	(5)	(5)	(5)	(5)
COFACE SCRL	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACE SCRL PARTICIPATIONS	Holding company	100	98	(5)	(5)	(5)	(5)
COFACE SERVICES	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACE UK	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING HOLDING	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.AT	Information and debt management services	100	92	(5)	(5)	(5)	(5)
COFACERATING.COM	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.DE	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.FR	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.IT	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.UK	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACERATING.US	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COFACE VERMÖGENSVERWALTUNG	Holding company	100	98	(5)	(5)	(5)	(5)
COFICINE	Financial company (audio-visual)	93	93	93	93	93	93
COFINPAR	Credit insurance and services	100	98	(5)	(5)	(5)	(5)
COGERI	Information and debt management services	100	98	(5)	(5)	(5)	(5)
COGESTIMMO	Real-estate company	100	98	(5)	(5)	(5)	(5)
COMPAGNIE FONCIERE NATEXIS	Real-estate investment	100	100	100	100	100	100
CREDICO LDT	Information and debt management services	100	98	(5)	(5)	(5)	(5)
CREDITORS GROUP HOLDINGS LTD	Information and debt management services	100	98	(5)	(5)	(5)	(5)
CREDITORS GROUP LIMITED	Information and debt management services	100	98	(5)	(5)	(5)	(5)
CREDITORS INFORMATION CO LTD	Information and debt management services	100	98	(5)	(5)	(5)	(5)
CRISTAL NEGOCIATIONS	Realtor	100	100	100	100	100	100
DOMIMUR	Rental of professional premises	100	100	100	100	100	100
DUPONT-DENANT CONTREPARTIE	Investment company	50	50	50	50	50	50
ECRINVEST 6 (formerly IMMOBILIERE NATEXIS)	Real-estate investment	100	100	100	100	100	100
EDVAL C INVESTMENTS Ltd	Country risk defeasance structure	100	100	-	-	-	-
ENERGECO	Equipment lease financing	100	100	100	100	100	100
EUROMEZZANINE GESTION *	Management of mezzanine financing companies	(1)	(1)	(1)	(1)	50	50

	Activity	2002 % control	2002 % interest**	2001 % control	2001 % interest**	2000 % control	2000 % interest**
FACTOREM	Factoring company	100	100	100	100	100	100
FIMIPAR	Debt purchase	100	98	(5)	(5)	(5)	(5)
FINANCIERE CLADEL	Investment company	100	100	100	100	100	100
FONCIERE KUPKA	Real-estate investment	100	100	100	100	100	100
FRUCTIBAIL	Real-estate lease financing	100	100	100	100	100	100
FRUCTICOMI	Real-estate lease financing	100	100	100	100	100	100
FRUCTIGER (6)	Real-estate management	100	100	90	90	90	90
FRUCTIGESTION	Holding company	100	100	100	100	100	100
FRUCTIGERANCE	Real-estate management	(1)	(1)	(1)	(1)	90	90
FRUCTILIFE	Life Insurance	100	96	100	96	100	83
FRUCTIPREVOYANCE	Personal Risk Insurance	100	100	100	100	100	100
FRUCTIVIE S.A.	Life Insurance	100	100	100	100	100	100
INITIATIVE ET FINANCE INVESTISSEMENT	Buy-out/Buy-in financing	92	77	92	75	92	73
INTERFINANCE NATEXIS N.V.	International loan issues	100	100	100	100	100	100
INVEST SIGMA	Real-estate company	100	100	100	100	100	100
KOMPASS INTERNATIONAL	Holding company	100	98	(5)	(5)	(5)	(5)
LA PROSPERITE	Life Insurance	82	82	82	82	82	82
LA SERENITE	Private asset management	(1)	(1)	(1)	(1)	99	99
LINEBOURSE	On-line broking	100	100	100	100	100	100
NATEXIS ACTIONS AVENIR	Mutual funds	79	77	80	78	85	84
NATEXIS ACTIONS NOUVEAUX MARCHES	Mutual funds	81	77	81	77	83	80
NATEXIS ALGERIE (formerly AL AMANA BANQUE)	Bank	100	100	100	100	100	98
NATEXIS AMBS	Preferred stock issues	50	14	50	17	50	36
NATEXIS ARBITRAGE (formerly SPAFIN)	Stock and derivative arbitrage	100	100	100	100	100	100
NATEXIS BAIL	Real-estate lease financing	100	100	100	100	100	100
NATEXIS BLEICHROEDER S.A. (formerly NATEXIS CAPITAL)	Broker/dealer	100	100	100	100	100	100
NATEXIS BLEICHROEDER INC	Broker/dealer	100	100	-	-	-	-
NATEXIS CAPITAL	Broker/dealer	(7)	(7)	(7)	(7)	100	100
NATEXIS EPARGNE ENTREPRISE (8)	Employee savings management company	100	100	-	-	-	-
NATEXIS FINANCE	Merger advisory services	100	100	100	100	100	100
NATEXIS INDUSTRIE	Buy-out/Buy-in financing	100	90	100	93	100	92
NATEXIS INTEREPARGNE (formerly INTEREPARGNE) (9)	Employee savings management company	100	100	50	50	50	50
NATEXIS INVESTISSEMENT	Growth capital	(10)	(10)	(10)	(10)	100	93
NATEXIS INVESTISSEMENT (formerly SOFININDEX)	Growth capital	99	93	99	93	77	71

	Activity	2002 % control	2002 % interest**	2001 % control	2001 % interest**	2000 % control	2000 % interest**
NATEXIS INVESTMENT CORP.	Portfolio management	100	100	100	100	100	100
NATEXIS LUXEMBOURG	Bank	100	100	100	100	100	100
NATEXIS METALS (formerly SOGEMIN)	Precious metal broker	80	80	80	80	80	80
NATEXIS PRIVATE EQUITY (formerly FNBP)	Private equity	100	100	100	100	100	100
NATEXIS PRIVATE EQUITY ASIA	Management company (private equity)	100	100	100	100	100	100
NATEXIS PRIVATE EQUITY INTERNATIONAL	Private equity	100	100	100	100	100	100
NATEXIS US FINANCE CORPORATION	Portfolio management	(1)	(1)	(1)	(1)	100	100
NBP INVEST	Mutual funds	100	100	100	100	-	-
NBP PREFERRED CAPITAL I	Preferred stock issues	100	0	100	0	100	0
NBP PREFERRED CAPITAL II	Preferred stock issues	100	0	-	-	-	-
NEM 2	Management company (private equity)	88	88	88	88	88	85
NXBP1 (formerly NATEXIS GESTION)	Holding company	100	100	100	100	100	100
OKV KREDITINFORMATIONS	Information and debt management services	100	92	(5)	(5)	(5)	(5)
OSTERREICHISCHE KREDITVERSICHERUNG COFACE	Credit insurance and services	94	92	(5)	(5)	(5)	(5)
+X ALTAIR	IT services	100	100	100	100	88	88
+X ALTAIR SERVICES	IT services	(11)	(11)	(11)	(11)	100	100
+X ALTAIR SERVICES CELAD	IT services	(1)	(1)	(1)	(1)	50	50
PRAMEX INTERNATIONAL	International commerce promotion and operations	99	99	99	99	(15)	(15)
PROXIGMA (formerly SPATITRES)	IT services	100	100	100	100	100	100
REACOMEX	Credit insurance and services	100	98	(5)	(5)	(5)	(5)
S.A.G.P	Investment company	100	100	100	100	100	100
SAMIC	IT services	70	70	70	70	70	70
S.A.S. MONTMARTRE 1	Recovery of mutual fund assets	100	100	100	100	100	100
S.C.I. ALTAIR 1	Real-estate company	70	70	70	70	70	69
S.C.I. ALTAIR 2	Real-estate company	70	70	70	70	70	69
S.C.I. VALMY COUPOLE	Real-estate company	100	100	100	100	100	100
S.D. CONSEIL	Own funds advisory services	(1)	(1)	(1)	(1)	100	100
SEGEX	Investment company	100	100	100	100	100	100
SEPIA	Portfolio company	100	100	100	100	100	100
SLIB	IT services	100	100	100	100	100	100
SOCELIC	Real-estate asset management	(1)	(1)	(1)	(1)	59	59
SOCIETE DE BANQUE FRANCAISE ET INTERNATIONALE	Bank	100	100	100	100	89	89
SOCIETE FINANCIERE DE LA BFCE	Portfolio company	100	100	100	100	100	100
SOCIETE IMMOBILIERE A.B.C.	Real-estate company	100	100	100	100	100	100
SODETO	Portfolio company	100	100	100	100	100	100

	Activity	2002 % control	interest**	2001 % control	interest**	2000 % control	interest**
SOFEP	Real-estate promotion and renovation	100	100	100	100	100	100
SOFINETI	Growth capital	(1)	(1)	(1)	(1)	74	74
SOFINGEST	Secondary debt market operator	100	100	100	100	100	100
SOGAFI	Bond company	100	100	100	100	100	100
SOPRANE ASSURANCES	Private asset management	100	100	100	100	100	99
SPAFICA	Real estate investment	100	100	100	100	100	100
SPEF	Private equity	(12)	(12)	100	100	55	55
SPEF DEVELOPPEMENT (13)	Venture capital mutual investment fund manager	100	100	100	100	-	-
SPEF LBO (14)	Venture capital mutual investment fund manager	100	100	-	-	-	-
SPEF VENTURE (formerly SOPAGEST)	Innovation mutual investment fund manager	100	100	100	100	100	55
TURBO S.A.	Commercialization of Turbo software	(1)	(1)	(1)	(1)	51	51
UNISTRAT ASSURANCES	Credit insurance and services	50	49	(5)	(5)	(5)	(5)
VAL A	Investment Portfolio Management	98	98	98	98	98	98
VERITAS SOUTH AMERICAN CORPORATION	Holding company	100	98	(5)	(5)	(5)	(5)
JI INTERNATIONAL	Information and debt management services	100	98	(5)	(5)	(5)	(5)
INFORMES VERITAS	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS ANDINA	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS ARGENTINA	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS BRAZIL	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS BUSINESS INFORMATION	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS CARIBBEAN CORPORATION	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS CHILE	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS COLOMBIA	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS CREDIT CORPORATION	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS DE CENTRO AMERICA	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS PERU	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS PUERTO RICO CORP.	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VERITAS VENEZUELA	Information and debt management services	100	98	(5)	(5)	(5)	(5)
VILLCOMM	Real estate investment	(1)	(1)	100	100	100	100
VISCONTEA COFACE	Credit insurance and services	100	98	(5)	(5)	(5)	(5)
VITALIA EPARGNE	Employee savings management	(1)	(1)	(1)	(1)	100	50
VITALIA VIE	Life Insurance	100	100	100	100	100	100
WORLEDGE A INVESTMENTS Ltd	Country risk put-option structure	100	100	-	-	-	-
ZAO NATEXIS BANQUES POPULAIRES	Foreign bank	100	100	-	-	-	-

	Activity	2002 % control	2002 % interest**	2001 % control	2001 % interest**	2000 % control	2000 % interest**
Equity affiliates							
CHÂTEAU DE FIEUZAL	Management of agricultural estates	(1)	(1)	(1)	(1)	57	57
CODINF Services	Information and debt management services	30	29	(5)	(5)	(5)	(5)
COFACE SA (5)	Credit insurance	19	19	19	19	19	19
COFACREDIT	Credit insurance and services	36	35	(5)	(5)	(5)	(5)
EUROMEZZANINE S.C.A.	Buy-out/Buy-in financing	(1)	(1)	(1)	(1)	28	28
EUROMEZZANINE S.C.A. 2	Buy-out/Buy-in financing	(1)	(1)	(1)	(1)	32	32
EUROPOLIS INVEST	Real-estate investment in Europe	(1)	(1)	(1)	(1)	20	20
FRUCTI-MAAF	Asset damage insurance	50	50	50	50	50	50
GRAYDON HOLDING	Information and debt management services	28	27	(5)	(5)	(5)	(5)
IDF NORD CROISSANCE	Private equity	33	33	33	33	33	18
IFCIC	Cinema and audio-visual sector guarantees	20	20	20	20	20	20
OFIVM	Custody and broking	34	34	34	34	-	-
+X DEVELOPPEMENT	Venture capital	33	33	33	33	33	32
PRAMEX INTERNATIONAL	International commerce promotion and operations	(15)	(15)	(15)	(15)	26	26
SOCECA	Insurance broker	25	25	25	25	25	25
SOFINNOVA	Venture capital	24	23	24	24	24	24
SUD EST CROISSANCE	Private equity	25	25	25	25	25	14

* Consolidated on a proportional basis
** In earnings: For those companies with share classes conferring different rights to earnings, the percentages indicated represent the Group portion of their earnings; for those companies no longer within the scope of consolidation, the percentage indicated is that existing on the date of removal from scope.

(1) Company removed from the scope of consolidation
(2) Consolidated on a proportional basis in December 2001 and 2000 and fully consolidated in December 2002 following the buy-out of minority interests
(3) Absorption of Banque Saint Dominique by Banque Privée Saint Dominique on May 31, 2001
(4) Company sold outside the Group on June 29, 2001. The 2001 consolidated income statement includes 50% of first-half income and expenses.
(5) Coface SA is accounted for by the equity method in December 2000 and 2001 and for the first half of 2002. The Coface group is fully consolidated in the second half of 2002.
(6) Buy-out of minority interests (10%) bringing the Group interest to 100%
(7) After a partial asset transfer to Natexis Capital Marchés Primaires, now Natexis Bleichroeder, Natexis Capital was absorbed by Natexis Banques Populaires on November 29, 2001
(8) Produced by the hive-down of Natexis Interépargne
(9) Buy-out of minority interests (49.91%), bringing the Group interest to 100%
(10) Absorbed by Sofinindex, now Natexis Investissement
(11) + X Altaïr Services was absorbed by +X Altaïr on June 29, 2001
(12) Merged with Natexis Private Equity (formerly FNBP)
(13) After transfer of venture capital mutual investment fund manager and venture capital subsidiary activities of Spef and Spef Venture
(14) After transfer of venture capital mutual investment fund manager activities of Spef Venture
(15) Pramex International is accounted for by the equity method in December 2000 and is fully consolidated in December 2001 and 2002.

