

*New* **dimension**  
deepen, digitalize & differentiate

## **Natixis Investor Day**

London  
November 20, 2017



# Investor Day agenda



## 8:30-9:00 WELCOME COFFEE

9:00	<b>Global picture</b>	<ul style="list-style-type: none"> <li>▶ Laurent Mignon</li> <li>▶ Nicolas Namias</li> </ul>
10:00		
10:00	<b>Insurance</b>	<ul style="list-style-type: none"> <li>▶ Jean-François Lequoy</li> </ul> <b>People behind our expertise</b> <ul style="list-style-type: none"> <li>▶ Stéphanie Paix</li> <li>▶ Nathalie Broutèle</li> </ul>
10:20		
10:20		
10:30		
10:30-10:45 <b>BREAK</b>		
10:45	<b>Corporate &amp; Investment Banking</b>	<ul style="list-style-type: none"> <li>▶ François Riahi</li> <li>▶ Marc Vincent</li> </ul> <b>People behind our expertise</b> <ul style="list-style-type: none"> <li>▶ Marc Cooper</li> <li>▶ Luc François</li> </ul>
11:05		
11:05		
11:25		
11:25	<b>Q&amp;A</b>	



## 12:00-1:15 BUFFET LUNCH

1:15	<b>Digital</b>	<ul style="list-style-type: none"> <li>▶ Luc Barnaud</li> </ul>
1:25		
1:25	<b>Specialized Financial Services</b>	<ul style="list-style-type: none"> <li>▶ Gils Berrous</li> </ul> <b>People behind our expertise</b> <ul style="list-style-type: none"> <li>▶ Pierre-Antoine Vacheron</li> <li>▶ Catherine Fournier</li> <li>▶ Thibaut Faurès Fustel de Coulanges</li> </ul>
1:45		
1:45		
1:55		
1:55	<b>Asset &amp; Wealth Management</b>	<ul style="list-style-type: none"> <li>▶ Jean Raby</li> </ul> <b>People behind our expertise</b> <ul style="list-style-type: none"> <li>▶ Bruno Crastes</li> <li>▶ Aziz Hamzaogullari</li> </ul>
2:15		
2:35		
2:35	<b>Natixis within BPCE</b>	<ul style="list-style-type: none"> <li>▶ François Pérol</li> </ul>
2:55		
2:55	<b>Q&amp;A</b>	

## Morning speakers



**LAURENT MIGNON**

Chief Executive Officer



**NICOLAS NAMIAS**

Chief Financial Officer



**JEAN-FRANÇOIS LEQUOY**

Head of Insurance

**STÉPHANIE PAIX**

Chairwoman of the Management Board at Caisse d'Epargne Rhône-Alpes



**NATHALIE BROUTÈLE**

Head of Property & Casualty insurance



**FRANÇOIS RIAHI**

Co-head of Corporate & Investment Banking



**MARC VINCENT**

Co-head of Corporate & Investment Banking



**MARC COOPER**

CEO of PJ Solomon



**LUC FRANÇOIS**

Head of Global markets

## Afternoon speakers



**LUC  
BARNAUD**

Chief Digital  
Officer



**GILS  
BERROUS**

Head  
of Specialized  
Financial  
Services



**PIERRE-ANTOINE  
VACHERON**

**CATHERINE  
FOURNIER**

CEO  
of Natixis  
Payment  
Solutions



**THIBAUT  
FAURÈS FUSTEL  
DE COULANGES**

CEO  
of Dalenys



**JEAN  
RABY**

Head of Asset  
& Wealth  
Management



**BRUNO  
CRASTES**

CEO  
of H<sub>2</sub>O



**AZIZ  
HAMZAOGULLARI**

VP  
of Loomis  
Sayles



**FRANÇOIS  
PÉROL**

Chairman  
of the Board  
of Directors



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Figures in this presentation are unaudited.

# New dimension

deepen, digitalize & differentiate

## Global Picture

London  
November 20, 2017

*Laurent Mignon and Nicolas Namias*



# CONTENTS

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**2014-2017**

**SUCCESSFUL  
DELIVERY**

2

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**STRATEGIC  
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**2018-2020**

**FINANCIAL  
TARGETS**

*New* **dimension**  
deepen, digitalize & differentiate

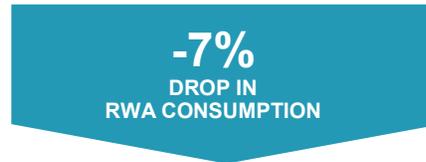
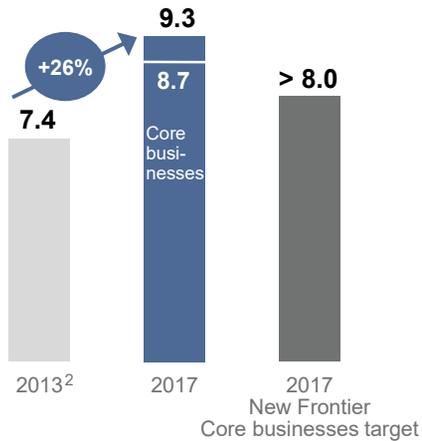


# 2014-2017 SUCCESSFUL DELIVERY

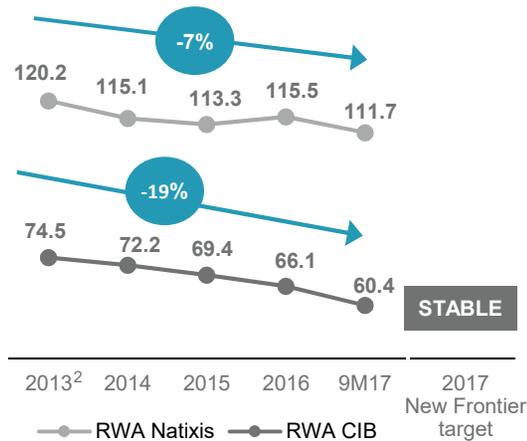
# 1 | New Frontier, a successful delivery



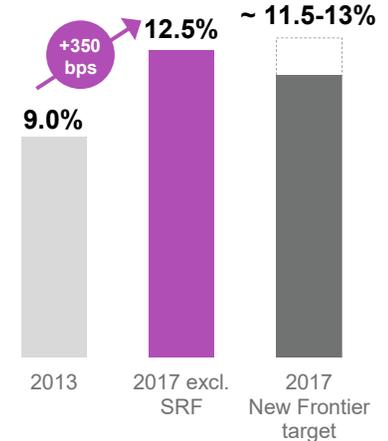
☑ Net revenues (€bn)<sup>1</sup>



☑ Basel 3 RWA (€bn) EoP



☑ ROTE<sup>1</sup>



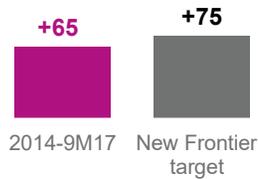
(1) Estimated FY 2017 based on 9M + [Q4=Q3] (2) 2013 Including GAPC and excluding exceptional items

# 1

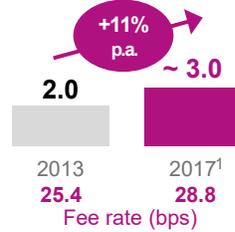
## Strong commercial activity across businesses

### ASSET & WEALTH MANAGEMENT

Cumulative net inflows (€bn)

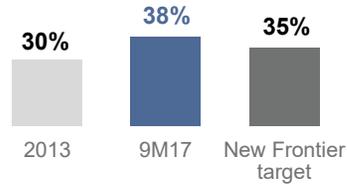


Net revenues (€bn)



### CORPORATE & INVESTMENT BANKING

Service Fees / Global finance revenues

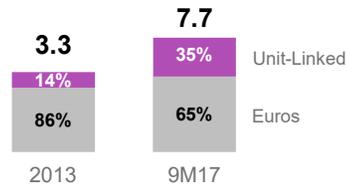


International platforms  
Net revenues CAGR 2014 - 2017<sup>1</sup>



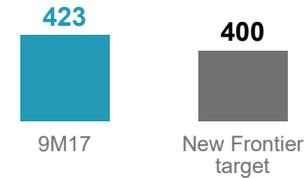
### INSURANCE

Life Insurance gross inflows (€bn)  
excluding reinsurance agreement with CNP



### SPECIALIZED FINANCIAL SERVICES

Natixis revenue synergies with Groupe BPCE networks (€m)



(1) Estimated FY 2017 based on 9M + [Q4=Q3]

1

# A set of acquisitions within and beyond New Frontier

~ €1.5bn acquisitions in asset-light businesses

In line with New Frontier strategy

A multi-boutique model beyond Asset management

## INVESTMENT SOLUTIONS

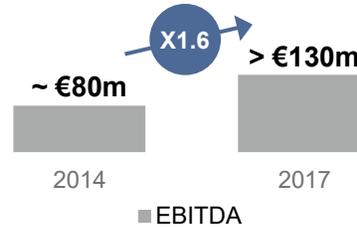
**BPCE ASSURANCES**  
(2014 & 2017)

