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BANQUE POPULAIRE GROUP

Solid performance in retail banking

Revenues: +5%

Improved cost/income ratio

Net income: +12%

Net income of more than €1 billion despite the financial crisis

On March 5, 2008 the Board of Directors, chaired by Philippe Dupont, approved the 2007 financial statements.

Commenting on these results, Chairman Philippe Dupont stated: *"In 2007, the Banque Populaire Group confirmed its strong position in all areas of retail banking. Its financial and commercial performance fully endorses our expansion strategy. Foncia, leader in residential property services has once again reported strong revenue growth, and the synergies with the Banque Populaire banks are in line with expectations. Natixis' contribution to the Group results, although down, demonstrates the resilience of its diversified business model in a context of strong tension in the financial markets. Finally, the Group results were negatively affected by a one-off transaction: the acquisition of CIFG.*

The forthcoming acquisition of seven regional banks from HSBC France's network is expected to affirm our strategy in 2008.

In an environment marked by a financial crisis which affected the corporate and investment banking division, the Banque Populaire Group reported net income of more than €1 billion.

The Group benefits from a robust financial structure. At the end of 2007, total regulatory capital came to €19.8 billion, with Tier one capital amounting to €16.2 billion. Its Tier one solvency ratio stood at 9.1%, one of highest in the Euro zone. This financial strength enables the Group Banque Populaire to remain flexible and seize good market opportunities in line with its expansion strategy.

BANQUE POPULAIRE BANKS - AGGREGATE

The aggregate financial statements of the Banque Populaire banks include the accounts of the Banque Populaire banks, their subsidiaries and the mutual guarantee companies, after applying consolidation adjustments in accordance with IFRS and without adjustments for transactions with Banque Fédérale des Banques Populaires.

BANQUE POPULAIRE BANKS: CONSOLIDATED RESULTS

Banque Populaire banks (€ mn)	2007	2006 pro forma	Δ07/06
Revenues	5,839	5,578	+4.7%
Operating expenses	(3,658)	(3,531)	+3.6%
Gross operating income	2,181	2,047	+6.5%
Cost of risk	(388)	(280)	+38.5%
Operating income	1,793	1,767	+1.5%
Net income	1,340	1,199	+11.7%

Improved operating performance: revenues increased by 4.7%.

2007 was a good year for the Banque Populaire banks. In a highly competitive environment, revenues came to €5,839 million, up 4.7%. Excluding the PEL/CEL effect, revenue totaled €5,749 million, up 3.7%.

Whereas outstanding loans rose 13%, net interest income was up 1.5% in 2007, a year marked by fierce competition in the loan market and an increase in the cost of funding.

In the light of a good sales and marketing drive, fee and commission income rose 4%. Despite a less favorable market environment, fee income climbed 4.3%, driven by inflows from insurance. They were split between 60% arising from fees and commissions relating to product sales and 40% corresponding to account management.

Thanks to its significant deposit base, the Banque Populaire Group maintains an excellent liquidity position. To ensure refinancing in the best conditions, the Banque Populaire Group launched a €25 billion 5 year covered bonds program in the fourth quarter of 2007, rated triple-A by the rating agencies Standard & Poor's and Moody's. Therefore, the Banque Populaire banks will be able to benefit in future from cost-effective funding to ensure growth and development.

The Banque Populaire banks continue to grow from strength to strength in the personal customer segment: the number of customers and their take-up rates are rising.

Commercial investments made over the last few years have paid off. With the opening of nearly 900 branches since 2000, bringing the total to 2,938 branches at the end of 2007, the number of individual customers has grown by almost 700,000 in 4 years. In 2007, the number of individual customers increased by 146,500 compared to 120,000 in 2006 with young people representing a significant amount. The Banque Populaire banks' market share is increasing in this market, in loans as well as in savings.

The customer take-up rates are rising favorably. In 2007, Banque Populaire customers held 9 contracts versus 8 in 2006 and 7.4 in 2005.

The Banque Populaire banks recorded growth in customer savings despite a less active market. In such market conditions, gross inflows in life insurance continued to rise. Assets under management rose 4% to €67 billion.

In line with the product take-up rate for customers, the Banque Populaire banks sold 150,000 property and casualty insurance contracts in a portfolio which was up 6% on last year.

In electronic banking, the Banque Populaire banks also developed their service offering. The take-up rate for personal customer cards increased 4.1%. This development has been accompanied by a significant move upscale. Production of up-market cards such as Visa Premier and Infinite rose 23% in 2007 and now represents 8.4% of total stock.

The Group is also taking part in the growing force of e-commerce: over 110,000 customers use the e-carte, representing growth of over 60% in one year. In addition, the Group confirmed its leading position in issuing payment cards for small businesses and corporate customers.