39 – Comparative consolidated financial statements excluding the impact of full consolidation of Coface

The following assumptions were made in the preparation of these financial statements:

- Coface is accounted for by the equity method at a rate of 18.95%, based on the historical interest in this company;
- temporary holding costs estimated at EUR9.6 million, gross of tax of EUR3.4 million, have been cancelled;
- goodwill amortization in respect of the Coface group of EUR3.2 million has been cancelled.

Comparative consolidated balance sheets with Coface accounted for by the equity method for the entire fiscal year 2002

ASSETS

in EUR millions	2002	2001	2000
Interbank and money market assets	42,604	22,757	27,998
of which institutional activities	1,379	1,267	1,435
Customer loans	32,893	34,204	33,606
of which institutional activities	96	251	437
Lease financing	5,404	5,204	5,018
Bonds, equities and other fixed and variable income securities	19,162	19,498	18,023
Insurance company investment portfolios	18,207	17,302	16,078
Investments in affiliates and associated undertakings and other securities held for investment	1,695	489	470
Property and equipment and intangible assets	563	529	620
Goodwill	427	238	277
Accrued income, prepaid expenses and other assets	10,714	10,133	11,041
of which institutional activities	0	1	5
Total assets	**131,669**	**110,354**	**113,131**
of which institutional activities	1,475	1,519	1,877

LIABILITIES AND SHAREHOLDERS' EQUITY

in EUR millions	2002	2001	2000
Interbank and money market liabilities	46,068	35,624	37,956
of which institutional activities	1,453	1,279	1,447
Customer deposits	22,803	14,264	15,701
of which institutional activities	106	36	114
Debt securities	23,501	23,411	21,881
of which institutional activities	0	305	495
Insurance company technical reserves	18,026	17,254	16,297
Deferred income, accrued charges and other liabilities	13,571	12,366	13,866
of which institutional activities	108	106	119
Negative goodwill	89	103	115
Provisions for contingencies and charges	757	758	817
Long-term subordinated debt	2,209	2,023	2,263
Fund for General Banking Risks	242	263	263
Minority interests	697	620	657
Shareholders' equity	3,706	3,668	3,315
Capital stock	759	709	684
Additional paid-in capital	1,750	1,579	1,706
Retained earnings	1,084	1,089	675
Net income for the year	113	291	250
Total liabilities and shareholders' equity	**131,669**	**110,354**	**113,131**
of which institutional activities	1,667	1,726	2,175

Comparative consolidated off-balance sheet items with Coface accounted for by the equity method for the entire fiscal year 2002

in EUR millions	2002	2001	2000
COMMITMENTS GIVEN			
Banking operations	**37,147**	**35,630**	**31,817**
Financing commitments given in favor of:	21,447	19,774	18,297
financial institutions	3,576	3,503	2,969
customers	17,871	16,271	15,328
of which institutional activities	*-*	*13*	*14*
Guarantees given on behalf of:	15,237	15,237	12,511
financial institutions	1,687	1,480	539
customers	13,550	13,757	11,972
of which institutional activities	*9*	*28*	*34*
Commitments on securities	463	619	1,009
of which securities with repurchase options	*-*	*-*	*-*
COMMITMENTS RECEIVED			
Banking operations	**4,899**	**4,142**	**3,984**
Financing commitments received from financial institutions	964	1,665	1,652
Guarantees received from financial institutions	3,499	2,195	1,977
Commitments on securities	436	282	355
of which securities sold with repurchase options	*-*	*-*	*-*

Comparative consolidated income statements with Coface accounted for by the equity method for the entire fiscal year 2002

in EUR millions	2002	2001	2000
Interest income	5,748	5,272	8,307
Interest expense	(5,047)	(5,096)	(8,124)
Income from variable income securities	40	48	67
Net fee and commission income	493	549	586
Net gains/(losses) on trading account securities	(59)	396	482
Net gains/(losses) on securities held for sale	7	293	169
Other banking revenues and expenses	115	115	49
Gross margin on insurance operations	247	204	202
Other net banking income	67	59	88
Net Banking Income	**1,611**	**1,840**	**1,826**
General operating expenses	(1,200)	(1,184)	(997)
Depreciation, amortization and provisions for impairment of property and equipment and intangible assets	(59)	(43)	(50)
Gross operating income	**352**	**613**	**779**
Provisions for loan losses and country risks	(193)	(184)	(147)
Operating income	**159**	**429**	**632**
Income from companies accounted for by the equity method	3	13	20
Net gains/(losses) on disposals of fixed assets	53	3	(3)
Income before exceptional items and tax	**215**	**445**	**649**
Exceptional items	(16)	3	(80)
Corporate income tax	(18)	(79)	(171)
Goodwill amortization	(35)	(20)	(2)
Net reversal of/(charge to) FGBR	21	-	(76)
Minority interests	(54)	(58)	(70)
Net income	**113**	**291**	**250**
Earnings per share Consolidated net income per share, based on the average number of shares outstanding during the year.	2.52	6.73	7.14
Diluted earnings per share Consolidated net income per share, based on the number of shares outstanding at the year-end.	2.38	6.57	5.84

AUDITORS' REPORTS

FOR THE YEAR ENDED DECEMBER 31, 2002

Auditors' report on the consolidated financial statements

In accordance with our appointment as auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Natexis Banques Populaires Group, for the year ended December 31, 2002.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

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 principles 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 as of December 31, 2002 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

We have also performed the procedures required by law on the Group financial information given in the Management Report. We have no comment to make as to the fair presentation of this information nor its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris,
April 3, 2003

The auditors

BARBIER FRINAULT & AUTRES	RSM SALUSTRO REYDEL	DELOITTE TOUCHE TOHMATSU
Olivier Durand	Michel Savioz	Philippe Vassor
Richard Olivier		

This is a free translation of the original French text for information purposes only.

Auditors' report on agreements involving members of the Board of Directors of the Company

In accordance with our appointment as auditors of your Company, we are required to report on agreements involving members of the Board of Directors of the Company which have been brought to our attention. The terms of our engagement do not require us to identify such agreements if any.

We hereby inform you that no agreement to which article L 225-38 of the French Commercial Code would be applicable has been brought to our attention.

Neuilly-sur-Seine and Paris,
April 1, 2003

The auditors

BARBIER FRINAULT & AUTRES	RSM SALUSTRO REYDEL	DELOITTE TOUCHE TOHMATSU
Olivier Durand	Michel Savioz	Philippe Vassor
Richard Olivier		

This is a free translation of the original text in French for information purposes only. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

COMPARATIVE PARENT COMPANY BALANCE SHEETS

AT DECEMBER 31

Assets

in EUR millions	note	2002	2001	2000
Cash, central banks and post office banks		77	194	148
Government securities and equivalent		4,874	6,126	12,254
Loans and advances to banks	2	41,718	21,666	19,901
Customer loans	2	29,449	33,085	33,071
Bonds and other Fixed Income securities	2	10,543	10,235	9,258
Equities and other variable income securities	2	1,277	1,536	2,411
Investments in affiliates and other securities held for investments		179	209	435
Investments in associated undertakings		3,926	2,659	2,296
Intangible assets		39	34	34
Property and equipment		103	97	89
Treasury stock		73	47	2
Other assets		5,192	2,939	1,994
Accrued income and prepaid expenses		2,273	4,566	4,903
Total Assets		**99,723**	**83,393**	**86,796**

Off-balance sheet items

in EUR millions	2002	2001	2000
Financing commitments received from credit institutions	897	1,601	1,446
Guarantees received from financial institutions	1,771	645	1,009
Commitments on securities	335	152	91

Liabilities & shareholders' equity

in EUR millions	note	2002	2001	2000
Cash, central banks and post office banks		3	142	181
Loans and advances from banks	2	45,640	32,379	34,524
Customer deposits	2	16,105	13,298	14,772
Debt securities	2	22,932	22,683	21,199
Other liabilities		5,846	4,001	4,635
Deferred income and accrued charges		2,561	4,900	5,422
Provisions for contingencies and charges		839	836	784
Long-term subordinated debt	2	2,391	2,044	2,270
Fund for General Banking Risks		245	274	269
Shareholders' equity		3,161	2,836	2,740
Capital stock	3	759	709	684
Additional paid-in capital	3	1,746	1,579	1,706
Reserves	3	335	372	478
Tax-driven provisions & investment grants		114	102	103
Retained earnings	3	1	-	-
Net income (loss) for the year		206	74	(231)
Total liabilities & shareholders' equity		**99,723**	**83,393**	**86,796**

Off-balance sheet items

in EUR millions	note	2002	2001	2000
Financing commitments given in favor of	2			
Financial institutions		3,617	3,507	3,478
Customers		16,999	15,710	14,816
Guarantees given on behalf of	2			
Financial institutions		1,859	1,465	883
Customers		13,810	14,133	12,142
Commitments on securities		271	563	58

COMPARATIVE PARENT COMPANY INCOME STATEMENTS

YEAR ENDED DECEMBER 31,

in EUR millions	2002	2001	2000
Interest income	5,452	5,121	4,905
Transactions with financial institutions	2,568	1,740	2,296
Customer transactions	1,944	2,397	1,881
Bonds and other Fixed Income securities	673	915	696
Other interest income	267	69	32
Interest expenses	(4,914)	(4,926)	(4,410)
Transactions with financial institutions	(2,430)	(2,653)	(2,428)
Customer transactions	(1,207)	(701)	(760)
Bonds and other Fixed Income securities	(857)	(1,149)	(1,201)
Other interest expenses	(420)	(423)	(21)
Income from variable income securities	238	130	88
Fee and commission income	651	542	460
Fee and commission expense	(289)	(307)	(281)
Net gains/(losses) on trading account securities	(93)	142	32
Net gains/(losses) on trading account securities	(33)	(388)	653
Net foreign exchange gains/(losses)	38	6	60
Net gains/(losses) on financial instruments	(98)	524	(681)
Net gains/(losses) on securities held for sale	(21)	191	3
Net gains/(losses) on debt securities held for investment	-	-	-
Other bank operating income	54	201	182
Other bank operating expenses	(31)	(39)	(51)
Net Banking Income	**1,047**	**1,055**	**928**
General operating expenses	(772)	(783)	(629)
Personnel costs	(415)	(418)	(357)
Other administrative costs	(357)	(365)	(272)
Depreciation, amortization and provisions for impairment of property and equipment and intangible assets	(29)	(24)	(29)
Gross operating income	**246**	**248**	**270**
Provisions for loan losses and country risks	(121)	(162)	(115)
Operating income	**125**	**86**	**155**
Net gains/(losses) on disposals of fixed assets	34	(46)	(73)
Income before exceptional items and tax	**159**	**40**	**82**
Exceptional items	(15)	(3)	(40)
Corporate income tax	45	40	(41)
Net charge to/(release from) Fund for General Banking Risks and tax-driven provisions	17	(3)	(232)
Net income/(loss)	**206**	**74**	**(231)**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

The following information is drawn from the parent company financial statements, which are the subject of an unqualified audit report and may be obtained on request from the registered office. Figures shown in these notes are expressed in millions of euro, unless otherwise stated. Accounting policies and valuation methods are detailed in Note 2 to the consolidated financial statements.

The scope of Natexis Banques Populaires activities has undergone the following changes in the last three years:

In 2000, the Extraordinary General Meeting (EGM) of June 28, 2000 approved the merger-absorption of Natexis Banque by Natexis Banques Populaires, with retroactive effect from January 1, 2000. 2000 net income after these restructuring operations therefore comprises net income from commercial banking activities, now housed within a single entity for which the role as holding company for the principal business line subsidiaries has been retained.

In 2001, the EGM of November 30, 2001 approved the merger-absorption by Natexis Banques Populaires of Natexis Capital's service activities, initially exercised by Xeod, with effect from January 1, 2001.

In 2002, the EGM of December 6, 2002 approved the merger-absorption by Natexis Banques Populaires of Société Immobilière ABC with effect from April 1, 2002.

Income statement

2002 Net Banking Income dropped by 1%: the recording of losses on "structured equity" products had a negative impact of EUR118 million. However, income from variable income securities, representing, for the most part, holding activity revenue increased significantly by EUR108 million.

Control over operating expenses continued in 2002, with respect to 2001 (personnel costs and other management costs).

2002 Gross Operating Income remained largely unchanged on 2001 (down from EUR248 million to EUR246 million). The cost/income ratio is identical at 76.5%.

Charges to Provisions for loan losses and country risks decreased considerably, from EUR162 million in 2001 to EUR121 million in 2002. North American risk continues to impact the accounts of the New York branch but to a lesser degree than in 2001, when the Enron dossier was provided in the amount of EUR31 million. In mainland France, four Argentine banks were declassified to non-performing loans in 2002. In 2001, these loans were provided with respect to country risk. In addition to being declassified, an additional provision of EUR15 million was raised. After adjustment for transfers from country risk to specific credit risk and taking into account the impact of translation differences, the change in provisions for industry and country risks represented a provision reversal of EUR17.7 million, mainly due to the reduction in the provision basis.