**DNCA FINANCE**  
(2015)

**CILOGER**  
(2016)

**IML INVESTORS MUTUAL LTD**  
(2017)

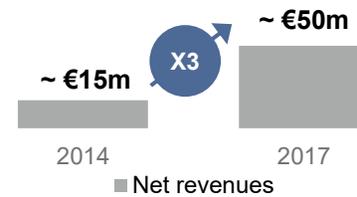
Focus on **DNCA FINANCE**



## M&A

**Leonardo & Co France** (2015) } **NATIXIS PARTNERS**  
**360 Corporate** (2015)  
**SOLOMON** (2016)

Focus on **NATIXIS PARTNERS France**



## PAYMENTS

**PayPlug**  
(2017)

**S money**  
(2017)

**dalenYs**  
(2017)

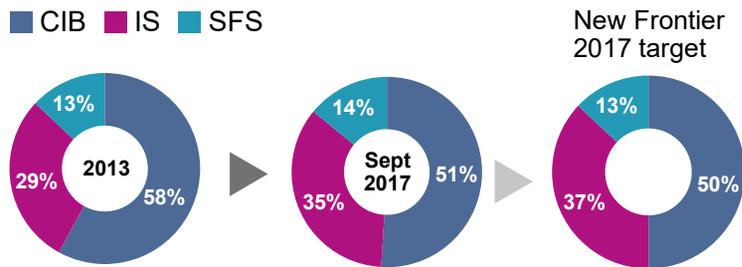


Asset-light transformation leading to primary focus on ROE

# 1

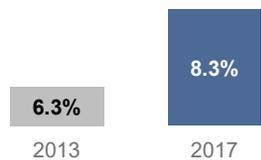
## Significant free-capital generation through our asset-light strategy

### Increase in Investment Solutions capital allocation



### Greater RWA efficiency and risk management

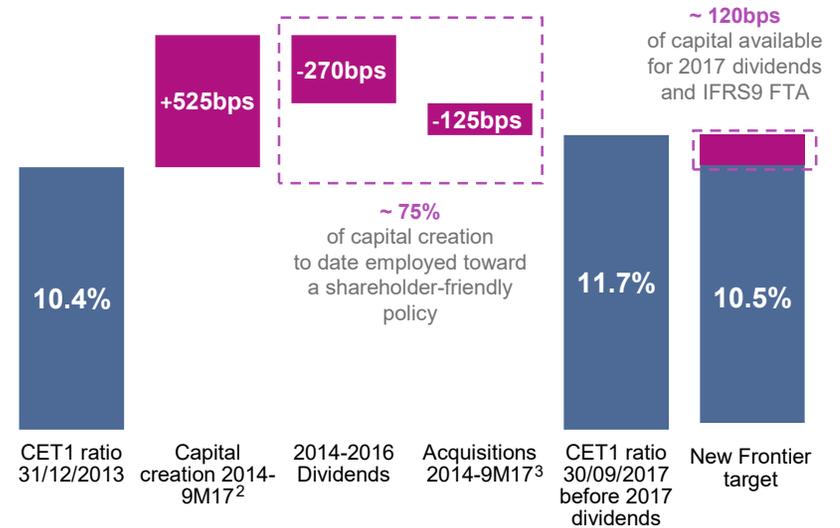
Natixis Net revenues<sup>1</sup> / RWA



Natixis cost of risk / Net revenues<sup>1</sup>



### Strong capital creation since the launch of New Frontier



(1) Pro forma and excluding exceptional items. Estimated FY 2017 based on 9M + [Q4=Q3]

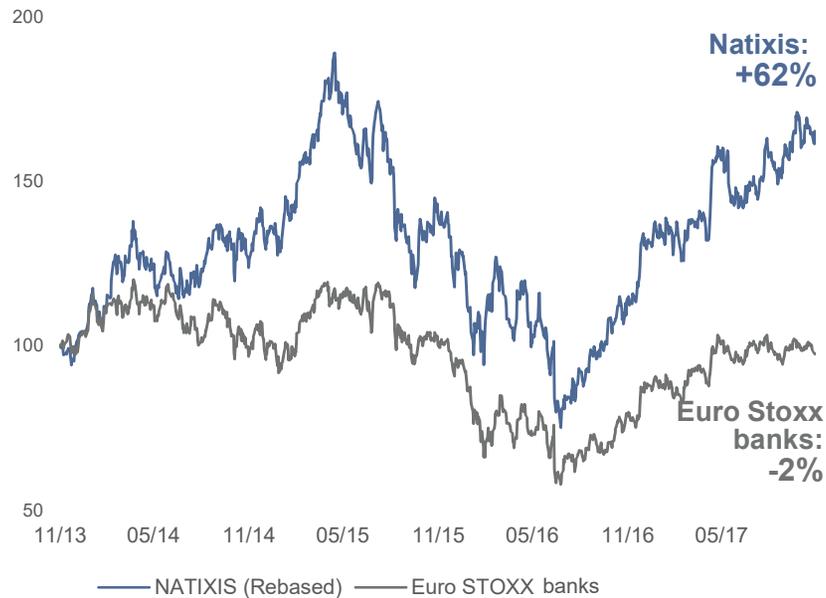
(2) Including ~110bps of regulatory impacts (phasing of DTA 2015-2017 and PVA in 3Q14)

(3) Including the remaining 40% of BPCE Assurances, IML & 50.04% of Dalenys

# 1

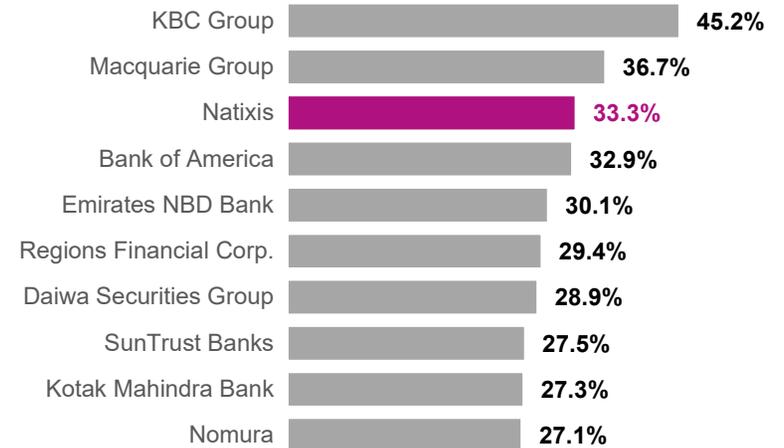
## Exceptional value creation for shareholders

**Absolute performance of Natixis vs. European banking sector since previous Investor Day**  
(14/11/2013 = base 100)



Source: Factset, as of 10/11/2017

**Natixis: 3<sup>rd</sup> top value-creating bank based on TSR between 2012-2016**  
Average annual TSR



Source: BCG Value Creators report 2017



# 2018-2020 STRATEGIC AMBITIONS

## 2

## Strategic ambitions

### New Deal

2009-2012

**“Restructure  
and Focus”**

**Profitable  
refocusing  
on 3 core  
businesses**

### New Frontier

2014-2017

**“Transform  
and Develop”**

**Become a provider  
of high value-added  
solutions and fully  
client-centric**

### New Dimension

2018-2020

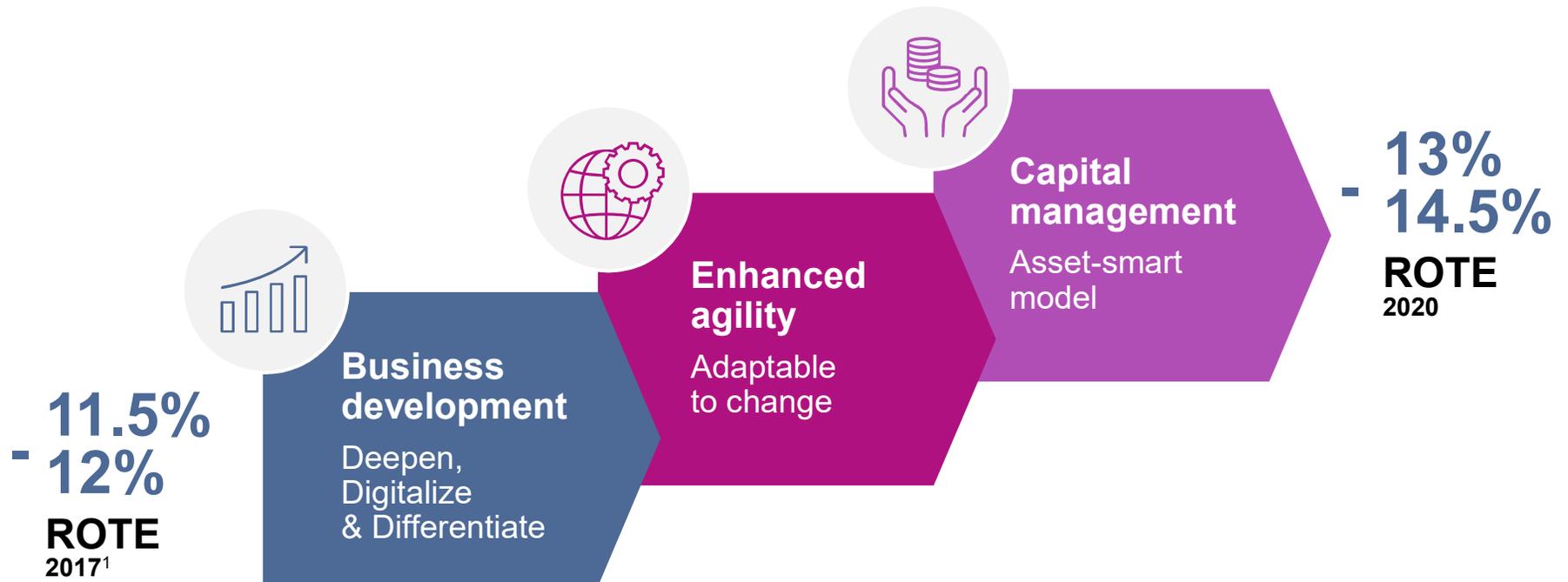
**“Deepen, Digitalize,  
Differentiate”**