Loans outstanding to individual customers reached €67 billion, up 14%, related to the rise in home loans.

The Banque Populaire banks confirm their leading positions in the small business and corporate markets: impressive growth in funding

The Group recorded good performance in the small business and corporate markets in 2007 by attracting nearly 17,000 new customers during the year.

With a 27% market share in the start-up business loan market, the Group remains the leader in this area.

Loans to small businesses and professionals have enjoyed impressive growth and progressed 9%, thanks to loans counter guaranteed by the Socama and the European Investment Fund (EIF), whose new lending exceeded the threshold of €1 billion, for the first time.

In the franchise sector, the Group confirms its leadership, with a penetration rate that still stands at 50% with franchisors and a penetration rate of 27% with franchisees. The Group is still the first bank recommended by franchisors to their franchisees.

These leading positions in small business finance also assist cross-selling and provide strong commercial leverage for offering additional services, particularly in electronic banking.

Regarding employee benefits planning, continuous tailoring of our service offering and the ability of the network to meet the overall needs of customers led to substantial growth in sales (+24%). The marketing of service vouchers has risen by over 150% with the launch of Cado Chèque and the re-launch of the restaurant vouchers « *Chèques de table* ». Sales of employee savings contracts progressed by over 20%.

Outstanding loans to companies totaled €56 billion, up 12%.

Focusing on local relationships with its customers who are served by 7,400 advisors, the Group was awarded the first prize for long-term customer relations in the banking sector, following the survey undertaken by TNS Sofrès and Bearing Point.

The Banque Populaire banks strengthen their fundamentals in retail banking with a more efficient cost/income ratio which is still one of the best in the sector

Operating expenses rose 3.6% to €3,658 million, reflecting cost control in a context of sustained investments, particularly in real estate, with the opening of 63 branches reinforcing the Group's strong sales and marketing drive.

Personnel expenses increased 3% resulting from a recruitment drive to develop the network and a remuneration and loyalty policy resulting in the Banque Populaire banks associating their employees with the results of the company notably through profit-sharing and bonus schemes.

Excluding the non-recurring migration costs, the ratio of IT expenditure/revenue is, once again, down attesting to the performance of the IT platform i-BP.

Gross operating income stood at €2,181 million, up 6.5%.

The cost of risk came to €388 million. On a comparable basis, the cost of risk increased 15%, indicating a good level of provisions of outstandings, in accordance with the Group's prudent policy.

The cost/income ratio stood at 62.7% versus 63.3% in 2006, indicating, once again, one of the best cost/income ratios in the market place.

Operating income edged up 1.5% to €1,793 million.

Net income for the Banque Populaire banks increased 11.7% to €1,340 million.

Group priorities in retail banking for 2008

In 2008, the Group will continue its effective expansion strategy in all customer segments, in compliance with its risk management policy. The two main priorities to continue to grow the business will be to attract young employed people and self-employed professionals.

With its robust capital base the Group intends to develop through acquisitions, both in France and abroad. Exclusive discussions with HSBC France at the end of February to acquire seven regional banks confirm this strategy. With 400 additional branches, located in the South of France, the Group will consolidate its network in regions with high economic potential.

Banque Populaire Group

The scope of the Banque Populaire Group increased with the acquisition of Foncia during the first-half of 2007. A 92.8% subsidiary of Banque Fédérale des Banques Populaires, Foncia is fully consolidated in the Group financial statements from April 1, 2007.

In addition, CIFG, formerly a subsidiary of Natixis, was acquired jointly and equally by BFBP and Caisse Nationale des Caisses d'Epargne on December 20, 2007. The level of provisions concerning CIFG in the Group financial statements stands at €700 million.

The Banque Populaire Group recorded revenues of €7,445 million. In an environment marked by a financial crisis, the contribution of the corporate and investment bank and services represents over one quarter of Group revenues in 2007.

Foncia continued developing by organic and external growth. It contributed €367 million to Group revenue.

General operating expenses for the Group amounted to €5,907 million. On a comparable basis¹, the increase in expenditure was limited to 4%.

In the light of the impact of CIFG on the Group consolidated results, net income came to €1,055 million with a contribution from Natixis amounting to €316 million.

The Group Banque Populaire has demonstrated its financial robustness. Following the acquisition of Foncia and the effect of CIFG's losses, the Group's total regulatory capital amounted to €19.8 billion including €16.2 billion in Tier one capital. The Tier one ratio stands at 9.1%, one of the best in the Euro zone.

This financial strength enables Banque Populaire Group to remain resourceful and seize good market opportunities in line with its expansion strategy.

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¹ Pro forma of the first-time consolidation of Foncia and excluding the restructuring costs of Natixis

The Banque Populaire Group results are available on its website:
www.banquepopulaire.fr

Natixis' results are available on its website:
www.natixis.fr