Balance sheet

The Natexis Banques Populaires balance sheet as of December 31, 2002 includes assets and liabilities transferred in as part of the Natexis Capital merger absorption. The transfer comprised total assets of EUR1,528 million and total liabilities of EUR1,469 million, representing a net asset transfer of EUR59 million.

The Natexis Banques Populaires balance sheet as of December 31, 2002 includes assets and liabilities transferred in as part of:

- the merger-absorption of Société Immobilière ABC. The transfer comprised total assets of EUR47.6 million and total liabilities of EUR18.6 million, representing a net asset transfer of EUR29 million;
- the asset pooling merger with Fructigestion. Net assets transferred totaled EUR16 million.

Total assets as of December 31, 2002 amounted to EUR99,723 million compared to EUR83,393 million one year previously, representing an increase of EUR16,330 million.

This significant increase is mainly due to repurchase and reverse repurchase activities:

– assets, + EUR19,665 million;

– liabilities, + EUR16,709 million.

Note 1 – Natexis Banques Populaires stock transactions

During 2002, capital stock was impacted by the following two major transactions:

- the EGM of December 6, 2002 approved the acquisition of Arnhold & S. Bleichroeder. This resulted in an increase in capital stock of EUR22.4 million and additional paid-in capital of EUR83.4 million;
- the conversion of the remaining perpetual subordinated securities convertible into shares issued in May 1996, not converted as of December 31, 2001, resulted in an increase in capital stock of EUR27.5 million and additional paid-in capital of EUR86.4 million.

All other transactions involving Natexis Banques Populaires shareholders' equity are presented in Note 3.

Note 2 – Transactions with associated undertakings

ASSETS

in EUR millions	2002	2001	2000
Loans and advances to banks	7,560	5,937	4,921
Customer loans	4,323	4,137	4,115
Bonds and other Fixed Income securities	1,504	1,427	1,059
Equities and other variable income securities	-	-	-

LIABILITIES

in EUR millions	2002	2001	2000
Loans and advances from banks	1,531	2,027	2,723
Customer deposits	351	382	302
Debt securities	948	935	985
Long-term subordinated debt	958	643	132

OFF-BALANCE SHEET

in EUR millions	2002	2001	2000
Financing commitments given in favor of			
financial institutions	904	153	342
customers	924	66	240
Guarantees given on behalf of			
financial institutions	598	600	700
customers	357	506	651

Note 3 – Capital stock, additional paid-in capital, reserves and retained earnings

Year-on-year movements break down as follows:

in EUR millions	2002	2001	2000
Balance at January 1	2,660	2,868	2,139
Capital stock (*) (**)	709	684	531
Additional paid-in capital	1,579	1,706	1,164
Reserves	372	478	444
Retained earnings	-	-	-
Prior year net income (loss)	**74**	**(231)**	**107**
Dividends distributed	(111)	(107)	(73)
Dividends paid	(111)	(107)	(73)
Dividends on treasury stock carried forward	-	-	-
Dividend equalization tax (Précompte mobilier)	-	-	-
Movements in shareholders' equity	219	130	695
Scrip dividends	-	-	68
Arnhold & S. Bleichroeder acquisition	106	-	-
TSDI conversion	113	-	-
Transfer of Bail Banque Populaire stock	-	-	35
Transfer of SAS Factorem stock	-	-	15
Transfer of SAS Fructivie stock	-	-	81
Transfer of Factorem & Assurances Banque Populaire stock	-	-	102
Stock issue (12/2000)	-	-	384
Operation Alizé stock issue	-	102	-
Other	-	28	10
Balance at December 31	**2,842**	**2,660**	**2,868**
Capital stock (*) (**)	759	709	684
Additional paid-in capital	1,746	1,579	1,706
Reserves (***)	336	372	478
Retained earnings	1	-	-
Total	**2,842**	**2,660**	**2,868**

(*) Including FRF 115 million (EUR17 million) arising from the 1983 capitalization of the special reserve established in 1978 in connection with the revaluation of non-depreciable assets.

(**) The capital stock was made up of 42,719,392 shares of EUR16 par value each as of December 31, 2000 and of 44,314,352 shares of EUR16 par value each as of December 31, 2001.

(**) The capital stock was made up of 44,314,352 shares of EUR16 par value each as of December 31, 2001 and of 47,442,837 shares of EUR16 par value each as of December 31, 2002.
Natexis Banques Populaires held treasury stock of EUR2 million as of December 31, 2000, EUR47 million as of December 31, 2001 and EUR73 million as of December 31, 2002.

(***) Reserves comprise:

in EUR millions	2002	2001	2000
Legal reserve	44	40	40
General reserve	141	181	287
Long-term capital gains tax-driven reserve	140	140	140
Provision for medium and long-term loan refinancing risk	11	11	11
Total	**336**	**372**	**478**

Note 4 – Disclosure of significant shareholdings in French companies:

The following information is provided pursuant to Article L. 247-1 of the French Commercial Code:

additions	%	Number of shares
Acquisitions, subscriptions and asset transfers		
NATEXIS INTEREPARGNE	99.99	555,654
BANQUE POPULAIRE ASSET MANAGEMENT Gérance	99.84	2,496
FRUCTIGER	99.65	89,612
COFACE	98.04	12,790,204
BANQUE POPULAIRE ASSET MANAGEMENT	86.88	512,750
VAL E	79.96	1,999
Sales, transfers		
CAURI	45.00	3,462
ABC merger		
IMMOBILIERE ABC/NATEXIS BANQUES POPULAIRES (April 1, 2002)		

disposals	%	Number of shares
ECRINVEST 4	-	-
FRUCTIGESTION	-	-
NATEXIS EPARGNE ENTREPRISE	-	-
SADEF	-	-

Investment portfolio as of December 31, 2002

Table 1

	Number of shares	Carrying value in EUR
I – Investments in affiliates and other securities held for investment		
A) Banking and credit institutions		
B.P. DI NOVARA	30,000	231,696.78
BANCO FINANTIA	1,520,652	15,119,614.38
BANQUE GABONAISE DE DEVELOPPEMENT	16,200	67,077.57
EURONEXT NV	2,302,903	0.00
I.K.B	2,200,000	29,430,369.72
PARNASSIENNE DE CREDIT	100	76,224.51
SEBADOUR « Ste financière des pays de »	4,680	75,151.27
W.G.Z. BANK	290	650,545.87
B) Financial institutions		
AFH - AFRICAN FINANCIAL HOLDING	25,760	4,396,006.28
AL WASSIT - INTERMEDIATION ET CONSEIL FINANCIER	9,375	68,683.09
FIARO	29,166	97,508.98
MAGHREB PRIVATE EQUITY FUND LTD	262	541,106.18
MEDIAFINANCE	255,000	4,047,120.84
NBP IMAGES 4	15	15,000.00
OFIVM	679,999	11,333,322.00
PARIS TITRISATION	3,999	86,356.02
PROPARCO	267,300	4,017,739.19
SICOVAM HOLDING	3,694	30,417,099.22
SOFARIS	133,372	3,242,831.92
SOFIPROTEOL	17,501	243,163.03
UNIGRAINS	5,467	186,978.50
VAL "E"	1,999	30,474.55
VIETNAM INTERNATIONAL LEASING CIE	850,000	681,793.93

	Number of shares	Carrying value in EUR
C) Other		
ADVENT Global Private Equity IV-D (London)		2,859,000.00
ALUMINIUM DUNKERQUE	680	1,886,556.59
AXELTIS	627,000	1,025,777.75
BANQUE INTERNATIONALE ARABE DE TUNISIE	160,000	1,568,576.07
BPAM GERANCE	2,496	38,370.63
CAISSE DE GARANTIE IMMOBILIERE « C.G.I.F.N.B. »	2,000	15,244.90
CLEMET	1,000	15,244.90
COMPAGNIE LAITIERE EUROPEENNE	302,368	550,073.86
DEVELOPPEMENT DE L'HORLOGERIE (Sté)	2,400	36,587.76
E.A.D.S. (France)	7,365	88,561.89
ECICs (Singapore)	250,000	165,000.00
ECONOCOM INT NVCL	13,252	56,031.24
EMBRAER	273,120	10,492,370.08
EUROMEZZANINE 2 .SCA.	460,000	701,265.48
EUROMEZZANINE.SCA	12,500	25,918.38
EUROPAY France	9,802	685,291.03
EUROPE OBLIGATIONS	1,872	23,572.76
EUROPOLIS INVEST	32,399	383,721.29
EXPERTIM	11,946	36,423.12
FRUCTI-MAAF	44	132,000.00
GIE FIRST SNOW	396,086,798	603,830.43
GIE SPRING RAIN	17,599,140	2,682,971.60
GIE VULCAIN ENERGIE	24,446	372,676.87
I.D.P.C.	375	57,168.38
IMMOBILIERE PRIVEE	70	15,244.90
JACQUET SA	142,141	1,625,282.10
LES JEUNES BOIS GIE	251,540	250,799.70
LOXLEY PUBLIC Co Ltd (Singapore)	1,615,000	19,000.00
LUCIA	186,001	3,965,687.02
MTS FRANCE	289,473	28,947.30
O.G.I.F. - OMNIUM DE GESTION FINANCIERE DE L'ILE DE FRANCE	77,350	31,556.95
PAI EUROPE 3 FCPR	2,018,000	5,515,000.00
PARNASSE IMMO	300	78,128.30
PATRIMOINE EUROPE (SCPI)	2,941	2,767,864.37
PRAMEX INTERNATIONAL	33,986	507,832.26
SADEPAR	100	15,244.90
SAINT AUBIN CHIMIE GIE	7,617,500	1,161,280.39
SEPIA	14,099	107,468.93
SNPE	500	36,206.64
SOCIETE CONCESSIONNAIRE DU GRAND LOUVRE	16,009	457,361.32
SOFIMAC	221	33,521.89
SOFRANTEM	15,002	388,822.74
SOFREAVIA	3,750	17,150.51
SOGEMAC HABITAT	3,580	54,576.75
SOMIVAL	1,750	26,678.58
SOPARIND	36,956	25,887,797.52
STAR TROIS GIE	149,902,077	228,524.24
SWIFT	385	35,719.36
SYSTRA	7,300	1,779,789.65
THIRD CILVEN FUND (London)	-	4,431,000.00
TRANSVALOR	1,069	16,754.15
UNICEREALES	2,750	41,923.48
VEV	1,316,566	182,870.33
D) Investments with a carrying value equal to or less than EUR15,000		121,615.24

	Number of shares	Carrying value in EUR
E) Current account advances		
SAS CRI		0.00
F) Securities on loan		10,360.60
G) Related receivables		829,63

II - Investments in associated undertaking

A) Banking and financial institutions		
BAIL BANQUE POPULAIRE	16,670,493	399,594,796.90
BANQUE POPULAIRE DU LUXEMBOURG	10,097	47,471,418.97
BANQUE POUR LES PAIEMENTS ONLINE	2,399,989	21,886,781.97
BANQUE PRIVEE SAINT DOMINIQUE	1,637,103	26,821,639.99
CFDI - CAISSE FRANÇAISE DE DEVELOPPEMENT INDUSTRIEL	29,994	4,572,555.82
COFICINE	109,099	30,317,040.34
FACTOREM	1,249,981	109,317,697.35
INTERFINANCE NATEXIS NV	29,997	28,527.24
NATEXIS ALGERIE	799,993	6,846,395.40
NATEXIS BANQUE LUXEMBOURG	399,999	40,636,720.29
SBFI - SOCIETE DE BANQUE FRANÇAISE ET INTERNATIONALE	53,555	6,103,261.25
SOFINGEST	170,121	3,880,704.99
B) Financial institutions		
ARNHOLD & BLEICHROEDER Inc	100	248,899,988.78
ASSET-BACKED MANAGEMENT CORPORATION	100	10,028,858.60
ASSET SQUARE	899,992	8,999,920.00
AUDLEY FINANCE BV	39,998	17,936.34
BANQUE POPULAIRE ASSET MANAGEMENT	512,750	137,881,590.73
COMPAGNIE FINANCIERE EUROPEENNE ABS	7,647	116,577.76
CONTANGO TRADING SA	3,844	38,455.00
CRENINVEST 1	4,994	76,133.04
IFCIC	37,708	574,854.75
INVESTIMA 1	3,850	38,500.00
INVESTIMA 11	3,850	38,500.00
INVESTIMA 3	3,850	19,250.00
INVESTIMA 5	3,850	38,500.00
INVESTIMA 6	477,082	4,425,219.00
INVESTIMA 7	3,850	19,250.00
INVESTIMA 8	3,850	19,250.00
INVESTIMA 9	3,850	19,250.00
LUGDUNUM GESTION	7,995	289,653.21
NATEXIS AMBS Ordin. (New York)	275,000	262,717,000.00
NATEXIS BLEICHROEDER S.A.	397,197	45,419,195.54
NATEXIS FINANCE	162,004	1,814,718.42
NATEXIS INTEREPARGNE	555,654	81,837,640.24
NATEXIS INVESTMENT ASIA (Singapore)	1	15,352,000.00
NATEXIS INVESTMENT CORP	3,217	2,552,930.38
NATEXIS METALS Ltd	16,000,000	20,372,340.33
NATEXIS PRIVATE EQUITY	16,826,626	433,783,025.77
NATEXIS US FINANCE CORPORATION (New York)	65,000	51,000.00
NBP PREFERRED SCHARES C2 (New York)	10,000,000	9,536,000.00
OMNIUM NATEXIS GIE	1,250	19,056.13
SAGP	990	15,092.45
SAINT DOMINIQUE RADIO	3,850	38,500.00
SCI ANTIN HAUSSMANN	18	274,408.23
SCI HAUSSMANN 90	1,809	2,757,802.72
SEMA ENGHIEN LES BAINS	1,500	22,867.35
SOCIETE FINANCIERE BFCE	6,052,993	92,950,992.79