**Selected expertise  
to differentiate  
ourselves and  
deliver sustainable  
value creation**

2



## Generate sustainable higher ROTE



(1) Estimated FY 2017 based on 9M + [Q4=Q3]

2



## 2 Further develop our well-balanced business portfolio

Deepen,  
Digitalize,  
Differentiate



Build on  
our current  
strengths

### VALUE CREATION

- ▶ Businesses with sustainable high ROE
- ▶ Superior growth potential based on selected expertise

### DIVERSIFICATION

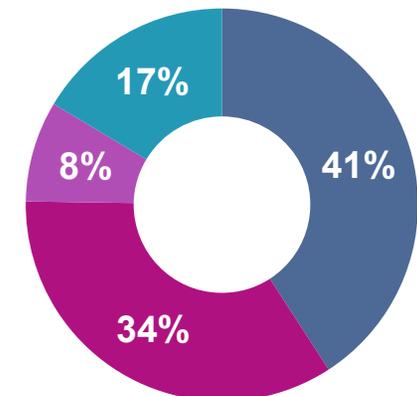
- ▶ By activity
- ▶ By geography
- ▶ By client type

### RESILIENCE

- ▶ Low risk positioning
- ▶ Access to Groupe BPCE networks

### NET REVENUES BREAKDOWN

2017<sup>1</sup>



AWM<sup>2</sup> CIB  
INSURANCE SFS

(1) Estimated FY 2017 based on 9M + [Q4=Q3]

(2) Asset & Wealth Management

## 2

## Increase distinctiveness in all businesses

Deepen,  
Digitalize,  
**Differentiate**



What  
we aim  
to  
achieve

### AWM

Become the **world's premier active asset manager**

### CIB

Be recognized as a **solution-oriented innovative house** and become the “**go-to bank**” in 4 selected sectors

### Insurance

Clear path towards a **leading French insurer**, both in life and non-life insurance

### SFS

Become **fully digital** and build a **European pure-player** in Payments

**> €100bn**  
Cumulative net inflows  
over the plan

**~ 6%**  
Net revenues /  
RWA in 2020

**~ €90bn<sup>1</sup>**  
Life insurance AuM  
in 2020

**x 1.5**  
Payment revenues  
by 2020

(1) ~€77bn excluding the reinsurance agreement with CNP Assurances

## 2

# Sustain growth with 2 selected levers

Deepen,  
Digitalize,  
Differentiate



### Build on Groupe BPCE opportunities

Accelerate revenue synergies with  
Groupe BPCE over the next 3 years

~ **€400m**  
2018-2020



**AWM and  
Insurance**

Stimulate **investment inflows** within  
the Group

**SFS**

**New offering** dedicated to the  
networks  
Target **Groupe BPCE** entities not yet  
covered

### Invest in digital to grow

2018-2020

> **€450m**

of existing IT budget reallocated to  
digital for transformation and  
optimization



Improve **business efficiency**

Leverage **data** and AI for personalized client  
services

Digitalize **customer journey** and offering

Invest in **new technologies** (blockchain) and  
**innovative business models** (PayPlug,  
Dalenys, etc.)

2



## 2

# Agility: at the core of *New Dimension* success...

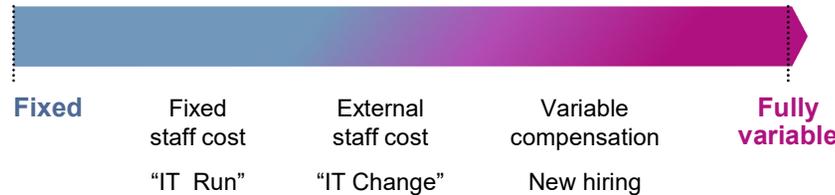
Adaptable  
to change



### Cost flexibility

**~ 30%**  
of 2020 expenses  
to be adjustable,  
depending on  
business activity

### Degree of variability



*Capacity  
to adjust expense  
trajectory,  
if necessary*

### Organizational simplicity

#### ORGANIZATIONAL STRUCTURE

Removal of **2** hierarchical layers of management

New leadership roles with a **35%** increase in the **span of control**

#### WAYS OF WORKING

Launch of a company wide program to **simplify** employees day-to-day work, foster **collaboration, empowerment** and **innovation**

- ▶ Unified tools, mobile devices for all
- ▶ Flex office everywhere



*Become more agile,  
efficient and faster  
in our decision-  
making*

## ... and constitutive of Natixis' DNA

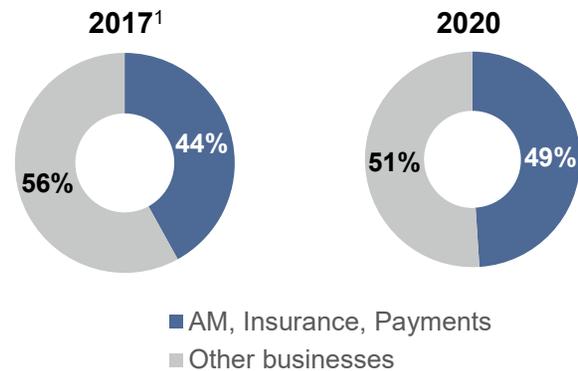
Adaptable  
to change



### A diversified business model...

~ 49%

of 2020 Natixis businesses Net revenues to be generated by non-banking activities (AM, Insurance and Payments)

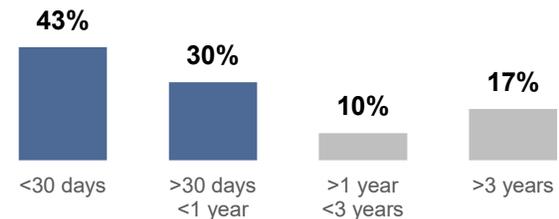


### ...with a fast balance-sheet rotation

< 20%

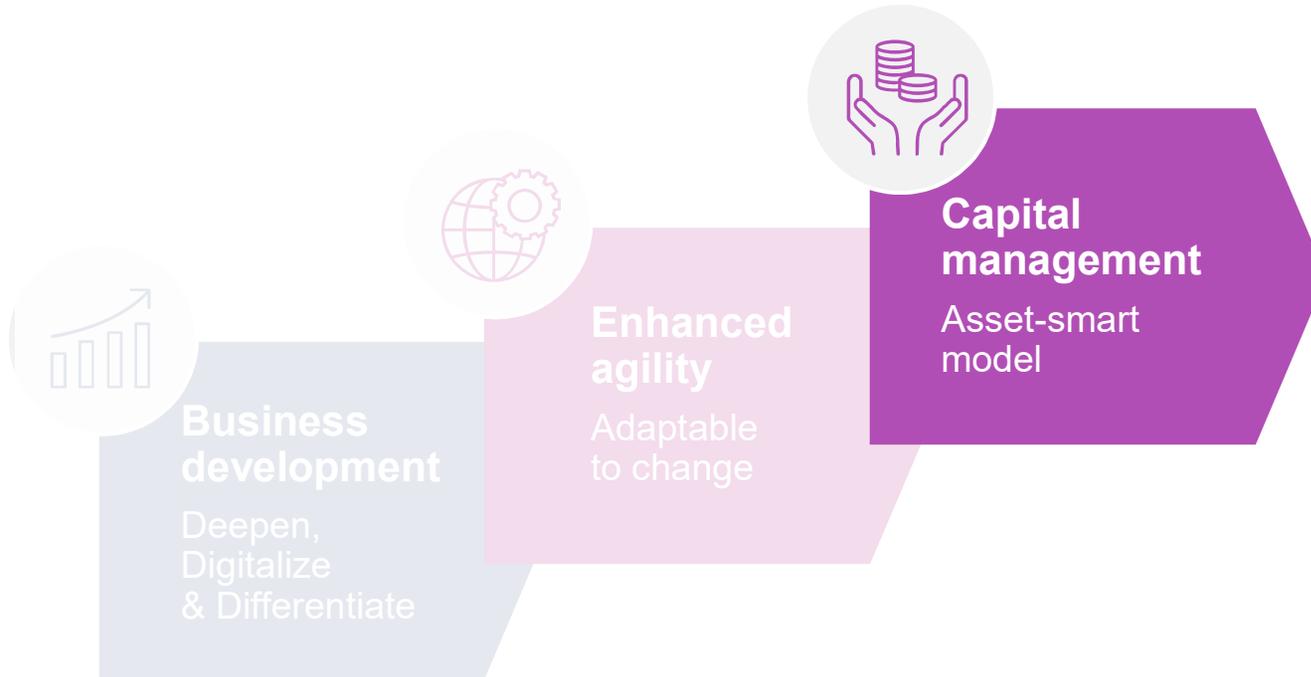
of today's balance-sheet to be amortized beyond 2020, 73% will have matured by end-2018

### Natixis' balance-sheet by maturity as of end-Sept. 2017



(1) Estimated FY 2017 based on 9M + [Q4=Q3]

2



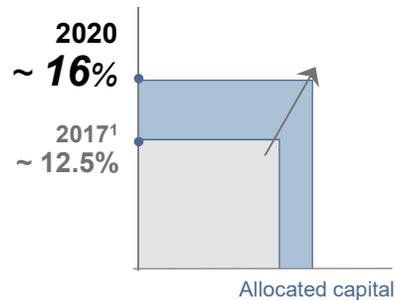
## 2 | Asset-smart model: build on high businesses' intrinsic profitability...

