

# Calyon

2004 Highlights



# Profile 2004

**2004 was the year the corporate and investment banking activities of CREDIT LYONNAIS were transferred to CREDIT AGRICOLE INDOSUEZ, resulting in the formation of the new bank CALYON in early May.**

This operation mobilised hundreds of employees in France and abroad and positioned CALYON as a leading corporate and investment bank in France and Europe.

CALYON now has operations in 60 countries and offers its large corporate and financial institution clients increased investment capacity in the world's financial markets.

CALYON's activities are organised into two major divisions:

## **Capital Markets and Investment Banking**

- The **Capital Markets division** covers all aspects of the trading and sale of both standard and structured capital markets products. Its client coverage staff operate out of 30 trading rooms and are organised into eight business lines - treasury, foreign exchange, commodities, interest rates, credit and liquid bonds, structured credit, securitisation and equity derivatives.
- The **brokerage business** is carried out through three subsidiaries - CHEUVREUX in Europe and CLSA in Asia for equity markets, and CALYON FINANCIAL for futures and options markets.
- The **Investment Banking division** comprises advisory services to corporate clients and the Equity Capital Markets (ECM) unit, which is responsible for equity transactions and the structuring of equity derivative products.

The **Financing division** covers structured finance, syndication and acquisition finance.

Historically, CALYON's target clientele has been in France, and today the bank is also asserting its pan-European growth ambitions. Elsewhere in the world, CALYON's development strategy is based on a selective approach appropriate to local markets and their potential, and to meeting the needs of local clients.

# 2004 Consolidated balance sheets

## Assets

In millions of euros	12/31/2004
<b>CASH, MONEY MARKET AND INTERBANK ITEMS</b>	<b>131,118</b>
<b>CUSTOMER-RELATED ITEMS</b>	<b>77,909</b>
<b>LEASE FINANCING</b>	<b>481</b>
<b>SECURITIES</b>	<b>66,407</b>
<b>NON-CURRENT ASSETS</b>	<b>2,206</b>
<b>GOODWILL</b>	<b>843</b>
<b>PREPAYMENTS, ACCRUED INCOME AND SUNDRY ASSETS</b>	<b>41,097</b>
<b>TOTAL ASSETS</b>	<b>320,061</b>

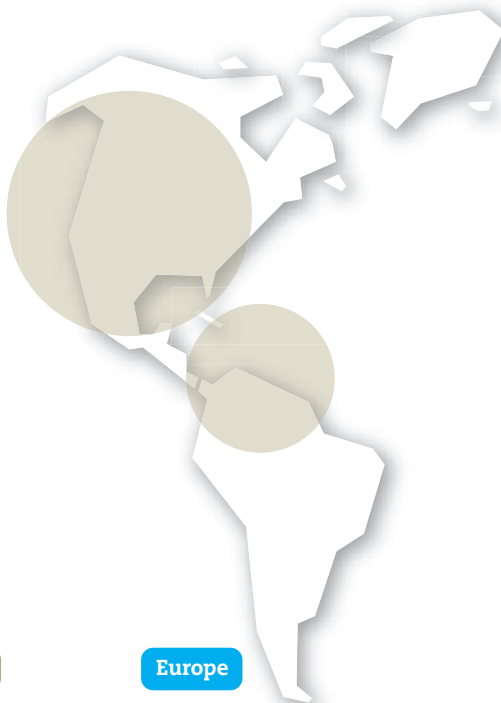
## Liabilities and shareholders' equity

In millions of euros	12/31/2004
<b>MONEY MARKET AND INTERBANK ITEMS</b>	<b>107,475</b>
<b>CUSTOMER ACCOUNTS</b>	<b>71,607</b>
<b>DEBT SECURITIES IN ISSUE</b>	<b>63,353</b>
<b>ACCRUALS, DEFERRED INCOME AND SUNDRY LIABILITIES</b>	<b>61,711</b>
<b>RESERVES AND SUBORDINATED DEBT</b>	<b>5,204</b>
<b>FUND FOR GENERAL BANKING RISKS</b>	<b>243</b>
<b>MINORITY INTERESTS</b>	<b>768</b>
<b>SHAREHOLDERS' EQUITY (Excl. FGBR)</b>	<b>9,700</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>320,061</b>

# Consolidated income statements

In millions of euros	12/31/2004
<b>NET BANKING INCOME</b>	<b>4,229</b>
Operating expenses	(2,950)
Depreciation and amortisation	(146)
<b>GROSS OPERATING INCOME</b>	<b>1,133</b>
Risk-related costs	20
<b>NET OPERATING INCOME</b>	<b>1,153</b>
Share in net income (losses) of equity associates	74
Net income (loss) on disposal of non-current assets	61
<b>PRE-TAX INCOME ON ORDINARY ACTIVITIES</b>	<b>1,288</b>
Integration-related costs	(216)
Net extraordinary items	(36)
Corporate income tax	(251)
Amortisation of goodwill	(116)
Net allocation to the fund for general banking risks	31
<b>NET INCOME BEFORE MINORITY INTERESTS</b>	<b>700</b>
Minority interests	47
<b>NET INCOME - GROUP SHARE</b>	<b>653</b>