		Number of shares	Carrying value in EUR
	SOGAFI - SOCIETE DE GARANTIE FINANCIERE	49,994	1,807,862.41
	SPAFIC	2,494	652,201.59
	SPAFICA	33,456	40,651,649.12
	ZAO NATEXIS BANQUES POPULAIRES	37,908	15,767,290.18
C)	Other		
	ASSURANCES BANQUE POPULAIRE	5,246,972	496,843,291.17
	AUXILIAIRE ANTIN	8,338,449	118,893,164.53
	BANCOSYS	9,996	152,439.00
	CAURI	3,462	52,981.38
	CCBP HOLDING BV	14,677	6,738,063.62
	CLADEL MARITIME	4,590	69,974.09
	CO-ASSUR	2,493	282,457.17
	COFACE	12,790,204	641,219,931.15
	COMAVAM	399	59,850.00
	CRENINVEST 7	2,494	38,020.78
	CRISTAL NEGOCIATIONS	14,994	436,302.34
	FINANCIERE CLADEL	607,893	10,099,287.00
	FRUCTIFOR	3,888	44,456.27
	FRUCTIGER	89,612	1,241,183.26
	GECOMEX	4,994	76,133.80
	GIE RESTAUPRISE	14,740	22,470.99
	INVEST ALPHA	14,994	228,582.06
	INVEST DELTA	14,994	228,582.06
	INVEST GAMMA	2,494	32,807.63
	INVEST OMEGA	2,494	25,744.43
	INVEST SIGMA	7,674,468	124,002,203.69
	LINEBOURSE	1,636,108	11,794,065.35
	NATEXIS ARBITRAGE	2,553,174	38,614,541.35
	NATEXIS FORMATION	3,494	55,904.00
	NXBP 1	2,590	39,484.30
	+X ALTAIR	6,274,962	14,445,291.99
	PROXIGMA SA	70,628	1,596,391.41
	SAMIC	695	15,915,677.40
	SAS CYBERPLUS MARKET	696	4,500,000.00
	SAS MONTMARTRE 1	2,499	34,151,59
	SLIB	323,693	5,896,574.15
	SOFEP	92,674	6,775,622.44
	TURBO SA	8,165	126,833.01
	VAL « A »	1,640,000	276,872,875.00
	VAL « B »	2,494	38,416.68
	VALMY LIBERTE CONSEIL	2,476	67,104.78
D)	Investments with a carrying value equal to or less than EUR15,000		60,155.32
E)	Current account advances		
	FINANCIERE CLADEL	-	45,091.07
	SPAFIC	-	2,141,592.06
	SCI ALTAIR 1 - PARTNER CURRENT ACCOUNT	-	6,021,446.05
	SCI ALTAIR 2 - PARTNER CURRENT ACCOUNT	-	2,396,037.25
F)	Securities on loan		99,336.17
G)	Related receivables		0.00
III - Treasury stock			
	NATEXIS BANQUES POPULAIRES	914,187	72,677,866.50
Total securities portfolio as of December 31, 2002			**4,177,814,124.25**

Information concerning subsidiaries and investments in affiliates

Pursuant to Article L. 233-15 of the French Commercial Code

Table 2

Company or Group of companies	Capital stock	Reserves	Percentage interest at December 31, 2002
A - Investments with a carrying value in excess of 1% of the capital stock of the reporting undertaking	('000)	('000)	
Subsidiaries and investments in affiliates (holdings in excess of 10%)			
+ X ALTAIR *4, rue Charles Gounod - 77185 LOGNES*	EUR10,040	EUR6,755	99.99%
ASSET-BACKED MANAGEMENT CORPORATION *712 Fifth Avenue - NY 10019 - NEW YORK*	USD10,000	USD41,944	100.00%
ASSET SQUARE *68-76, quai de la Rapée - 75012 PARIS*	EUR9,000	EUR(2,679)	99.99%
ASSURANCES BANQUE POPULAIRE *27, boulevard Bourbon - 75004 PARIS*	EUR241,869	EUR43,195	100.00%
AUXILIAIRE ANTIN *18, rue de la Chaussée d'Antin - 75009 PARIS*	EUR127,578	EUR(20,975)	100.00%
BAIL BANQUE POPULAIRE *115, rue Montmartre - 75002 PARIS*	EUR266,728	EUR130,891	99.99%
BANQUE POPULAIRE ASSET MANAGEMENT *68-76, quai de la Rapée - 75012 PARIS*	EUR9,148	EUR1,887	86.88%
BANQUE POPULAIRE DU LUXEMBOURG *47, boulevard Royal - L 2449 LUXEMBOURG*	EUR28,750	EUR5,156	87.80%
BANQUE POUR LES PAIEMENTS ONLINE *115, rue Montmartre - 75002 PARIS*	EUR22,800	EUR(66)	100.00%
BANQUE PRIVEE SAINT DOMINIQUE *12-14, rond point des Champs Elysées - 75008 PARIS*	EUR20,464	EUR1,511	99.99%
COFACE *12, cours Michelet - La Défence 10 - 92800 PUTEAUX*	EUR49,736	EUR486,630	98.04%
COFICINE *26, rue de Montévidéo - 75016 PARIS*	EUR5,897	EUR3,687	92.50%
CRISTAL NEGOCIATIONS *45, rue Saint-Dominique - 75007 PARIS*	EUR240	EUR3,053	99.96%
FACTOREM *4, place de la Coupole - 94600 CHARENTON LE PONT*	EUR10,000	EUR108,543	99.99%
FINANCIERE CLADEL *115, rue Montmartre - 75002 PARIS*	EUR9,727	EUR2,436	100.00%
INVEST SIGMA *45, rue Saint-Dominique - 75007 PARIS*	EUR117,036	EUR7,460	100.00%
LINEBOURSE *45, rue Saint-Dominique - 75007 PARIS*	EUR16,361	EUR(11,205)	100.00%
NATEXIS AMBS *645 Fifth Avenue - NY 10022 - NEW YORK*	USD550,000	USD9,643	100.00%
NATEXIS ARBITRAGE *115, rue Montmartre - 75002 PARIS*	EUR38,298	EUR(3,251)	100.00%
NATEXIS BANQUE LUXEMBOURG *28, avenue Marie-Thérèse - L2131 LUXEMBOURG*	EUR40,000	EUR9,882	100.00%
NATEXIS BLEICHROEDER INC *1345 avenue of the Americas - NY 10105 - NEW YORK*	USD151,503	USD(740)	100.00%
NATEXIS BLEICHROEDER SA *100, rue Réaumur - 75002 PARIS*	EUR43,425	EUR5,135	99.99%
NATEXIS INTEREPARGNE *16 - 18, rue Jules César - 75012 PARIS*	EUR8,891	EUR21,077	99.99%
NATEXIS METALS *47-53, Cannon Street - LONDON EC4M 5SH*	GBP20,000	GBP(6,792)	80.00%
NATEXIS PRIVATE EQUITY *5-7, rue de Monttessuy - 75007 PARIS*	EUR423,646	EUR165,318	91.35%
OFIVM *1, rue Vernier - 75017 PARIS*	EUR20,000	EUR(714)	34.00%
SAMIC *24, avenue Fontvieille - 98000 MONACO*	EUR160	EUR2,450	69.60%
SBFI *45, rue Saint-Dominique - 75007 PARIS*	EUR8,623	EUR(2,259)	94.69%
SOCIETE FINANCIERE BFCE *5 / 7 rue de Monttessuy - 75007 PARIS*	EUR92,308	EUR44,962	99.99%
SPAFICA *115, rue Montmartre - 75002 PARIS*	EUR535	EUR36,475	99.98%
VAL A *115, rue Montmartre - 75002 PARIS*	EUR167,200	EUR116,412	100.00%
ZAO NATEXIS BANQUES POPULAIRES *Business Center Parus, 1th Tverskaya - YANSKAYA STR.23/1 125047 MOSCOW - RUSSIA*	RUR379,080	RUR35,079	100.00%
B - Other interests			
Subsidiaries and investments in affiliates not included under A			
21 - France (in aggregate)			
22 - Other (in aggregate)			

* Figures taken from accounting documents at December 31, 2002.

Book value of securities held Gross	Book value of securities held Net	Outstanding loans and advances at December 31, 2002	Guarantees given by the Company	Total revenues in last reported period	Net income/(loss) of last reported period	Dividends received during 2002	Observ.
(EUR'000)	(EUR'000)	(EUR'000)	(EUR'000)	('000)	('000)	(EUR'000)	
14,445	14,445	-	-	EUR72,227	EUR2,137	-	*
10,029	10,029	400,496	-	USD15,209	USD6,056	-	*
9,000	9,000	-	-	EUR1,002	EUR(4,306)	-	*
496,843	496,843	-	-	EUR123,358	EUR55,987	60,025	*
127,119	118,893	-	-	EUR2,023	EUR12,289	-	*
399,595	399,595	1,347,241	65,193	EUR71,083	EUR39,589	641	*
137,882	137,882	-	-	EUR70,983	EUR13,254	7,383	*
47,471	47,471	73,033	78,606	EUR19,355	EUR(4,157)	2,676	*
21,887	21,887	38,369	-	EUR65,201	EUR123	-	*
26,822	26,822	-	-	EUR20,056	EUR1,679	10,134	*
641,220	641,220	160,000	-	EUR409,775	EUR3,284	3,635	*
30,317	30,317	30,000	1,521	EUR13,380	EUR3,545	3,404	*
35,259	436	-	-	EUR792	EUR181	-	*
109,318	109,318	195,000	-	EUR91,402	EUR17,233	15,000	*
10,099	10,099	7,942	-	EUR1,003	EUR3,042	304	*
124,002	124,002	-	-	EUR49,159	EUR1,578	2,146	*
24,544	11,794	4,160	-	EUR2,800	EUR(6,329)	-	*
262,717	262,717	-	-	USD19,392	USD19,392	-	*
38,615	38,615	393,794	-	EUR10,294	EUR(16,147)	-	*
40,637	40,637	402,027	103,686	EUR7,627	EUR1,218	-	*
248,900	248,900	-	-	-	-	-	*
45,419	45,419	188,878	915	EUR41,997	EUR(16,486)	10,701	*
81,838	81,838	-	-	EUR47,690	EUR3,073	13,999	*
24,596	20,372	7,985	-	GBP9,513	GBP(851)	-	*
433,783	433,783	-	-	EUR37,651	EUR(5,532)	59,398	*
11,333	11,333	-	-	-	-	-	*
15,916	15,916	-	-	EUR10,987	EUR93	-	*
8,644	6,103	-	-	EUR230	EUR(34)	-	*
92,951	92,951	-	-	EUR8,475	EUR7,292	-	*
45,689	40,652	35,826	-	EUR30,142	EUR26,520	-	*
276,873	276,873	-	-	EUR34,905	EUR18,014	20,992	*
15,767	15,767	31,744	22,364	RUR77,837	RUR26,199	-	*
177,302	146,073	3,559,799	370,288			16,363	
145,294	117,016	39,666	-			5,621	

Five year summary of financial data

Pursuant to Articles 133, 135 and 148 of the Commercial Companies Decree of March 23, 1967 (in EUR)

Table 3

	1998	1999	2000	2001	2002
Financial position at year-end					
Capital stock	235,734,613.70	531,418,160.00	683,510,272.00	709,029,632.00	759,085,392.00
Number of shares issued	15,463,177	33,213,635	42,719,392	44,314,352	47,442,837
Number of capital bonds	0	0	0	0	0
Number of convertible bonds	3,456,997	3,456,997	3,373,451	3,111,977	1,384,853
Results of operations					
Operating revenue net of tax	67,660,795.95	6,017,734,663.05	12,744,230,589.08	16,645,820,852.62	13,524,84, 592.82
Income before tax, depreciation, amortization and provisions	25,133,622.81	141,743,636.13	(91,999,342.33)	233,781,303.11	269,073,078.06
Corporate income tax	23 653 841,79	(25 952 159,60)	(40 481 217,94)	40 597 922,88	45 145 504,15
Income after tax, depreciation, amortization and provisions	44,465,112.93	106,860,867.76	(230,860,374.57)	74,450,533.63	206,037,266.02
Dividends paid	25,978,137.36	73,069,997.00	106,798,480.00	110,785,880.00	71,164,255.50
Per share data					
Income after tax, but before depreciation, amortization and provisions	3.16	3.49	(3.10)	6.19	6.62
Income after tax, depreciation, , amortization and provisions	2.88	3.22	(5.40)	1.68	4.34
Dividend	1.68	2.20	2.50	2.50	1.50
Employee data					
Number of employees	3	1,878	4,426	4,629	4,670
Total payroll costs	438,052.80	68,948,813.00	253,261,960.20	280,384,438.86	269,249,235.67
Social security, pension costs and other employee benefits	212,588.26	38,646,789.53	123,272,964.19	138,251,232.60	130,778,397.65

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2002

In accordance with our appointment as auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2002 on:

- the audit of the accompanying financial statements of Natexis Banques Populaires,
- the specific procedures and disclosures required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

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. An audit also includes assessing the accounting principles 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 financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of December 31, 2002 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

2. Specific procedures and disclosures

We have also performed the other procedures required by law, in accordance with professional standards applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Management Report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Pursuant to the law, we have verified that the Management Report contains the appropriate disclosures as to the acquisition of participating and controlling interests and the percentage interests and votes held by shareholders.