Asset  
smart



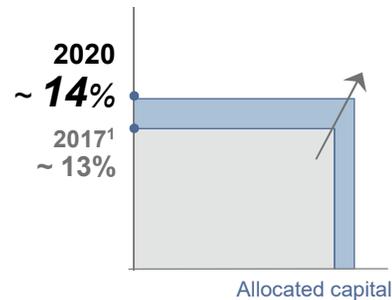
### ASSET & WEALTH MANAGEMENT

RoE



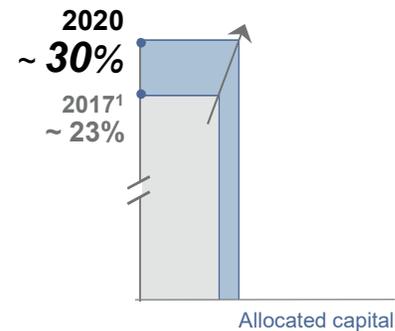
### CORPORATE & INVESTMENT BANKING

RoE



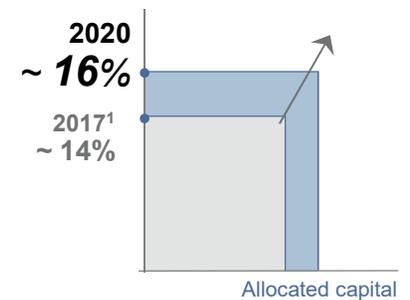
### INSURANCE

RoE



### SPECIALIZED FINANCIAL SERVICES

RoE



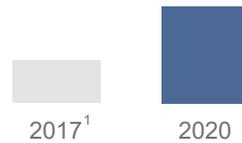
(1) Estimated FY 2017 based on 9M + [Q4=Q3] and based on new normative rules including capital allocation at 10.5% of RWA



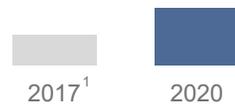
Sustainable business development with limited RWA growth

CAGR 2017-2020

Revenues ~ 5%



RWA ~ 2%



~ €4bn

Cumulative excess capital generation (post-organic growth) available for distribution throughout the plan with a fully-loaded CET1 ratio target of 11% by end-2020



> €3bn

Minimum cash dividend payment over 2018-2020

Up to ~ €1bn

For potential acquisitions and/or additional cash dividends

> 60%

Minimum pay-out ratio for any given year of the plan

(1) 2017 estimated based on 9M + [Q4=Q3]

## 2 | Natixis in a nutshell

**FOCUSED** ENOUGH TO  
**CARE...**

**...SCALED** ENOUGH TO  
**DELIVER**



# 2018-2020 FINANCIAL TARGETS

### 3 | Value creation at Natixis level...



NET REVENUES	OPERATING EXPENSES	CET1 FL	ROTE	CAPITAL AVAILABLE FOR DISTRIBUTION
<p><b>~ 5%</b></p> <p>2017-2020 CAGR</p> 	<p><b>&lt; 3%</b></p> <p>2017-2020 CAGR</p> 	<p><b>11%</b></p> <p>2020 TARGET AFTER DISTRIBUTION</p> 	<p><b>13-14.5%</b></p> <p>2020 TARGET</p> 	<p><b>~ €4bn</b></p> <p>2018-2020</p> 
<p>&gt; €10bn Net revenues in 2020</p> <hr/> <p>~ 2% RWA CAGR with an accretive impact on ROE</p>	<p><b>Positive jaws</b> effect in all businesses</p> <hr/> <p><b>Capacity to adjust</b> expense trajectory, if necessary</p>	<p>No lower than <b>10.5%</b> at the end of each year</p> <hr/> <p>Total capital ratio: <b>14%</b></p> <hr/> <p>Leverage ratio<sup>1</sup> ≥ <b>4%</b></p>	<p>Cost of risk / Net revenues &lt; <b>3%</b> over the plan</p> <hr/> <p>Assuming no change in <b>US corporate tax rate</b></p> <hr/> <p><b>ROTE target sustainable</b> under 'Basel 4'<sup>2</sup></p>	<p>&gt; <b>€3bn</b> cash dividend payment</p> <hr/> <p><b>Up to ~ €1bn</b> for potential acquisitions and/or cash dividend</p> <hr/> <p>Minimum annual payout increased from <b>50% to &gt; 60%</b></p>

(1) According to the rules of the Delegated Act published by the European Commission on October 10, 2014, including the effect of intragroup cancellation - pending ECB authorization  
 (2) Based on our current interpretation of Basel 4 impacts

# 3

## ...and across all businesses



### 2020 TARGETS

	ASSET & WEALTH MANAGEMENT	CORPORATE & INVESTMENT BANKING	INSURANCE	SPECIALIZED FINANCIAL SERVICES
NET REVENUES CAGR	~ 6%	~ 3%	~ 7%	~ 6%
COST/INCOME RATIO	~ 68% ↘	~ 60% ↘	~ 54% ↘	~ 67% ↘
RETURN ON EQUITY	~ 16% ↗	~ 14% ↗	~ 30% ↗	~ 16% ↗
	> €100bn NET INFLOWS	~ 2% RWA CAGR	~ €90bn <sup>1</sup> LIFE INSURANCE AuM	× 1.5 PAYMENT REVENUES
	> 30bps FEE RATE	~ 6% NET REVENUES/RWA	< 94% <sup>2</sup> COMBINED RATIO	€150m ADDITIONAL SYNERGIES WITH GROUPE BPCE

(1) €77bn excluding reinsurance agreement with CNP (2) P&C Insurance, including BPCE IARD

### 3 Efficiency gains on track...

#### Business efficiency program implementation....

**~ €250m** Recurring annual cost savings fully captured at end-2019

**~ €100m** Savings captured for 2018 vs. ~ €65m anticipated

**~ €220m** One-off investment costs (2017-2019)  
 ~ €70m in 2017  
 ~ €110m in 2018  
 ~ €40m in 2019

- Initiatives already launched**
- IT streamlining
  - Process automation and digitalization
  - Purchasing optimization

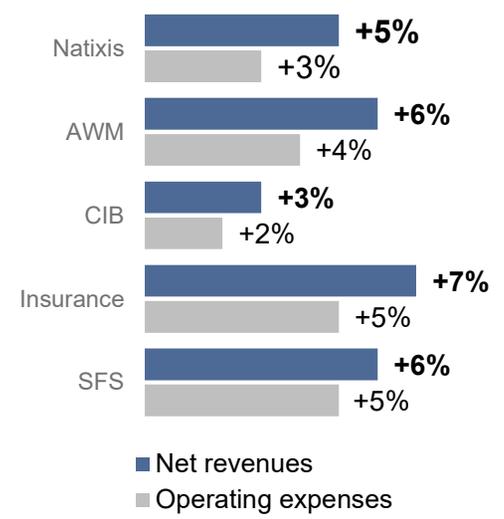
#### ... while ensuring sustainable growth

**~ €200m** Long-term transformation projects  
 Of which 40% in 2018  
 Launched in 2016  
 Fully integrated in businesses' trajectory

- 50% regulatory changes (FRTB, TRIM, etc.)
- 50% strategic projects (insurance claim management system, etc.)

#### Positive jaws effect

##### 2017-2020 CAGR





### Corporate Center overview

#### 3 main components:

- ▶ Coface
- ▶ Single Resolution Fund (SRF)
- ▶ Others (unallocated holding functions expenses, remaining stakes)

Drop of expenses by 2020 through efficiency gains

Coface “Fit to Win” - Targets confirmed across the cycle:

- ▶ ~ **83%** Combined ratio
- ▶ **≥ 9.0%** ROTE

### Corporate Center 2020 guidance



~ **15% annual expense reduction**  
excluding Coface and SRF



~ **€(150)m PBT**  
by 2020



**RWA drop** linked to divestment of non-strategic assets

### 3

## Delivery ensured by conservative assumptions...

Ability to deliver



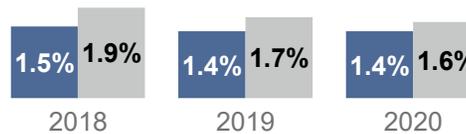
### Exchange rate

**Constant exchange rate**  
over 2018 - 2020:  
€ / \$ 1.20

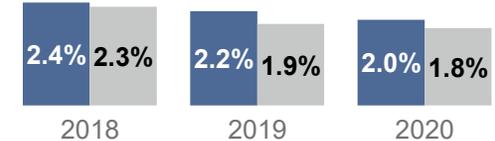
- ▶ Constant exchange rate used to better assess intrinsic performance over the plan
- ▶ 10cts appreciation of \$ vs. € implies ~ +€100m on Operating Income

### GDP growth

■ New Dimension assumptions    ■ IMF latest forecasts (Oct. 2017)



- ▶ Conservative internal assumptions compared to latest forecasts
- ▶ Recent developments show potential upside for the coming years

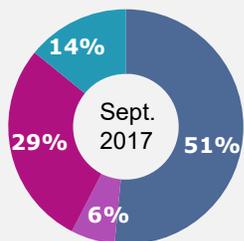


- ▶ Latest consensus (early Nov.): 2.4% growth in 2018, in line with Natixis' assumptions
- ▶ Does not include potential upside from tax reform