# Calyon's international a balanced presence



## Americas

-  Argentina
-  Brazil
-  Canada
-  Chile
-  Mexico
-  United States
-  Uruguay
-  Venezuela

## Europe

-  Austria
-  Belgium
-  Czech Republic
-  Finland
-  France
-  Germany
-  Greece
-  Hungary
-  Italy
-  Luxembourg
-  Monaco
-  Norway
-  Poland
-  Portugal
-  Russia
-  Slovakia
-  Spain
-  Sweden
-  Switzerland
-  The Netherlands
-  Ukraine
-  United Kingdom





# network, throughout the world



## Africa

-  Algeria
-  Cameroon
-  Djibouti
-  Egypt
-  Gabon
-  Ivory Coast
-  Madagascar
-  Morocco
-  Republic of Congo
-  Senegal
-  South Africa
-  Tunisia

## Middle East

-  Bahrain
-  Iran
-  Israel
-  Lebanon
-  Saudi Arabia
-  Turkey
-  The United Arab Emirates
-  Yemen

## Asia / Pacific

-  Australia
-  China
-  Hong Kong
-  India
-  Indonesia
-  Japan
-  Malaysia
-  Philippines
-  Singapore
-  South Korea
-  Taiwan
-  Thailand
-  Vietnam

# Corporate governance

## Members of the General Management Committee

**Edouard Esparbès,**  
Chief Executive Officer

**Yves Perrier,**  
Deputy Chief Executive Officer

**Marc Litzler,**  
Deputy Chief Executive Officer



## Members of the Management Committee

The Management Committee discusses questions relating to the Bank's general operations and ensures the proper circulation of information between Executive Management and the entire Bank.

**Edouard Esparbès,** Chief Executive Officer  
**Yves Perrier,** Deputy Chief Executive Officer  
**Marc Litzler,** Deputy Chief Executive Officer

**Gilles Allein,** Asia  
**Ewa Brandt,** Human Resources  
**Bernard Carayon,** Risk Management and Control  
**Jean Cédelle,** Global Compliance  
**Jérôme Grivet,** Corporate Secretariat and Finance  
**Pierre Guillemet,** Information Systems and Operations  
**Jacques Haffner,** International Private Banking  
**Julian Harris,** Distressed Assets  
**Ishan Kapur,** Financial Institutions Group  
**Guy Laffineur,** ICC and Global Credit Markets  
**Michel Le Masson,** Inspection Générale  
**Jean-Paul Le Roy,** Secrétariat Général  
**Jean-Paul Mazoyer,** International COO  
**Bernard Mignucci,** International  
**Jean-Marc Moriani,** Americas  
**Pascal Poupelle,** Coverage Corporates  
**François Simon,** Equity Brokerage  
**Marc Tabouis,** Structured Finance  
**David Villeneuve,** Investment Banking

# Highlights

## Investment Banking

- **Advisory services:** sale of Sportfive on behalf of Vivendi Universal
- **IPOs:** bioMérieux, Nexity
- **Opening of the share capital:** Snecma, Pages Jaunes

## Capital Markets

### Capital markets division

- **Securitisation:** Korea First Bank, Fraikin
- **Structured products:** Ocelot, Absolute V
- **Euro-denominated issues:** Volkswagen, Unicredito, BTPEi, Air Liquide

### Brokerage

#### CHEUVREUX

- **First in 'The 2005 All-Europe Research Team' rankings for French equities** (*Institutional Investor*)
- **Second-best European research house** (*Grands Prix de l'Analyse Financière de l'AGEFI*)

#### CLSA

- **Asia's leading broker** (*AsiaMoney's Brokers Poll 2004*)

#### CALYON FINANCIAL

- **Seventh-largest futures broker in the United States** and second-largest non-American broker (*Commodity Futures Trading Commission*)

## Financing

### Structured finance

- **Project finance:** Ehn and Biovent (wind farms) in Spain, refinancing of Autostrade in Italy
- **Aerospace:** Calyon received the 'Aircraft Capital Markets Deal of the Year' and the 'Aircraft Finance Innovator of the Year' awards (*Jane's Transport Finance*)
- **Shipping:** financing of 8 container ships for CMA-CGM in South Korea

### Loan syndication

- **Major operations:** Vivarte, Auna, France Telecom, Banque PSA Finance, Global Industries

### Acquisition financing

- **France:** Vivarte, Picard
- **Europe:** Galbani in Italy, Vendex in the Netherlands, Itevelsa in Spain.