Neuilly-sur-Seine and Paris,

April 2, 2003

The auditors

BARBIER FRINAULT & AUTRES	RSM SALUSTRO REYDEL	DELOITTE TOUCHE TOHMATSU
Olivier Durand	Michel Savioz	Philippe Vassor
Richard Olivier		

LEGAL INFORMATION

Shareholders' Meetings

Convening of shareholders' meetings

Shareholders' Meetings are convened by the Board of Directors in accordance with law. The meetings are held at either the registered office or any other specified location.

Conditions of admission

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

All shareholders may vote by correspondence using a voting form addressed to the Company in accordance with applicable law and regulations.

Conditions for exercising voting rights

Pursuant to Article 26 of the bylaws, each shareholder is entitled to as many votes as the number of shares he or she owns or represents subject to the following provisions.

Double voting rights shall be granted, based on the amount of shares held in the Company and pursuant to applicable laws and regulations, to all registered capital stock fully paid-in. Evidence of stock ownership in the same name for a period of at least two years shall be requested. These same double voting rights shall also be granted, in the event of a capital stock issue via capitalization of available reserves, additional paid-in capital or profits, to registered capital stock issued free of charge to a shareholder based on existing shares entitled to this right.

Shares converted into bearer shares or sold shall cease to grant entitlement to double voting rights. Nonetheless, the two-year period referred to in the previous paragraph shall not be interrupted by transfer operations between registered holders as a result of in testate succession or inheritance by will, the split of assets between spouses or gifts during lifetime to a spouse or close relative.

The merger of the Company does not impact on double voting rights, which may be exercised within the absorbing company, where permitted by the bylaws of this company.

Shareholder identification

Under Article 5 of the bylaws, the Company may, under the conditions laid down by law and applicable regulations, request any relevant body or authorized intermediary to provide all information concerning holders of securities that confer immediate or future rights to vote at shareholders' meetings, and notably their identity, nationality, address, the number of securities held by them and the restrictions binding such securities.

Any individual or legal entity holding, directly or indirectly, on their own or in concert with another such individual or legal entity, a fraction of 1% of the voting rights, or any other multiple thereof, must notify the Company, by registered letter with acknowledgement of receipt, of the number of voting rights it holds. Such notice must be made within 15 days of each acquisition or disposal of this percentage or multiple thereof.

In the event that the above-mentioned reporting obligation is not complied with, and at the request, recorded in the minutes of the shareholders' meeting, of a shareholder representing at least 1% of the voting rights, those shares held in excess of the percentage limits that should have been declared shall be stripped of all voting rights for a period of two years following the date notice is given.

Board of Directors' report on the resolutions presented to the Shareholders' Meeting of May 22, 2003

Resolutions presented to the Annual General Meeting

The first resolution asks shareholders to approve the 2002 Natexis Banques Populaires financial statements, which show a net income for the year of EUR206,037,266.02.

Shareholders, having approved in the second resolution agreements involving members of the Board of Directors detailed in the Auditors' Special report, are asked to approve, in the third resolution, the appropriation of earnings and the distribution of dividends.

The Board of Directors asks shareholders to approve the distribution of a dividend of EUR1.50 to each of the 47,442,837 shares making up the capital stock. The dividend shall fall due for payment on May 26, 2003.

The fourth resolution concerns the approval of the consolidated financial statements as presented to shareholders, in accordance with the regulations of the French Commercial Code.

The sixth resolution asks shareholders to authorize the Company to trade in its own shares, in accordance with defined limits and conditions, where permitted by law.

The seventh resolution asks shareholders to renew the authorizations granted to the Board of Directors to issue debenture loans, up to a maximum amount of EUR10 billion.

Finally, the eighth resolution asks shareholders to renew the term of office as Director of Mr. Francis Thibaud, which expires at the end of the present Shareholders' Meeting.

Resolutions presented to the Extraordinary General Meeting

The ninth to twelfth resolutions ask shareholders to renew the global authorization granted by the Shareholders' Meeting of May 31, 2001 to the Board of Directors for a period of 26 months, to perform stock issues at its own initiative, with retention or cancellation of preferential subscription rights, up to a total maximum amount of EUR150 million. This authorization will be used as and when necessary to consolidate the shareholders' equity of the Company or respond to specific circumstances.

The thirteenth and fourteenth resolutions ask shareholders to approve the transfer to Natexis Banques Populaires of Banque du Dôme-Crédifrance Factor securities currently held by Banque Fédérale des Banques Populaires.

In illustration of the strategy aimed at enabling Natexis Banques Populaires and its subsidiaries to benefit from synergies with Crédit Coopératif, a merger is currently in progress between the two factoring subsidiaries of Natexis Banques Populaires (Factorem) and Crédit Coopératif (Banque du Dôme-Crédifrance Factor).

Banque du Dôme-Crédifrance Factor joined the Crédit Coopératif group in 1988 and has since enjoyed regular growth in revenues to today's figure of EUR821 million. NBI for the year ended December 31, 2002 is EUR10.6 million, down slightly on 2001 due primarily to a less dynamic factoring market during the year. Due to a significant increase in loan loss provisions, the company reported a net loss for the first time (EUR230,000). The company currently has 54 employees who will be integrated into the Factorem teams in accordance with the provisions of Article 122-12 of the Labor code.

In addition to offering a complementary portfolio strongly focused on the Crédit Coopératif customer base (40% of activity), Banque du Dôme-Crédifrance Factor will provide Factorem with access to its prescriber network and expertise in the direct canvassing of customers. While modest, this operation should enable Natexis Banques Populaires to consolidate its already strong position in this sector.

The merger will be performed in three stages: transfer in December 2002 of the entire interest held by Crédit Coopératif in Banque du Dôme-Crédifrance Factor to Banque Fédérale des Banques Populaires; transfer to Natexis Banques Populaires by Banque Fédérale des Banques Populaires of the shares received and absorption of Banque du Dôme-Crédifrance Factor by Factorem.

The transfer will be performed on May 22 with retroactive effect from January 1, 2003. It is the subject of a transfer contract under which the Banque du Dôme-Crédifrance Factor shares transferred, valued at EUR18,140,419, will be remunerated via the issue of 218,559 new Natexis Banques Populaires shares at a unit price of EUR83. On this basis, the capital stock increase will dilute existing shareholdings by 0.46%.

On May 27, the Extraordinary General Meetings of Factorem and Banque du Dôme-Crédifrance Factor will vote on the absorption of the latter by the former. Pursuant to the provisions of the merger agreement, Natexis Banques Populaires will receive on this date, in exchange for its shares in Banque du Dôme-Crédifrance Factor, 97,634 new Factorem shares, ranking for dividends with effect from January 1, 2003.

Resolutions presented to the Shareholders' Meeting of May 22, 2003

Resolutions presented to the Annual General Meeting

First resolution: approval of the financial statements

Overview: This resolution asks shareholders to approve the financial statements for fiscal year 2002.

Shareholders, having reviewed:

- the report on the business activities of Natexis Banques Populaires during the fiscal year ended December 31, 2002;
- the parent company financial statements;
- and having heard the Auditors' reports;

approve the 2002 financial statements as presented to them.

Second resolution: auditors' Report

Overview: This resolution asks shareholders to approve any agreements involving members of the Board of Directors covered by Article 225-38 of the French Commercial Code and presented in the Auditors' Special Report.

Shareholders take due note of the Auditors' Report on agreements involving members of the Board of Directors covered by Article 225-38 of the French Commercial Code.

Third resolution: appropriation of earnings; dividends

Overview: This resolution asks shareholders to set the net dividend per share at EUR1.50, to which will be added a tax credit the amount of which will depend on the shareholder's situation.

Shareholders, having taken due note of the proposed appropriation of earnings recommended by the Board of Directors, approve this proposal and:

- decide to:

– appropriate net income for the year of	EUR206,037,266.02
– plus retained earnings brought forward of	EUR1,155,880.11
– to the legal reserve in the amount of	EUR10,301,863.30
leaving distributable earnings of	EUR196,891,282.83

- decide to:

– distribute a dividend of	EUR71,164,255.50
– transfer an amount to the general reserve	EUR125,000,000.00
– appropriate the residual balance to retained earnings	EUR727,027.33
giving total distributable earnings appropriated of	EUR196,891,282.83

Shareholders hereby set, for the year ended December 31, 2002, the net dividend at EUR1.50, payable to each of the 47,442,837 shares making up the capital stock. The tax credit shall be EUR0.75.

The dividend shall fall due for payment on May 26, 2003.

In accordance with the law, shareholders are reminded that dividends paid in respect of the last three fiscal years were as follows:

	1999	2000	2001
Dividend per share with a par value of EUR16	2.2€	2.5€	2.5€
Tax credit	1.1€	1.25€	1.25€
Number of shares remunerated	33,213,635	42,719,392	44,314,352

Fourth resolution: approval of the consolidated financial statements

Overview: This resolution asks shareholders to approve the consolidated financial statements for fiscal year 2002, pursuant to the law of May 15, 2001.

Shareholders, having reviewed:

- the report on the business activities of Natexis Banques Populaires and the companies included in its scope of consolidation during the fiscal year ended December 31, 2002;
- the consolidated financial statements;
- and having heard the Auditors' Report on the consolidated financial statements;

approve the 2002 consolidated financial statements as presented to them.

Fifth resolution: allocation of dividends payable on treasury stock held by the Company

Overview: This resolution asks shareholders to allocate the 2002 dividends payable on treasury stock held by the Company at the payment date.

Shareholders hereby resolve to allocate to retained earnings the 2002 dividends payable on the Natexis

Banques Populaires shares held by the Company as of the payment date. In 2001, such dividends represented an aggregate amount of EUR1,155,822.50.

Sixth resolution: trading in the Company's own shares

Overview: This resolution asks shareholders to authorize the Company to buy, subject to a 5% limit, its own shares on the stock market.

Pursuant to Articles 225-209 to 225-212 of the French Commercial Code, and after having heard the Board of Directors' report and the prospectus approved by the Commission des Opérations de Bourse, shareholders hereby authorize the Board of Directors and Executive Management to buy shares representing a maximum of 5% of the capital stock, or currently 2,372,141 shares.

These shares may be purchased, in one or more installments, using any means, notably:

- in order to regulate the stock market price by systematically trading against current trends;
- in order to trade in line with positions on the market;
- to accompany external growth operations, with the possibility that all or part of the acquired shares may subsequently be presented as consideration, sold or exchanged;
- with a view to their subsequent transfer to employees of Natexis Banques Populaires, its subsidiaries, and Banque Populaire Group, in particular as part of stock purchase programs and/or under stock purchase option schemes.

Shareholders set the maximum purchase price per share at EUR125 and the minimum selling price per share at EUR50.

The total purchase consideration may not exceed EUR296,500,000.

This authorization is granted for a period of 18 months as from this date and replaces the authorization granted by the Shareholders' Meeting of May 23, 2002.

Shareholders confer full powers on the Board of Directors and Executive Management to implement and realize the buyback program, and to place stock market orders, sign all documents, and more generally, do all that is necessary. Shareholders also authorize the Board of Directors and Executive Management to delegate such powers, as they deem necessary.

Seventh resolution: authorization granted to the Board of Directors to issue debenture loans and equivalents

Overview: This resolution asks shareholders to renew the authorizations granted to the Board of Directors to issue debenture loans, up to a maximum amount of EUR10 billion.

Shareholders authorize the Board of Directors to decide at its own initiative, on one or more occasions, the creation and issue, in France or abroad, on all markets, public and private, of bonds or equivalents (notably perpetual subordinated debt securities (TSDI), redeemable subordinated securities (TSR) and any other instrument of the same nature), with or without guarantees.

This authorization is granted for a maximum nominal amount of EUR10 billion, or its foreign currency equivalent based on euro exchange rates as of the dates of issue. Issues may be performed in euro or foreign currencies, in the amounts and form, at the times and rates, and under the issue terms and conditions considered appropriate by the Board.

Shareholders grant full powers to the Board of Directors, including that of delegation, in accordance with legal provisions, to perform such issues and comply with all formalities required by law, to decide the terms and conditions and determine the characteristics of bonds and all other securities provided for above and any associated rights.

The remuneration and/or redemption of the issues may be subject to any terms and conditions authorized by prevailing regulations (notably fixed or floating rate, nil coupon, single coupon, progressive interest payments, optional reinvestment of the coupon, redemption on maturity or by amortization, early redemption, fixed redemption premium or variable above the nominal amount, with the premium added to the fixed maximum amount, etc).

This authorization is granted for a period of five years from the date of this meeting and shall take effect on the date of the next Board of Directors' meeting deciding the utilization of this authorization. As of this date it shall replace the authorization granted by the 10th resolution adopted by the Annual General Meeting of May 30, 2000, and authorized amounts unused under this resolution shall lapse as of this date.

Eighth resolution: renewal of a Director's term of office

Overview: This resolution asks shareholders to renew the term of office as Director of Mr. Francis Thibaud, which expires this year, for the period provided in the bylaws.

Shareholders hereby renew the term of office as Director of Mr. Francis Thibaud for a period of six years, expiring at the end of the Annual General Meeting held to adopt the 2008 financial statements.

Resolutions presented to the extraordinary general meeting

Ninth resolution: authorization for the Board of Directors to issue securities conferring entitlement to the capital stock with retention of preferential subscription rights

Overview: The ninth to twelfth resolutions ask shareholders to authorize the Board of Directors to perform stock issues, on one or more occasions and at its own initiative.