# 3 | ...low risk positioning...



## DIVERSIFIED CAPITAL ALLOCATION



- AWM
- INSURANCE
- CIB
- SFS

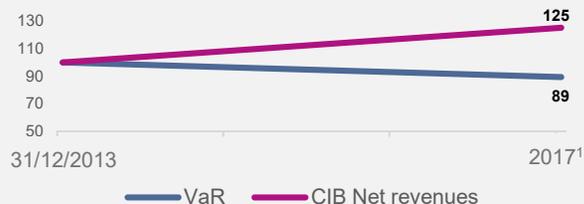
## BUSINESS RESILIENCE ACROSS CYCLES

### Limited impact from the fall in oil & gas prices

Despite ~€12bn EAD, limited additional provisioning of €150m between June 2015 and June 2016 with some write-backs starting 3Q16

### 11% decrease in VaR since 2013

Over the same period, 25% increase in CIB Net revenues



## GUIDANCE

**~ 30bps** **BUSINESSES**  
**COST OF RISK**  
**IN 2020**

## NATIXIS TARGET

**< 3%**

**COST OF RISK /**  
**NET REVENUES**  
**AVERAGE 2018-2020**  
(VS. > 3% FOR 2014-2017  
EXCLUDING EXCEPTIONALS)



*Focus on business expertise leads to better risk control*

(1) 2017 estimated based on 9M + [Q4=Q3] for CIB Net revenues, and based on 30/09/2017 for VaR



BALANCE-SHEET FLEXIBILITY

**73%**  
OF NATIXIS' ASSETS  
AMORTIZED WITHIN 1 YEAR  
(AS OF END-SEPT 2017)

CIB TRANSFORMATION

Tight control of RWA and strong increase in amounts distributed through partnerships with investors:



Increased proportion of service fees in Global finance Net revenues:

30% 2013 → 38% 9M17

NATIXIS TARGET

~ 2%  
RWA CAGR  
2017-2020



ROTE target and capital planning sustainable under "Basel 4"<sup>1</sup>

(1) Based on our current interpretation of Basel 4 impacts

3



**VALUE CREATION  
ACROSS THE  
ENTIRE ORGANIZATION**

**ABILITY TO ADAPT  
TO A CHANGING ENVIRONMENT  
AND PROVEN TRACK RECORD  
TO DELIVER**

# New dimension

deepen, digitalize & differentiate

## Insurance

London  
November 20, 2017

*Jean-François Lequoy*



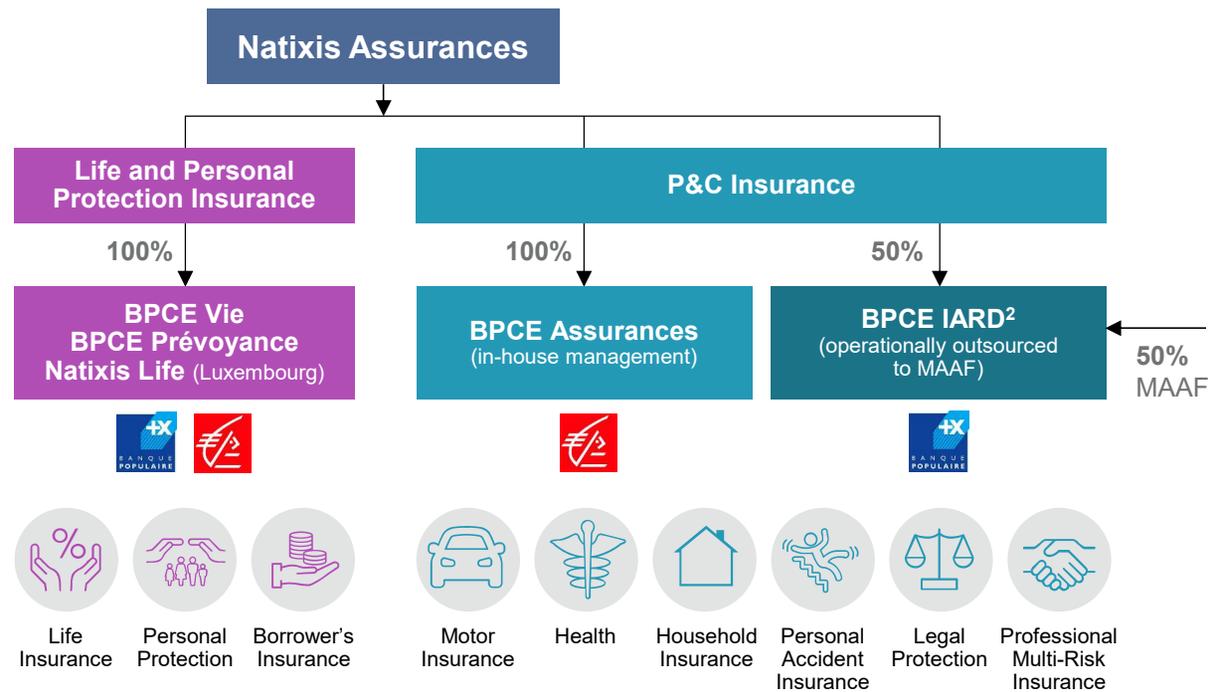
# Natixis Assurances supports Groupe BPCE's ambitions in the insurance sector

Through its subsidiaries, Natixis Assurances designs, underwrites and manages the policies distributed by the BP and CE networks<sup>1</sup> to their private and professional customers

Natixis Assurances is the single insurance platform for Groupe BPCE

Natixis Assurances is structured into two major business lines:

- Life and Personal Protection fully incorporated in 2016
- Property & Casualty operated through two different business models and consolidated in 2017 with the acquisition of a 40% stake in BPCE Assurances



(1) Banques Populaires and Caisses d'Epargne networks

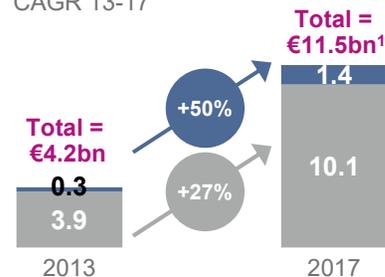
(2) Consolidated using the equity method, included in premium income but not in net revenues

# An insurer with exponential growth in France

Natixis Assurances expects to be among the **TOP 10** insurers in France by the end of 2017

## Premium income (€bn)

CAGR 13-17



■ P&C  
■ Life and Personal Protection (direct business)

## Market

CAGR<sup>2</sup> 13-17

P&C

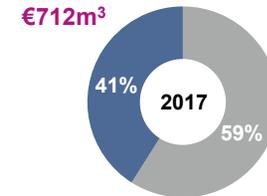
+2.4%

Life and Personal Protection

+2.0%

## Net revenues breakdown

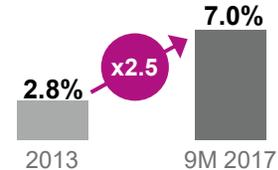
Total = €712m<sup>3</sup>



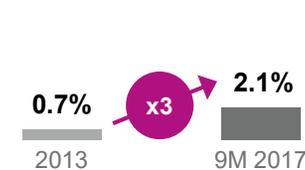
■ P&C  
■ Life and Personal Protection

## Market shares (%)

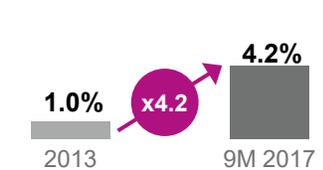
### Life Insurance<sup>4</sup>



### Motor Insurance

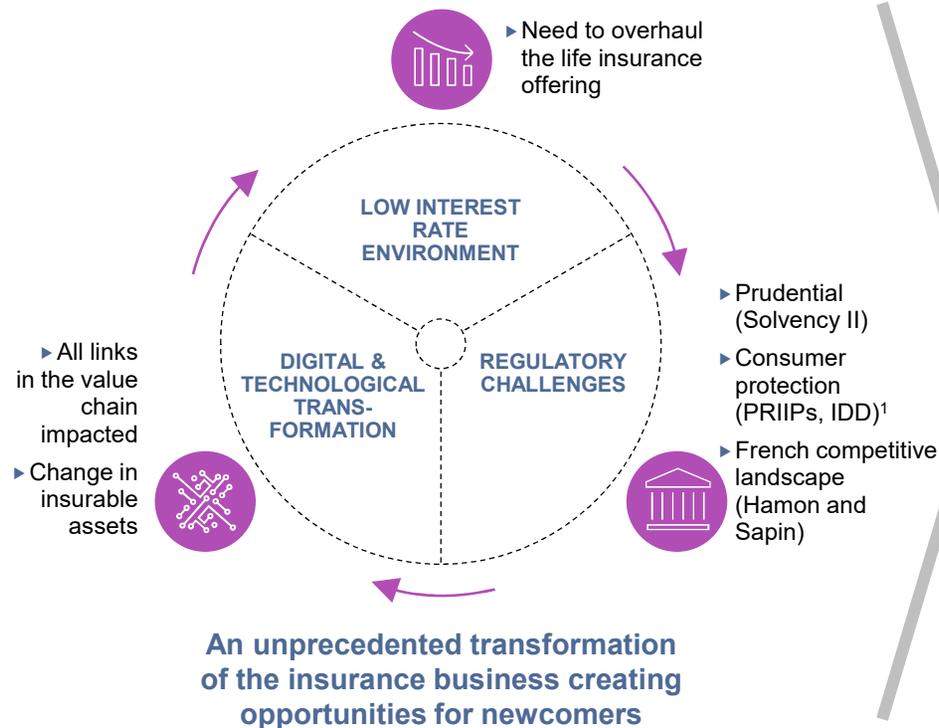


### Household Insurance



(1) Estimated 2017 based on 9M + [Q4=Q3] (2) Estimated on the basis of September 2017 (3) Estimated 2017 based on 9M + [Q4=Q3] (4) Direct business; source: FFA