“Calyon recorded net ordinary income of €991 million, a 44% increase in one year.



**Edouard Esparbès**  
Chief Executive Officer



<b>Date of birth</b>	1 May 2004
<b>Total assets</b>	more than €300 billion
<b>Tier-1 capital</b>	€10.7 billion
<b>Capital adequacy ratio</b>	8.9 % with weighted assets of €119 billion
<b>Elements of results</b>	
NBI	€4.2 billion
GOI	€1.1 billion
Net income (Group share)	€0.653 billion
ROE*	11 %
<b>Long-term credit ratings</b>	
Aa2 (Moody's)	
AA- (Standard & Poor's)	
AA (FitchRatings)	
<b>Short-term credit ratings</b>	
P1 (Moody's)	
A1 + (Standard & Poor's)	
F1 + (FitchRatings)	

corporate ID

\* calculated using income on ordinary activities.

Calyon now has operations in 60 countries and offers its large corporate and financial institution clients increased investment capacity in the world's financial markets.

# Investment Banking

**T**he investment banking business groups together all of the financing activities for both the public and the private sectors:


**Advisory services for Mergers and Acquisitions** (assignments to sell and acquire companies, open share capital to new investors, and restructure companies) are provided primarily in France, but also in Italy, Spain, Germany and the United States,

**Equity Capital Markets (ECM)** is active in France and abroad on primary and secondary markets within the context of initial public offerings, capital increases, convertible and exchangeable bond issues, and other hybrid product issues. ECM also structures and sells equity derivative products to its corporate clientele.

CALYON is also active in advisory services to investment funds and private placement.

In 2004, the investment banking business was boosted by an active primary market. With the recovery in the IPO market, CALYON was able to lead manage a large number of transactions, and to take part in the opening to private investors of the share capital of two large public-sector companies, while also participating in major transactions elsewhere in Europe.

The continuing wave of financial and corporate restructuring in several sectors of the economy also enabled CALYON to obtain highly visible advisory bank mandates.



*Calyon was retained as global coordinator and lead manager for the bioMérieux transaction together with Goldman Sachs, also a lead manager, Lazard-Ixis, associate lead manager, and Société Générale, co-lead manager.*

# Capital Markets

**A**ctive in all capital markets and with internationally recognised brokerage activities, CALYON is a partner of choice in capital markets.

The **Capital Markets division** covers the trading and sale of both standard and structured capital market products through 30 dealing rooms, including five liquidity centres in New York, London, Paris, Tokyo and Hong Kong. This trading network leaves CALYON strongly positioned in Europe, and with a targeted presence in the United States, Asia and the Middle East and additional roots in local markets.

Our activities are organised into eight business lines - treasury, foreign exchange, commodities, interest rates, credit and liquid bonds, structured credit, securitisation and equity derivatives.

This organisation by business line, integrating trading and sales, is capable of meeting CALYON's objectives to be the Credit Agricole Group's leading supplier across all product lines, to become a leading bank for our corporate clients, in particular in Europe, to increase our coverage of insurers and to become a selective supplier to hedge funds and asset managers.



*Calyon was named the  
“Best Corporate Securitisation of 2004”  
for the Fraikin transaction*

*(International Securitisation Report - ISR).*

The merger resulted in the formation of a solid, reputable **equity brokerage business**, organised around two key subsidiaries: **CHEUVREUX** in Europe and **CLSA** in Asia. These two equity brokers share three basic strengths that give them legitimacy in each of the markets in which they operate - independent, high-quality research, innovative product ranges and multiple operating locations. **CALYON FINANCIAL**, formerly Carr Futures, is the futures broker (equity, interest rate and commodities futures) for the Credit Agricole Group.

# Financing

**T**he financing division gathers structured finance, loan syndication and acquisition financing.

**Structured finance** cover **energy, project finance** in which CALYON succeeded in closing a record number of deals, **real estate and hotels, aerospace, shipping** (335 ships, including 89 new units, were financed in 2004) and **export, trade and commodity finance** (export finance, structured commodity finance, transactional commodity finance and trade finance).

Thanks to being backed by Credit Agricole Group, CALYON is now one of the major banks in **loan syndication**. To deal with the growing convergence of the credit markets, CALYON has built a worldwide organisation favoring Europe-Asia and Europe-Americas synergies.

In an increasingly competitive market, CALYON has done very well in the area of leveraged buyout (LBO) **acquisition financing**.



*Already widely known for its expertise in structured finance, Calyon is currently carving out a leading position in loan syndication and acquisition finance thanks to the successful integration of the respective teams from the merged entities.*