This is a global authorization, granted pursuant to Article L225-129 paragraph 3 of the French Commercial Code and valid for a period of twenty-six months. It covers stock issues, with or without retention of shareholder preferential subscription rights and capital stock increases by capitalization of reserves.

This authorization sets a non-cumulative maximum of EUR150 million for stock issues and capital stock increases, representing the creation of approximately one new share for five existing shares.

Shareholders, deliberating in accordance with the conditions of quorum and majority governing Extraordinary General Meetings, having familiarized themselves with the Board of Directors' report and the Auditors' special report and in accordance with paragraph 3 Article L 225-129 of the French Commercial Code,

Confer on the Board of Directors full powers to issue, on one or more occasions and in the amounts and at the times decided by it, both in France and abroad, capital stock and securities, including unattached warrants, of whatever nature conferring immediate and/or future rights, at any time or at fixed dates, to new or existing shares in the Company, or another company where such securities are issued pursuant to Article L 228-93.

Decide that the total amount of all capital stock issues performed immediately and/or in the future pursuant to this authorization may not exceed one hundred and fifty million euros par value, plus, where appropriate, the par value of additional shares issued to protect, in accordance with the law, the rights of bearers of securities conferring entitlement to shares.

Decide that shareholders may exercise, under the terms and conditions provided by law, their preferential subscription rights held as of right. Furthermore, the Board of Directors may grant shareholders entitlement to subscribe to an additional number of securities in excess of that to which they are entitled as of right, in proportion to their subscription rights and subject to demand: where subscriptions as of right and, as appropriate, excess subscriptions do not account for the entire stock or security issue as defined above, the Board of Directors may take one or more of the following measures, as it sees fit:

- restrict the issue to the number of subscriptions received, provided this is at least equal to three-quarters of the issue decided;
- freely distribute all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the general public.

Decide that the issue of stock subscription warrants pursuant to Article L 228-95 of the French Commercial Code, falling within the maximum set in paragraph three above, may be performed by offer for subscription in accordance with the terms and conditions provided above or by bonus allotment to holders of existing shares.

Take due note that the above authorization includes the express waiver by shareholders of their preferential subscription rights to all other securities conferring entitlement to a share in the capital stock to which the securities issued grant access.

Decide to cancel shareholder preferential subscription rights to the shares issued as a result of the conversion or redemption of bonds or the exercise of warrants.

Decide that amounts received immediately and in the future by the company for each share issued pursuant to the above authorization, plus the issue price of unattached stock subscription warrants, in the case of issue of such warrants, shall be at least equal to the par value.

Confer on the Board of Directors full powers, including that of delegation to its Chairman, in accordance with the terms and conditions provided by law, to implement this authorization and, in particular:

- determine the dates and terms and conditions of issues and the class and characteristics of the securities created;
- determine the issue price and conditions;
- decide the amounts to be issued;
- decide the dividend ranking date, potentially retroactive, of the securities to be issued;
- decide the way in which the shares or other securities issued shall be paid up and, where applicable;
- determine the terms and conditions of their buy-back on the stock market and of the possible suspension of

the exercise of stock allotment rights attaching to securities to be issued for a period not exceeding three months, determine the terms and conditions protecting the rights of holders of securities conferring future entitlement to a share in the capital stock, in accordance with legal and regulatory provisions;

- make any deductions, where appropriate, from additional paid-in capital and, in particular, expenses incurred in performance of the issues;
- enter into all agreements to ensure the correct performance of the issues and the listing and financial servicing of the securities;
- record the capital stock increases resulting from any issues performed pursuant to this authorization and amend the bylaws accordingly.

And more generally, take all necessary measures in accordance with prevailing legal and regulatory terms and conditions as of the date of these issues.

The Board of Directors is granted full powers to issue composite securities, including that of delegation to the Chairman and, in particular, the power to decide the subordinated nature or not of the securities, the interest rate where applicable, the term, fixed or variable redemption price with or without premium, the interest payment procedures, where applicable, and repayment schedule depending on market conditions and the terms and conditions under which these securities confer entitlement to a share in the capital stock.

Shareholders decide that this authorization renders null and void all previous authorizations of a similar nature, for the amounts not used.

The authorization granted to the Board of Directors is valid as from the date of this meeting for the duration provided in paragraph three, Article L 225-129 of the French Commercial Code.

Tenth resolution: authorization for the Board of Directors to issue securities conferring entitlement to the capital stock with cancellation of preferential subscription rights

Shareholders, deliberating in accordance with the conditions of quorum and majority governing Extraordinary General Meetings, having familiarized themselves with the Board of Directors' report and the Auditors' special report and in accordance with paragraph 3 Article L 225-129 of the French Commercial Code,

Confer on the Board of Directors full powers to issue, on one or more occasions and in the amounts and at the times decided by it, both in France and abroad, capital stock and securities, including unattached warrants, of whatever nature conferring immediate and/or future rights, at any time or at fixed dates, to new or existing shares in the Company, or another company where such securities are issued pursuant to Article L 228-93.

Decide that the total amount of all capital stock issues performed immediately and/or in the future pursuant to this authorization may not exceed one hundred and fifty million euros par value, plus, where appropriate, the par value of additional shares issued to protect, in accordance with the law, the rights of bearers of securities conferring entitlement to shares.

Decide to cancel shareholder preferential subscription rights to securities to be issued, it being understood that the Board of Directors may grant shareholders priority subscription rights to all or part of the issue, for periods and under terms and conditions determined by it. Such priority subscription rights shall not give rise to the creation of negotiable rights but may, where the Board of Directors deems appropriate, be exercised as of right or as excess rights.

Decide that where shareholder and general public subscriptions do not absorb the entire stock or security issue as defined above, the Board of Directors may limit, where appropriate, the issue to the amount of subscriptions received, provided this is at least three-quarters of the initial issue decided.

Take due note that the above authorization includes the express waiver by shareholders of their preferential subscription rights to all other securities conferring access to a share in the capital stock to which the securities issued grant access.

Decide to cancel shareholder preferential subscription rights to the shares issued as a result of the conversion or redemption of bonds or the exercise of warrants.

Decide that amounts received immediately and in the future by the company for each share issued pursuant to the above authorization (plus, in the case of unattached stock subscription warrants, the issue price of said warrants) shall be at least equal to the average stock market price of the shares during ten consecutive trade days chosen from among the twenty trade days preceding the launch of the issue of the shares and/or other securities.

Confer on the Board of Directors full powers, including that of delegation to its Chairman, in accordance with the terms and conditions provided by law, to implement this authorization and, in particular:

- determine the dates and terms and conditions of issues and the class and characteristics of the securities created;
- determine the issue price and conditions;
- decide the amounts to be issued;
- decide the dividend ranking date, potentially retroactive, of the securities to be issued;
- decide the way in which the shares or other securities issued shall be paid up and, where applicable, the terms and conditions of their buy-back on the stock market;
- suspend, where appropriate, the exercise of stock allotment rights attaching to securities to be issued for a period not exceeding three months;
- determine the terms and conditions protecting the rights of holders of securities conferring future entitlement to a share in the capital stock, in accordance with legal and regulatory provisions;
- make any deductions, where appropriate, from additional paid-in capital and, in particular, expenses incurred in performance of the issues;
- enter into all agreements to ensure the correct performance of the issues and the listing and financial servicing of the securities;
- record the capital stock increases resulting from any issues performed pursuant to this authorization and amend the bylaws accordingly.

And more generally, take all necessary measures in accordance with prevailing legal and regulatory terms and conditions as of the date of these issues.

More particularly, in the event of issues of shares or securities in consideration for securities transferred under a share exchange bid launched by the Company, the Board of Directors is granted full powers and, notably, the power to:

- set the exchange parity and, where appropriate, the cash balance payable;
- record the number of shares transferred under the exchange and the number of shares or securities to be created in consideration;
- determine the dates and terms and conditions of issue, notably the issue price and dividend ranking date, of new shares or, where appropriate, securities conferring immediate and/or future entitlement to a share in the capital stock of the Company;
- record in balance sheet liabilities in the "additional paid-in capital" account to which all shareholders hold rights, the difference between the issue price and par value of the new securities and deduct from this "additional paid-in capital", where appropriate, total expenses and duties generated by the authorized operation.

The Board of Directors is granted full powers to issue composite securities, including that of delegation to the Chairman and, in particular, the power to decide the subordinated nature or not of the securities, the interest rate, where applicable, the term, fixed or variable redemption price with or without premium, the interest payment procedures, where applicable, and repayment schedule depending on market conditions and the terms and conditions under which these securities confer entitlement to a share in the capital stock.

Shareholders decide that this authorization renders null and void all previous authorizations of a similar nature, for the amounts not used.

The authorization granted to the Board of Directors is valid as from the date of this meeting for the duration provided in paragraph three, Article L 225-129 of the French Commercial Code.

Eleventh resolution: authorization for the Board of Directors to increase the capital stock by capitalization of reserves, profits and additional paid-in capital

Shareholders in Extraordinary General Meeting, deliberating in accordance with the conditions of quorum and majority governing Annual General Meetings and having familiarized themselves with the Board of Directors' report, hereby confer on the Board full powers to increase the capital stock, on one or more occasions, by successive or simultaneous capitalization of all or part of reserves, profits and additional paid-in capital, the capitalization of which is permitted by legislation and the bylaws, through the creation and bonus allotment of shares and/or an increase in the par value of shares.

Capital stock increases performed pursuant to this resolution may not exceed a total par value amount of one hundred and fifty million euros, this ceiling being independent of that set for capital stock increases resulting from the issue of securities authorized by the preceding resolutions.

Shareholders decide that rights relating to fractions may not be traded and that the corresponding securities shall be sold. The proceeds of such sales shall be allocated to the shareholders owning the rights no later than thirty days after the entry in their account of the number of whole shares allotted.

Shareholders confer full powers on the Board of Directors, including that of delegation to its Chairman, under the terms and conditions provided by law, to determine the dates, terms and conditions of issues, decide the amounts to be issued and, more generally, take all measures necessary to ensure the proper performance of the issue and undertake all actions and formalities to render the corresponding share issues definitive and make the necessary amendments to the bylaws.

Shareholders decide that this authorization renders null and void all previous authorizations of the same nature, for the amounts not used. The authorization granted to the Board of Directors is valid with effect from the present meeting, for the duration provided in paragraph three Article L 225-129 of the French Commercial Code.

Twelfth resolution: overall limit applicable to the authorizations granted by the preceding resolutions

Shareholders, deliberating in accordance with the conditions of quorum and majority governing Extraordinary General Meetings and having familiarized themselves with the Board of Directors' report and the Auditors' special report decide:

- to set the maximum par value amount of immediate and/or future capital stock increases performed pursuant to the authorizations granted by this general meeting at one hundred and fifty million euros; this maximum shall be increased, where appropriate, by the par value of additional shares issued to protect the rights of holders of securities conferring entitlement to capital stock, in accordance with the law;
- to set the maximum par value amount of debt securities conferring entitlement to the capital stock which may be issued at one hundred and fifty million euros, or its equivalent in foreign currency.

Thirteenth resolution: approval of the transfer of Banque du Dôme-Crédifrance Factor securities

Shareholders:

- deliberating in accordance with the conditions of quorum and majority governing Extraordinary General Meetings;
- having heard the Board of Directors' report comprising a description of the provisions of the transfer agreement signed by Banque Fédérale des Banques Populaires and Natexis Banques Populaires with a view to the transfer of 748,531 Banque du Dôme-Crédifrance Factor securities, for a total value of EUR18,140,419.64;
- and having heard the report of the Reporting Accountant appointed by decree by the President of the Paris Trade Court on January 22, 2003;
- hereby approve the aforementioned transfer and all its provisions, the aforementioned transfer transaction and the value of the transfer performed by Banque du Dôme-Crédifrance Factor.

Fourteenth resolution: remuneration of the transfer – Capital stock increase

Shareholders, deliberating in accordance with the conditions of quorum and majority governing Extraordinary General Meetings and having heard:

- the Board of Directors' report comprising a description of the provisions of the agreement for the transfer of Banque du Dôme-Crédifrance Factor securities, signed by Banque Fédérale des Banques Populaires and Natexis Banques Populaires;
- the report of the Reporting Accountant appointed by decree by the President of the Paris Trade Court on January 22, 2003;

Decide, subject to the approval of the first resolution, to increase the capital stock in the amount of EUR3,496,944, through the issue of the number of new shares of EUR16 par value each obtained by dividing EUR18,140,419.64 by a unit share value of EUR83, that is 218,559 new shares, fully paid-up and issued in consideration for the aforementioned transfer. The difference between the value of the transfer and the amount of the capital stock increase - that is EUR14,643,453 - shall represent additional paid-in capital (to which will be added the balancing payment of EUR22.64). This shall be recorded in a special liabilities account in the Natexis Banques Populaires balance sheet, to which all shareholders, both existing and new, shall hold rights and in respect of which shareholders may decide all appropriations.

The new shares shall rank equally with existing shares; they shall have the same rights and be subject to the same provisions of the bylaws and decisions of Shareholder Meetings. The first dividends to which they shall confer entitlement shall be dividends paid out of profits of the year of issue. The listing of the new shares on the Euronext Paris S.A. Premier Marché shall be requested.

Fifteenth resolution: associated amendment to the bylaws

Subject to the approval of the thirteenth and fourteenth resolutions, and deliberating in accordance with the rules of quorum and majority governing Extraordinary General Meetings, shareholders hereby decide to amend Article 3 of the bylaws as follows:

“Article 3 – Capital stock

The capital stock of the Company is EUR762,583,336, made up of 47,661,396 fully paid-up shares of EUR16 par value each.”