# Natixis can draw on its strengths to adapt to the deep transformation of the insurance industry



## OUR STRENGTHS

### A recent company with:

- proven capabilities in all insurance businesses...
- ...and limited legacy IT systems

### Exceptional potential for growth with the BP & CE networks, offering resilient revenue base:

over the course of the plan and beyond:

- financial savings development program with BP & CE networks
- room to improve sales in P&C and PP products and services

### Access to Natixis & BPCE expertise:

- Asset management and CIB capabilities mitigating the impact of the low interest rate environment
- Groupe BPCE data management and digital expertise supporting the development of cutting-edge digital solutions for our clients

## OUR AMBITION

**Firmly establish ourselves as a major French insurer** at the forefront of operational performance, and offering best-in-class customer experience

(1) PRIIPs: Packaged Retail and Insurance-based Investment Products; IDD: Insurance Distribution Directive

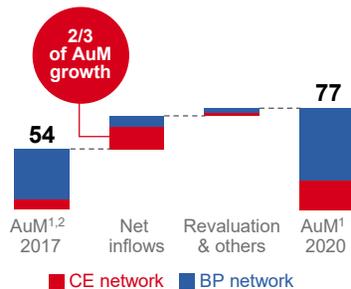
# Strong growth potential embedded, after taking over new business from CE

Life and Personal Protection Insurance ► Assert our leading position as one of the top 5 French insurers

1

Benefit from CE net inflows to boost our AuM

**+12%**  
AuM<sup>1</sup> CAGR  
2017-2020



2

Fully leverage on Groupe BPCE's potential in all business lines

**+8%**  
Premium income CAGR  
2017-2020

- Promote multi-equipment rate through Personal Protection
- Enhance our positioning with professional customers

3

Adapt to a long-lasting low interest rate environment

- Maintain a significant part of unit-linked products in gross written premium and rapidly transform the structure of AuM

**> 35%**

Unit-linked products in AuM<sup>1</sup> in 2020 (22% at end Sept. 2017)

- Pursue diversification of asset allocation by leveraging on AM and CIB expertise and adapt policyholders' dividends

4

Become a market leader for our customer experience and operational performance

- Extension of the CE **disruptive client relationship model** to the BP network
- Automation and streamlining of **customer-servicing processes**
- **Improved customer journey** with digitalization and data management

(1) Direct business excluding CNP Assurances (2) AuM 2017 estimated on the basis 9M + [Q4 = Q3]

# Incorporate the entire value chain

**P&C Insurance** ► **Become a fully fledged insurer for Groupe BPCE networks**

1

**Deploy a single industrial model for Groupe BPCE networks**

- In 2020 BPCE Assurances will take over all new business from the BP & CE networks, under a single platform for private customers
- BPCE IARD will be dedicated to professional customers

2

**Fully leverage on Groupe BPCE's potential in all business lines**

**+8%**

**Premium income CAGR**  
2017-2020

**+1 million**

**Policies in portfolio**  
between 2017 and 2020

3

**Become a market leader for our customer experience**

- New digital claim-management system
- Self-care services and automation
- Improved customer journey thanks to digitalization and data management

4

**Maintain best-in-class combined ratio**

**< 94%**<sup>1</sup>

**Combined ratio in 2020**  
despite significant investments:

- Create a single non-life insurance platform for the BP & CE networks
- Build a new claim-management system

French market combined ratio  
(2016)<sup>2</sup>: **98%**

(1) P&C Insurance, including BPCE IARD (2) Source: FFA

## Financial targets

### AMBITION

Firmly establish ourselves as a major French insurer at the forefront of operational performance, and offering best-in-class customer experience

Fully leverage on **Groupe BPCE's potential** in all business lines

**Life and Personal Protection Insurance:** assert our leading position as one of the top 5 French insurers

**P&C Insurance:** incorporate the entire value chain

### 2020 TARGETS

~ 7%

NET REVENUES CAGR

~ €90bn

LIFE INSURANCE AUM<sup>1</sup>

< 94%

COMBINED RATIO<sup>2</sup>

~ 54%

CIR

~ 30%

ROE

(1) ~€77bn excluding the reinsurance agreement with CNP Assurances (2) P&C Insurance, including BPCE IARD

# Conclusion: Gradually becoming a leading insurer in France

## New Frontier 2014-2017

**Step 1**

Creation of a single Life and Personal Protection Insurance platform, managed by Natixis

- Serve the two retail networks for all new personal insurance policies (life and personal protection) as of 2016
- Incorporate the value chain

## New Dimension 2018-2020

**Step 2**

Creation of a single P&C Insurance platform, managed by Natixis

- Serve the two retail networks for all new property and casualty insurance policies
- Ramp up the life insurance offering
- Incorporate the value chain

## Next Strategic Plan From 2021

**Step 3**

Reap the **benefits** of being a fully fledged insurer

- Further asset accumulation in life insurance
- Further growth in P&C and personal protection insurance

# New dimension

deepen, digitalize & differentiate

## Corporate & Investment Banking

London  
November 20, 2017

*François Riahi and Marc Vincent*



# We will build on our New Frontier achievements to deepen our relationships with corporates and investors

## Deepen



2013-2016  
**+5.3 pp**  
ROE

1

### Increase client intimacy with corporates

- Faster growth of asset-light businesses
- Revenues in Investment banking and M&A to increase by > 7% p.a.

2

### Step up the Solutions business with our innovative approach

3

### Foster international growth by drawing on our expertise

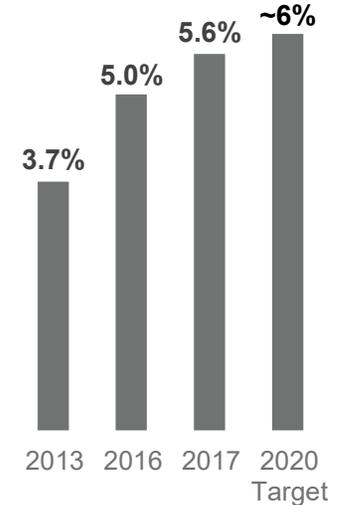
- Generate > 40% of revenues in the Americas and APAC regions

4

### Strengthen the O2D model to generate more fees

- Deepen the asset-light model by increasing fees and distribution
- Accelerate balance sheet rotation
- Steadily improve the Net revenues/RWA ratio

## NET REVENUES / RWA<sup>1</sup> TREND



(1) Average RWA, and for 2017 revenues: 9M + [Q4=Q3]

1



## Increase client intimacy with corporates

### We have repositioned our coverage

- Strategic dialogue has been moved up to the decision-makers
- In France, coverage has been refocused on 1,000 clients, with an original set-up of 850 mid-caps in the French regions
- The client base has expanded globally

### The Investment banking division is now set up



- M&A has been developed following an original multi-boutique model
- Acquisition of Leonardo & Co, 360 Corporate and PJSC



- **IB and M&A fees +18% p.a. between 2013 and 2017<sup>3</sup>**
- **#4 for M&A advisory services in France by deal count and #9 in value at September 30, 2017<sup>4</sup>**



Increase client intimacy by leveraging our Investment banking division

Further develop the multi-boutique approach in M&A by investing in selected geographies

(1) Acquisition and Strategic Finance (2) Strategic Equity Transactions (3) Estimated 2017 based on 9M + [Q4=Q3] (4) Source: MergerMarket

2



# Step up the Solutions business for investors

We have set up Solutions teams specialized in Equity derivatives and Fixed income...

Focus on innovation to strengthen our financial engineering teams

... to meet investors' needs across our geographies

### AMERICAS

Strong position in structured credit  
#6 CLO arranger in the US<sup>1</sup>

### EMEA

Advisory/engineering driven trades for financial institutions, funds and retail networks

### APAC

Solutions business for investors in Japan, Taiwan, Korea (e.g. retail networks)

### Better positioning



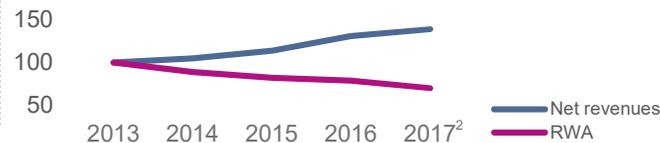
Structured Products House of the Year & Deal of the Year



**The Banker**  
Investment Banking Awards 2017  
MOST INNOVATIVE INVESTMENT BANK FOR EQUITY DERIVATIVES

### Improved capital efficiency

Global Markets' net revenues and RWA evolution (base 100 in 2013)



### Digitalize flow products to reduce operating costs

(1) Official Credit Flux at September 30, 2017 (2) Average RWA and for 2017 revenues: 9M + [Q4=Q3]



Keep up the already outstanding growth momentum of Equity derivatives

Continue to develop the recognized structured credit Solutions business franchise

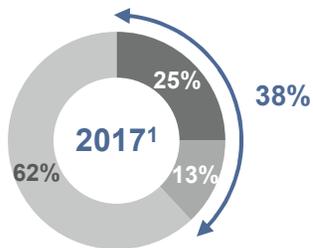
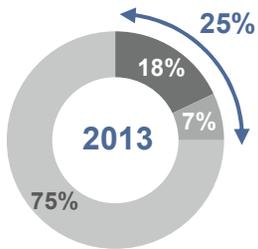
Cultivate cross-fertilization to combine expertise

3



## Foster international growth thanks to a selective approach

### REVENUES BY GEOGRAPHY



- Americas
- APAC
- EMEA (incl. France)

### NEW DEVELOPMENTS BASED ON OUR EXPERTISE

CAGR 2013-2017<sup>1</sup>

AMERICAS  
**+15%**



Strong growth in LatAm (Structured Finance)

Sound performance of securitization activities

APAC  
**+23%**



Growth in the Chinese corporate client segment (IB)

Recognized as a "Solutions House"

Contribution to Group refinancing (Funding Solutions)

EMEA  
**STABLE**



Expansion of the Dubai platform (Global Markets, GTB)

DEEPEN

Pursue selective growth in geographies

Generate > 40% of revenues in Americas and APAC

<sup>(1)</sup> Estimated 2017 based on 9M + [Q4=Q3]

# 4



## Strengthen the O2D model to generate more fees

### BETTER POSITIONING

Acted as arranger 217 times in 2016 vs. 102 times in 2013

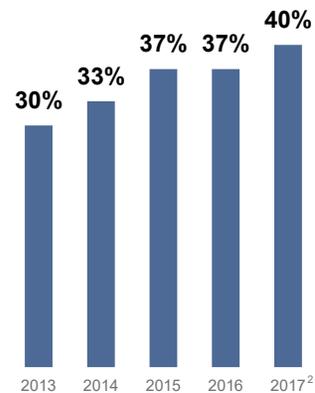
### BETTER DISTRIBUTION

Distribution to NBFIs x2 vs. 2013

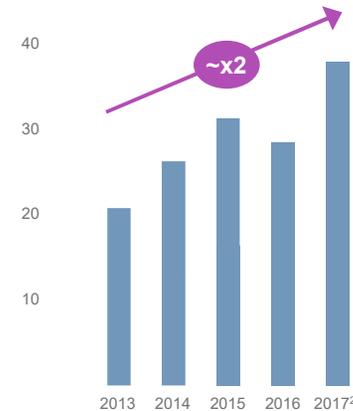
Partnerships with:



### HIGHER PORTION OF REVENUES GENERATED FROM SERVICE FEES<sup>1</sup>



### INCREASED NEW PRODUCTION<sup>1</sup> (in €bn)



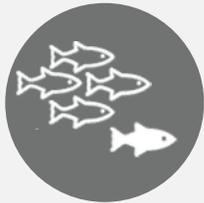
Expand investor base and services

Extend structuring / distribution beyond senior debt for investors chasing yield

(1) GEC, AEI, ASF, REF (2) Estimated 2017 based on 9M + [Q4=Q3]

# Differentiate ourselves by developing additional expertise to enhance client intimacy

## Differentiate



1

Become a reference bank and strengthen strategic dialogue on our 4 sectors for corporates and investors

Energy & Natural resources

Aviation

Infrastructure

Real Estate & Hospitality

2

Increase our footprint in two selected client bases

Insurers

Financial Sponsors

3

Become a reference bank in green business



**70%**

of the expected growth in IB and M&A revenues by 2020

**X2**

green business revenues by 2020



# We aspire to become the “go-to bank” in our chosen sectors for corporates and investors...

1

We have built globally-recognized franchises in structured finance and boast over 20 years’ experience in Energy & Natural resources, Aviation, Infrastructure, Real Estate & Hospitality

### FOUR SELECTED SECTORS...

Energy & Natural resources	Aviation	Infrastructure	Real Estate & Hospitality
----------------------------	----------	----------------	---------------------------

Recognized financing expertise

Large client base

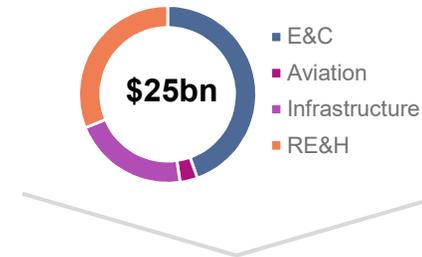
Existing balance sheet we can draw from to originate future revenues

- #3 MLA in oil & gas financing in the EMEA region at September 30, 2017<sup>1</sup>
- Aircraft Finance Deal of the Year Asia Pacific (*Etihad*)<sup>2</sup>
- Leasing Deal of the Year (*Accipiter*)<sup>3</sup>
- #1 MLA in European renewable infrastructure finance<sup>2</sup>
- #5 MLA in global renewable infrastructure finance<sup>2</sup>
- #6 MLA for infrastructure finance by deals value in Australia at September 30, 2017<sup>2</sup>
- #1 bookrunner and #1 MLA in real-estate syndicated financing in EMEA in the first half of 2017<sup>4</sup>

### ...WITH GREAT POTENTIAL TO GENERATE ADDITIONAL REVENUES

A large fee pool to be tapped into...

2016 GLOBAL IB FEE POOL<sup>5</sup>



...to increase the fee portion of our revenues

...and leverage existing investor yield appetite

(1) Source: Thomson Reuters (2) Source: IJGlobal (3) Source: Global Transport Finance (4) Source: Dealogic (5) Source: Thomson Reuters. Fee pool on bonds, equity, loans, M&A



# ...and build on our expertise to grow in the insurers, financial sponsors and green business segments

2

Leverage our expertise to increase our footprint in the insurers and financial sponsors segments<sup>1</sup>

## COMPLETE RANGE OF EXPERTISE

- Asset Management
- Structured Credit Solutions
- Equity Derivatives
- O2D
- Natixis Assurances
- Capital / Regulatory Advisory Services

Address the complex needs of insurers

## ROBUST INVESTMENT BANKING OFFERING

- Global coordinated coverage, strengthened in APAC and Americas
- Sectorial expertise
- M&A capabilities

Enhance our relationship with financial sponsors

3

Become a reference bank in green business



- Top-ranked franchises in renewable energy financing, green bonds and SRI research
- Innovative SRI Equity Index

Become a “go-to bank” on renewable energy

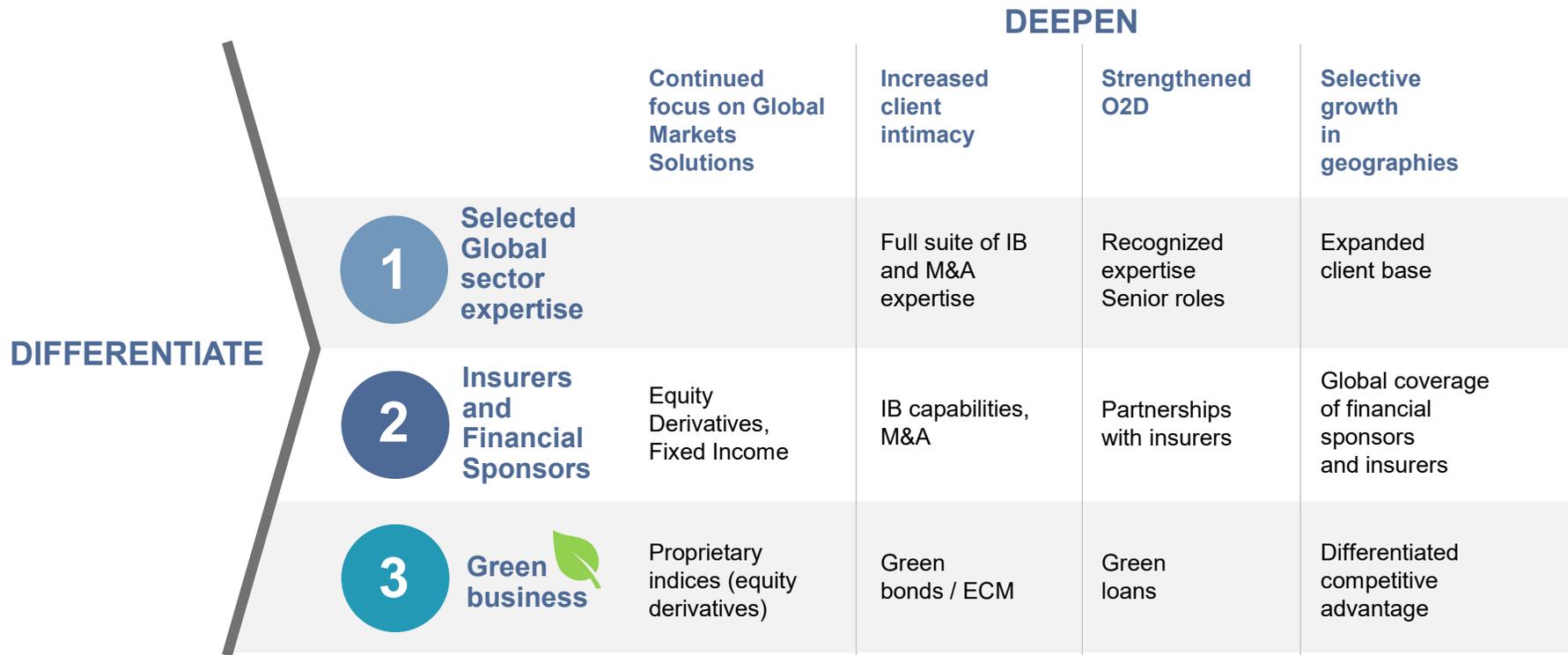
Become a T1 player in green bonds issuance

Continue the development of our SRI offering

Be a market pioneer in green O2D

(1) Private Equity funds, Infrastructure funds

# Differentiating expertise will enhance our growth



## Deepen and Differentiate to ensure robust profitability

### AMBITION

Be recognized  
as a solution-  
oriented  
innovative house  
and become  
the “go-to bank”  
on 4 selected  
sectors