Sixteenth resolution: powers

Shareholders hereby grant full powers to the holder of copies or extracts of the minutes of this meeting to file any necessary documents and comply with all registration, publication or other formalities provided for by law.

ADDITIONAL INFORMATION

General information concerning Natexis Banques Populaires

Corporate name

Natexis Banques Populaires

Registered office

45, rue Saint-Dominique – 75007 Paris

Legal form

Natexis Banques Populaires is a French "société anonyme" governed by commercial company regulations, the provisions of the Monetary and Financial Code 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 with effect from November 9, 1994, unless subject to extension or early dissolution. The name "Natexis Banques Populaires" was adopted by the Shareholders' Meeting of July 27, 1999.

Corporate purpose

Pursuant to Article 2 of the bylaws, the corporate purpose in France and abroad is as follows:

- the performance of all type of banking transactions and related operations under banking law;
- the supply of all type of investment services as defined by the Monetary and Financial Code;
- the performance of specific assignments on behalf of the State in economic and financial areas, in connection with particular agreements;
- the performance of all brokerage operations;
- the acquisition of interests in companies, groups or associations with a direct or indirect involvement in the above-mentioned activities;
- and the performance of all manner of private and commercial transactions.

Incorporation particulars

Paris Trade and Companies Register
RCS Number: B 542 044 524
APE Code: 652 C

Company legal documents

All books and records relating to the Company and, in particular, its bylaws, financial statements and reports presented to Shareholders' Meetings by the Board of Directors or the Auditors, may be consulted at the registered office.

Fiscal year

The fiscal year runs from January 1 through December 31.

Appropriation of earnings (Title V, Article 34 of the Company's bylaws)

5% of annual profits, less any prior year losses, is taken to the legal reserve. This transfer of profits is no longer required once this reserve exceeds an amount equal to one-tenth of the capital stock and becomes mandatory once again when the reserve falls below one-tenth of the capital stock.

Remaining profits, along with any retained earnings, constitute distributable earnings. The Annual General Meeting may distribute these profits as it deems appropriate in accordance with applicable law, and may either allocate them to retained earnings or reserves, or distribute them in full or in part, upon the recommendation of the Chairman of the Board duly approved by the Board of Directors.

The Annual General Meeting may also decide on the distribution of amounts taken from retained earnings or available reserves; in this case, the decision shall expressly indicate those reserve headings from which such amounts will be taken.

The Annual General Meeting may offer shareholders the option of receiving dividends in the form of cash or shares (scrip), for all or part of such dividend. For dividends paid in shares, such shares shall be allocated in accordance with applicable rules and regulations.

Pursuant to applicable law, the Board of Directors may decide to pay an interim dividend in the form of cash or shares.

Annual dividends shall be paid on the date set by the Board of Directors, within nine months of the year-end.

Information on the capital stock

Capital stock

EUR759,085,392 as of December 31, 2002, made up of 47,442,837 fully paid-up ordinary shares of EUR16 par value each.

Authorized capital stock, not issued

The Extraordinary General Meeting of May 3, 1996 authorized the Board of Directors to increase the capital stock of the Company in accordance with the required conditions. The same Extraordinary General Meeting limited capital stock increases that could be performed pursuant to these authorizations to a total par value amount of FRF 1,500 million. These authorizations may be used in the event of a takeover bid for cash or shares for the Company's stock.

The Extraordinary General Meetings of June 23, 1997 and June 16, 1998 approved the renewal of these authorized amounts with cancellation of preferential subscription rights. The Shareholders Meeting of May 27, 1999 also accepted the renewal of these authorizations up to a maximum capital stock increase of EUR230 million.

These authorizations, granted by class of security and for specific periods, were replaced by decision of the Combined Shareholders' Meeting of May 31, 2001, with a global authorization, granted in accordance with article L 225-129 paragraph 3 of the Commercial Code, for a period of 26 months, setting a non-cumulative maximum of EUR150 million. This authorization covers stock issues performed with and without retention of shareholder preferential subscription rights.

Securities not conferring rights to capital stock

None.

Other securities conferring rights to capital stock

Stock subscription options

The Extraordinary General Meeting of May 31, 2001 renewed for a further three years the authorization granted by the 1996 Shareholders' Meeting, which expired in 2001, enabling the allotment of stock subscription or purchase options to employees of Natexis Banques Populaires and its subsidiaries, as well as other Banque Populaire Group employees, where permitted by law. The maximum number of new shares that may be created is 2,524,000, corresponding to the exercise of options granted since May 31, 2001 (2,000,000 options) and options granted previously and likely to be exercised within the period set at the time of allotment (maximum of 524,000 options).

These options may be allotted to:

- employees and company officers of Natexis Banques Populaires, together with employees and company officers of companies in which Natexis Banques Populaires holds a majority capital stake, directly or indirectly;
- employees and company officers of Banque Fédérale des Banques Populaires which controls Natexis Banques Populaires, the Banque Populaire regional banks, and entities in which Banque Fédérale des Banques Populaires or associated undertakings hold, directly or indirectly, individually or jointly, over 50% of capital stock.

The subscription price is equal to the average closing listed price during the twenty stock market sessions preceding the Board meeting which determined the conditions of the annual stock option plan, after deducting the 5% discount provided by applicable law.

In respect of 2002, the Board of Directors' meeting of September 10, 2002 decided to allot 375,000 stock subscription options. During the meeting of the Compensation Committee held to consider this proposal, it was decided to allot 329,735 stock subscription options as follows:

- 165,800 to employees and executives of Natexis Banques Populaires and its direct or indirect subsidiaries;
- 163,935 to employees and executives of Banque Fédérale des Banques Populaires, the Banque Populaire regional banks and entities in which Banque Fédérale des Banques Populaires or associated undertakings hold, directly or indirectly, individually or jointly, over 50% of capital stock.

The stock subscription price was set at EUR72.47.

Stock subscription options

	1998 Plan	1999 Plan	2000 Plan	2001 Plan	2002 Plan
Number of options allotted	102,500	200,000	220,000	497,050	329,735
Number of beneficiaries	133	77	110	450	424
Strike price (in FRF)	378.17				
Strike price (in EUR)		59.31	83.14	94.30	72.47
Options available for exercise from	07/07/2003(*)	09/22/2004(*)	11/25/2005	09/20/2005	09/11/2006
Number of options exercised	3,500	8,000	0	0	0
Number of options canceled	15,800	3,600	1,500	2,000	0
Number of options outstanding	83,200	188,400	218,500	495,050	329,735

(*) Certain derogations enable options to be exercised in advance.

Executive stock subscription options *

	1998 Plan	1999 Plan	2000 Plan	2001 Plan	2002 Plan
Number of options allotted	16,000	112,000	92,000	116,500	66,000
Number of beneficiaries	3	11	10	12	10
Strike price (in FRF)	378.17				
Strike price (in EUR)		59.31	83.14	94.30	72.47
Options available for exercise from	07/07/2003	09/22/2004	11/25/2005	09/20/2005	09/11/2006
Number of options exercised	0	0	0	0	0
Number of options canceled	8,000	0	0	0	0
Number of options outstanding	8,000	112,000	92,000	116,500	66,000

* The amounts shown in this table are included in the preceding table.

Subordinated securities convertible into shares

In May 1996, 2,068,968 subordinated securities convertible into shares up until December 31, 2002 on the basis of one share for one subordinated security, were issued for a total par amount of FRF 900,001,080.

As of December 31, 2001, 1,727,124 subordinated securities were still outstanding (number of subordinated securities converted into shares during fiscal year 2001: 258,527.)

In 2002, 1,717,431 subordinated securities were converted into ordinary shares. Authorizations were granted to proceed with the early redemption on January 1, 2003 of all non-converted subordinated securities.

With a total of 2,059,275 securities converted, the balance of 9,693 securities was redeemed at EUR66.32 per bond, plus the coupon.

As of January 1, 2003, there were no outstanding subordinated securities convertible into shares.

Employee stock ownership

The Extraordinary General Meeting of June, 16 1998 renewed for 5 years the measures adopted by the Extraordinary General Meeting of April 27, 1993 in respect of the creation of employee stock ownership plans (ESOP), namely by means of a Company mutual investment fund subject to a maximum capital stock increase of FRF 100 million or its equivalent in euro. As of December 31, 2002, these plans held 2,035,714 shares.

The Extraordinary Shareholders' Meeting of May 31, 2001 authorized the Board of Directors to increase the capital stock over a period of five years, on one or more occasions, up to a maximum of 2,500,000 shares, by way of stock issues reserved for Banque Populaire Group employees.

In June 2001, a first Group stock ownership plan was implemented, resulting in the issue of 1,273,854 new shares reserved for Banque Populaire Group employees. Within the Group, 17,275 employees, or 50% of the total number of employees, subscribed to these shares. The securities are held in two new Company mutual investment funds, which represent 2.63% of Natexis Banques Populaires capital stock as of December 31, 2002. Taking into account the Company mutual investment funds which previously existed, the share of capital stock held by Banque Populaire Group employees now totals 4.30%.

Changes in capital stock over the past five fiscal years

	Number of shares at the beginning of the year	Number of shares created during the year	Number of shares at year-end	Capital stock (in FRF)	Capital stock (in EUR)
1998	14,919,664	543,513 (1)	15,463,177	1,546,317,700	
1999	15,463,177	17,750,458 (2)	33,213,635		531,418,160
2000	33,213,635	9,505,757 (3)	42,719,392		683,510,272
2001	42,719,392	1,594,960 (4)	44,314,352		709,029,632
2002	44,314,352	3,128,485 (5)	47,442,837		759,085,392

May 27, 1999: conversion of capital stock into euro

(1) of which
105,735 shares subscriptions to CN ESOP
128,870 shares exercise of stock subscription options
308,908 shares payment of dividends in shares

(2) of which
16,081,704 shares issued in consideration for the partial asset transfer by CCBP to Natexis S.A.
459,555 shares issued in consideration for the merger-absorption of Banques Populaires Ingénierie S.A. by Natexis Banques Populaires
481,131 shares payment of dividends in shares
725,698 shares subscriptions to ESOPs
2,370 shares exercise of stock subscription options

(3) of which
606,225 shares issued in consideration for the transfer to Natexis Banques Populaires of Bail Banque Populaire stock held by Banque Populaire regional banks
1,014,910 shares payment of dividends in shares
3,386,962 shares issued in consideration for the transfer of Assurances Banque Populaire and Factorem and the transfer-merger of SAS Fructivie and Factorem
8,172 shares subscriptions to ESOPs
83,310 shares conversion of perpetual subordinated securities convertible into shares
5,550 shares exercise of stock subscription options
236 shares conversion of bonds convertible into shares
4,400,392 shares November and December 2000 stock issues

(4) of which
1,321,486 shares subscriptions to ESOPs
258,527 shares conversion of perpetual subordinated securities convertible into shares
12,000 shares exercise of stock subscription options
2,947 shares conversion of bonds convertible into shares

(5) of which
5,355 shares subscriptions to ESOPs
4,400 shares exercise of stock subscription options
1,717,431 shares conversion of perpetual subordinated securities convertible into shares
1,401,082 shares issued in contribution for Arnhold & S. Bleichroeder securities
217 shares issued following the merger with the real estate company ABC

Stock ownership and voting rights

As of December 31, 2002, the principal Natexis Banques Populaires shareholders were as follows:

	% capital stock	% voting rights
Banque Fédérale des Banques Populaires	72.85%	80.22%
Employees (ESOP)	4.30%	2.98%
Banque Populaire regional banks and CASDEN Banque Populaire	3.33%	3.26%
Arnhold & S. Bleichroeder Holdings	2.95%	1.96%
DZ Bank	1.91%	1.27%
Maine Services (1)	1.20%	0.85%
IKB Financière France	0.91%	1.20%

(1) a wholly owned subsidiary of Banque Fédérale des Banques Populaires.

To the best of Natexis Banques Populaires' knowledge, no other shareholder, other than those cited in the table above, holds more than 5% of the capital stock or voting rights.

Under the stock buy-back program authorized by the Annual General Meeting of May 23, 2002, Natexis Banques Populaires held, as of December 31, 2002, 914,187 of its own shares (stripped of voting rights), representing 1.93% of the capital stock.

Stock held by directors, executive management and members of supervisory bodies

Members of the Board of Directors, both individuals and legal entities, hold 72.85% of the capital stock of Natexis Banques Populaires (almost exclusively Banque Fédérale des Banques Populaires).

Executive officer stockholdings are not material. Please refer to page 164 for details of stock options allotted to certain employees and executive officers.

Changes in stock ownership over the past three years

as of December 31	2000	2001	2002
Banque Populaire Group and subsidiairies	79.23%	79.42%	77.38%
Employees	1.89%	4.71%	4.30%
IKB Financière France	1.01%	0.97%	0.91%
Arnhold & S. Bleichroeder Holdings	0%	0%	2.95%
DZ Bank	0%	0%	1.91%

Individuals or legal entities that exercise or may exercise control over Natexis Banques Populaires

The Banque Populaire Group, as majority shareholder in Natexis Banques Populaires, exercises those responsibilities provided for under banking regulations.

Natexis Banques Populaires and the stock market

Markets on which Natexis Banques Populaires securities are listed

Natexis Banques Populaires shares are listed on the Paris Euronext Premier Marché and qualify for deferred settlement (ISIN Code: FR0000120685). Natexis Banques Populaires securities are included in the SBF 120 and SBF 250 indexes.

Stock market

Changes in average monthly prices and trading volumes since September 2001

Natexis Banques Populaires stock (in EUR)

Year	Month	Average	High	Low	Number of shares traded	Capital traded in EUR'000
2001	September	94.97	101.50	86.00	567,371	52,211
	October	92.79	96.10	89.00	1,071,049	103,777
	November	96.37	98.50	93.00	268,287	25,783
	December	96.01	97.00	94.00	1,102,555	107,205
2002	January	93.82	97.50	90.10	284,436	26,488
	February	90.73	92.00	87.30	146,073	13,212
	March	90.95	92.00	90.00	131,328	11,987
	April	92.35	94.00	91.15	193,011	19,242
	May	92.12	94.00	89.90	860,059	81,303
	June	89.26	91.90	83.50	191,001	16,971
	July	83.28	89.25	73.50	172,029	14,307
	August	77.17	79.50	74.00	96,114	7,374
	September	73.82	77.50	70.00	234,956	16,982
	October	72.83	78.00	70.00	280,435	20,281
	November	76.30	82.75	72.70	112,186	8,712
	December	76.50	82.10	74.70	226,234	17,245
2003	January	76.49	82.50	71.90	190,131	14,443
	February	72.98	75.00	71.00	149,845	10,962
	March	70.90	75.05	69.10	286,921	20,511

Perpetual subordinated securities convertible into shares (TSDIC) 5 5/8% May 1996 (in EUR)

Year	Month	Average	High	Low	Number of shares traded	Capital traded in EUR'000
2001	September	89.11	93.50	84.25	42,863	3,828
	October	91.70	96.00	89.25	4,553	408
	November	94.52	95.00	94.10	201	19
	December	95.16	96.50	94.00	53	5
2002	January	90.27	96.50	83.00	388	34
	February	87.68	91.00	81.90	552	47
	March	85.66	87.95	75.50	443	38
	April	87.71	89.00	86.80	236	21
	May	89.06	91.50	87.20	491	43
	June	89.49	96.70	86.00	1,004	89
	July	80.16	84.00	75.65	261	20
	August	79.00	79.00	79.00	1	-
	September	79.00	79.00	79.00	5	-
	October	71.40	76.50	64.09	8	-
	November	76.58	81.00	65.80	925	67
	December	65.25	74.00	60.05	2,029	133

Dividends

Dividends not claimed within a period of five years following the date of payment are barred by statute and paid to the French State in accordance with the law.

Dividends distributed during the past five years:

	31/12/1998	31/12/1999	31/12/2000	31/12/2001	31/12/2002
Number of shares receiving dividends	15,463,177	33,213,635	42,719,392	44,314,352	47,442,837
Dividends per share *	1.68€	2.20€	2.50€	2.50€	1.50€**

* Exclusive of tax credit, differs depending on the beneficiary.
** This proposal will be submitted for approval to the Annual General Meeting of May 22, 2003.

Natexis Banques Populaires offered shareholders the option of receiving payment of dividends in shares (scrip), up to the dividend paid in respect of fiscal year 1999. This option will not be offered in 2003 in respect of fiscal year 2002.

Other information concerning Natexis Banques Populaires

Background

Natexis Banques Populaires was created by the transfer of Caisse Centrale des Banques Populaires' (CCBP) operating activities to Natexis S.A. and was approved by the Extraordinary General Meetings of the two entities on July 27, 1999.

CCBP

CCBP was created in 1921 to support the expansion of the Banque Populaire regional banks, and to perform both institutional activities on behalf of the Banque Populaire regional banks (management and monitoring of excess treasury balances of Banque Populaire regional banks, special assignments on behalf of the Chambre Syndicale des Banques Populaires, debenture loan issues and issues of similar securities) and operating banking activities in the competitive market sector.

In October 1997, CCBP acquired a 23.35% stake in Natexis S.A. This was followed by a friendly takeover bid after which, on June 2, 1998, the Banque Populaire Group held 71.4% of Natexis S.A. capital stock. This interest was increased to 74.36% at the end of 1998.

After the transfer of its operating activities in July 1999 to Natexis S.A., the CCBP became the Banque Fédérale des Banques Populaires (BFBP).

At the end of 1999, Banque Populaire Group held 88.06% of the capital stock of the new Natexis Banques Populaires entity. At the end of 2000, the shareholding interest had fallen back to 79.23%, following the stock issue placed primarily with private investors.

Following the law of May 15, 2001, BFBP replaced CCBP as the central body of the Banque Populaire Group.

Background of the entities making up Natexis

Formed in 1919, Crédit National initially concentrated on developing its activities as a medium and long-term lender, before branching out into complementary activities in order to offer its corporate clients a wider and more comprehensive response 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%. Formed in 1947, BFCE performed commercial banking activities, concentrating on the development of these activities in parallel with the progressive reduction in its export support activities, performed in its role as an agent of the French State.

In June 1997, Crédit National, renamed Natexis S.A., transferred its entire commercial banking arm to BFCE, 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

The transfer in July 1999 of CCBP operating activities to Natexis S.A. produced a new entity, Natexis Banques Populaires.

On June 28, 2000, Natexis Banques Populaires shareholders in Extraordinary General Meeting approved the merger-absorption of Natexis Banque by Natexis Banques Populaires, with effect from June 30, 2000. As the operation involved the absorption of a wholly owned subsidiary, it was performed under the simplified merger regime and did not result in the issue of new shares.

Other simplification measures were implemented during fiscal years 1999 and 2000: absorption of Banques Populaires Ingénierie (B.P.I.) by Natexis

Banques Populaires in December 1999; restructuring of the private equity division in December 1999; transfer in June 2000 to Natexis Banques Populaires of Bail Banque Populaire stock held by the Banque Populaire regional banks, in consideration for the issue of 606,225 Natexis Banques Populaires shares and transfer of Natexis Gestion collective asset management activities to Banque Populaire Asset Management.

The decision by Natexis Banques Populaires to control the entire capital stock of its subsidiaries within its own structure, resulted in a number of transactions during 2000 which led to it holding the entire capital stock of Assurances Banque Populaire and Factorem. Similar transactions were performed in 2001, particularly in the private equity and asset management and insurance divisions.

The program was completed in 2002 with the buy-out of participating interests held by the Banque Populaire regional banks in BPAM and Interépargne, companies now wholly owned by Natexis Banques Populaires.

Key events in fiscal 2002

During the year, two transactions impacted directly on Natexis Banques Populaires share ownership:

- in May 2002, the German bank DZ Bank AG acquired Natexis Banques Populaires shares as part of its partnership with the Banque Populaire Group, giving it a 1.91% holding as of December 31, 2002;
- in July 2002, an agreement was signed between Natexis Banques Populaires and Arnhold & S. Bleichroeder Holdings Inc. (“ASB”), under which Natexis Banques Populaires acquired the entire capital stock of Arnhold & S. Bleichroeder Inc., a company incorporated under New York State law, for a consideration of USD105 million, payable in Natexis Banques Populaires shares.

The Natexis Banques Populaires Extraordinary General Meeting held on December 6, 2002 approved all provisions of the aforementioned contribution, together with the valuation of the contribution performed by ASB. A Natexis Banques Populaires capital stock increase was approved in the amount of EUR22,417,312, through the creation of 1,401,082 fully paid-up shares with a par value of EUR16 each, issued in consideration of the contribution in kind described above.

Under the agreement, ASB undertook to hold at least 45% of the securities issued in consideration of the contribution for a minimum period of five years. The remaining shares (i.e. 55% of the securities issued) may be sold progressively, over a total period of 7 years, in accordance with predetermined windows and limits.

ASB and Natexis Banques Populaires also signed a Value Protection Agreement. This agreement stipulates that in the event of the sale of the aforementioned 55% remaining shares, at a price less than the initial value of the shares transferred, additional Natexis Banques Populaires shares will be allotted free of charge to ASB shareholders. These shares shall be provided by the majority shareholder of Natexis Banques Populaires, Banque Fédérale des Banques Populaires. Accordingly, the cost of this agreement, entered into for the benefit of ASB, is not borne by Natexis Banques Populaires minority shareholders.

As of December 31, 2002, ASB held 2.95% of Natexis Banques Populaires capital stock.

Dependence

Natexis Banques Populaires is not dependent on any patent, license or on any industrial, commercial or financial sourcing agreement.

Exceptional events and litigation

At the present time, no exceptional event or litigation exists that may have a material adverse effect on the activity, results and financial situation of the Company.

Persons responsible for the COB reference document and the audit of the financial statements

Person responsible for the COB reference document

François Ladam
Chief Executive Officer

Attestation of the person responsible for the reference document

To the best of our knowledge, the information presented in this reference document fairly reflects the current situation and includes all information required by investors to assess the net asset position, activities, financial solvency, results and future prospects of the issuer. We confirm that no information likely to have a material impact on the interpretation of these documents has been omitted.

François Ladam

Persons responsible for the audit of the financial statements

Statutory auditors

– Deloitte Touche Tohmatsu, 185 avenue Charles de Gaulle - 92200 Neuilly-sur-Seine
– RSM Salustro Reydel, 8, avenue Delcassé - 75378 Paris Cedex 08
– Barbier Frinault et Autres, 41, rue Ybry - 92576 Neuilly-sur-Seine

Alternate

– Bernard Boiton, residing 16 Parc de Béarn - 92210 Saint-Cloud
– François Chevreux, residing 40, rue Guersant - 75017 Paris
– Aldo Cardoso, residing 4, rue de l'Ouest - 92200 Nanterre

The statutory auditors and alternate auditors were appointed by the Extraordinary General Meeting of June 16, 1998, for a period of six years expiring at the end of the Annual General Meeting held to approve the 2003 financial statements.

Auditors' opinion on the reference document for the year ended December 31, 2002

Free translation of a French language original for convenience purposes only. Accounting principles and auditing standards and their application in practice vary among nations. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than France. In addition, the procedures and practices utilized by the statutory auditors in France with respect to such financial statements included in a prospectus may differ from those generally accepted and applied by auditors in other countries. Accordingly, the French financial statements and the auditors' report of which a translation for convenience purposes only is presented in this document are for use by those knowledgeable of French accounting procedures, auditing standards and their application in practice.

As statutory auditors of Natexis Banques Populaires and in accordance with Rule 98-01 of the Commission des Opérations de Bourse and professional standards applicable in France, we have performed certain procedures on the information contained in this "Reference Document" relating to the historical financial statements of the Company.

Mr. François Ladam, Chief Executive Officer, is responsible for the preparation of the "Reference Document". Our responsibility is to report on the fairness of the information presented in the "Reference Document" relating to the financial situation and the financial statements.

We have conducted our work in accordance with professional standards applicable in France. Those standards require that we assess the fairness of the information presented relating to the financial situation and the financial statements and its consistency with the financial statements on which we have issued a report. Our procedures also include reading the other information contained in the "Reference Document" in order to identify material inconsistencies with the information relating to the financial situation and the financial statements and to report any apparent material misstatement of facts that we may have found in reading the other information based on our general knowledge of the company obtained during the course of our engagement. As the reference document does not contain any prospective data resulting from an organized process, our procedures did not need to take account of management assumptions or the resulting figures.

We have audited in accordance with professional standards applicable in France the Company and Consolidated financial statements for fiscal year 2002, approved by the Board of Directors. We expressed an unqualified opinion on such financial statements.

We have audited in accordance with professional standards applicable in France the Company financial statements for fiscal years 2000 and 2001, approved by the Board of Directors. We expressed an unqualified opinion on such financial statements.

We have audited in accordance with professional standards applicable in France the consolidated financial statements for fiscal years 2000 and 2001, approved by the Board of Directors. We expressed an unqualified opinion on such financial statements, including the following observations in our report:

- the observation contained in our report on the consolidated financial statements for fiscal year 2000 draws attention to Note 1 to the consolidated financial statements which indicates that the 1999 and 2000 financial statements have been prepared in accordance with the new consolidation rules laid down in CRC Regulation 99-07 and the new summary consolidated financial statement format applicable to credit institutions laid down in CRC Regulation 2000-04;
- the observation contained in our report on the consolidated financial statements for fiscal year 2001 draws attention to Notes 1.8, 1.11 and 2.16 to the consolidated financial statements which detail the

accounting changes resulting, respectively, from the adoption of the preferred accounting method for lease finance transactions where the Group is the lessee, the application of the new consolidation rules applicable to insurance companies and the harmonization of long-service medal schemes.

Based on the procedures performed, we have no matters to report regarding the fairness of the information relating to the financial situation and the financial statements presented in the "Reference Document".

Neuilly-sur-Seine and Paris,

April 10, 2003

The auditors

Barbier Frinault & Autres - Richard Olivier and Olivier Durand
Deloitte Touche Tohmatsu - Philippe Vassor
RSM Salustro Reydel - Michel Savioz

Person responsible for investor relations

Pierre Jacob
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COB CROSS-REFERENCE TABLE

This annual report, to which the sections below have been added, constitutes the reference document filed with the Commission des Opérations de Bourse.

Only the French language version of the reference document has been submitted to the Commission des Opérations de Bourse. It is therefore the only version that is binding in law.

COB

Pursuant to Regulation 98-01, the original version of this reference document in French was filed with the Commission des Opérations de Bourse (COB) on April 11, 2003.

This document may only be used in connection with a financial operation where accompanied by a prospectus approved by the COB. This reference document was prepared by the issuers and is the responsibility of its signatories.

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Natexis Asset Square
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* In this section, subsidiaries are referred to by their new names, as approved or to be approved by their Extraordinary Shareholders' Meetings.

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Monaco

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B Branch S Subsidiary O Office D Commercial Delegation P Partner

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