Strengthen **O2D-model**

Push further  
the **Solutions business**

Increase our footprint in the  
**insurers and financial  
sponsors** segments

Become a reference bank  
in the **green business**

Foster **international growth**

### 2020 TARGETS

~ 3%

NET REVENUES CAGR

~ 2%

RWA CAGR

~ 60%

CIR

~ 14%

ROE

# New dimension

deepen, digitalize & differentiate

## Specialized Financial Services

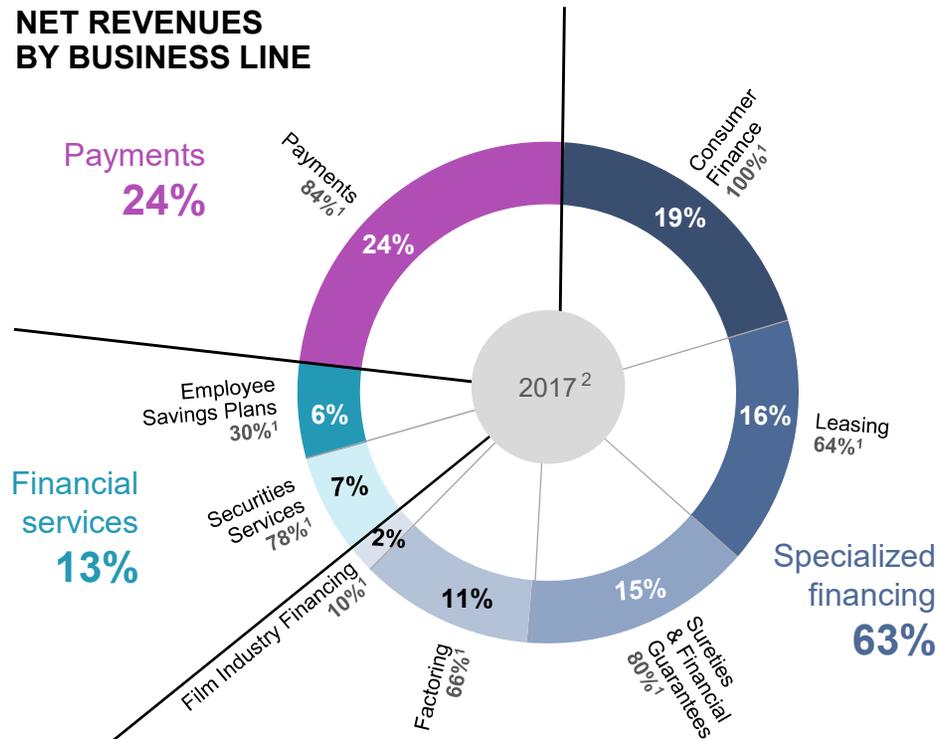
London  
November 20, 2017

*Gils Berrous*



# Specialized Financial Services: at the heart of Groupe BPCE's development plan

## NET REVENUES BY BUSINESS LINE



(1) % of SFS net revenues realized with Groupe BPCE networks  
 (2) Estimated 2017 breakdown based on 9M + [Q4=Q3]

Specialized Financial Services expertise deployed **within Groupe BPCE**, the **second-largest banking group in France**

**8,000** branches

**31.2m** retail customers

**1.2m** professional clients

**120k** corporates

**Steady revenue growth, recurring earnings and strong profitability**

**€1bn** of Natixis SFS revenues realized with Groupe BPCE networks representing **76%** of total SFS revenues

# Leading positions in France and strong commercial growth

## RANKINGS IN FRANCE<sup>1</sup>



1

**Employee Savings**  
*Account keeping*

Market share vs 2013

→ **Stable**

**Securities Services**  
*Custodian services to retail outsourcing*

Market share vs 2013

→ **+300bps**

**Real Estate Leasing**

Market share vs 2013

→ **+150bps**



2

**Sureties & Financial Guarantees**  
*Home loan guarantees*

Market share vs 2013

→ **+115bps**



3

**Payments Processor**

Market share vs 2013

→ **Stable**

**Consumer Finance**

Market share vs 2013

→ **+86bps**

**Factoring**

Market share vs 2013

→ **+340bps**

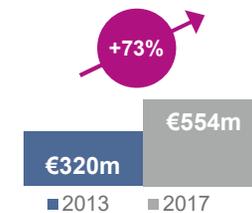
(1) Source: 2016 and H1 2017 rankings, internal analyses

## COMMERCIAL GROWTH SINCE 2013<sup>2</sup>

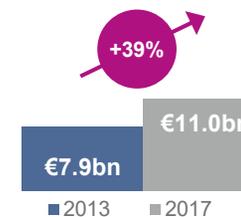
**Factoring**  
Factored turnover



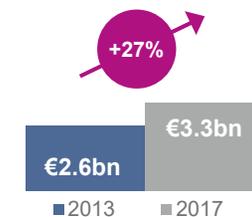
**Sureties & Financial guarantees**  
Written premiums



**Consumer Finance**  
New production



**Leasing**  
New production



(2) Estimated 2017 based on 9M + [Q4=Q3]

## 2020 strategic ambition with 3 priorities

### STRATEGIC AMBITION

Seize  
opportunities  
to grow  
market  
shares  
in all SFS  
businesses

### PRIORITIES

1

In Payments, adopt  
a pure-player strategy

~ €150m

investments for organic  
development

2

In other SFS businesses,  
accelerate industrial  
transformation  
to become full digital

> €100m

invested in digital transformation  
over 2018-2020

3

Generate additional revenue  
synergies with Groupe BPCE  
networks and explore new  
growth drivers

> €150m

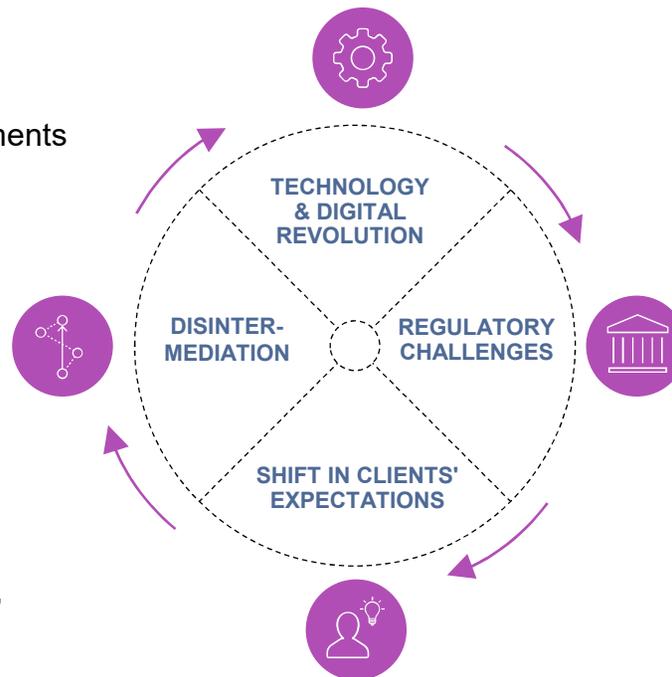
additional revenues  
between 2018-2020

## Payments (1/3)

# Deep transformation of the industry

- ▶ Massive opportunity to innovate and grab more value in payments
- ▶ Fragmentation of the payments value chain

- ▶ Retailers looking for high value-added services beyond mere payment-processing (cross-channel, fraud management, etc.)
- ▶ Mobile use and real-time adoption

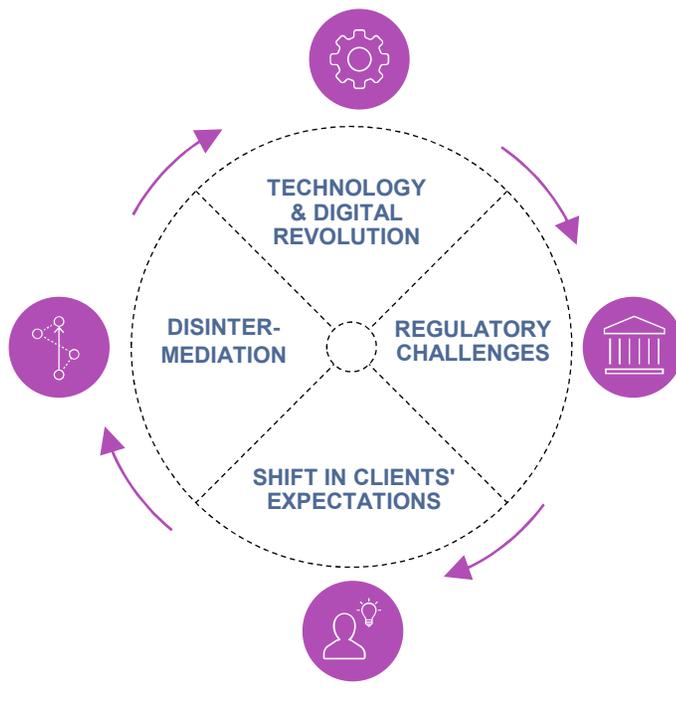


- ▶ Sustained growth in electronic transactions
- ▶ Time-lag effect between the roll-out of new types of B2C usage and mass adoption

- ▶ EU challenging current business models with the entry into force of PSD2 and Instant Payment in 2018, aimed at fostering alternative payments and enabling access to accounts by third party providers

## Payments (2/3)

# Strong assets to face this transformation



## OUR STRENGTHS

### Strong industrial backbone with state-of-the art processing platforms

- Front-to-back solutions from payment collection to transaction processing; payment gateway
- Regulation expertise, data protection, fraud and risk mitigation
- Ability to cope with PSD2 and Instant Payment challenges

### Beyond processing, a full range of payment services across the value chain

- Omni-channel merchant acceptance and acquiring solutions
- New means of payment for consumers (prepaid, mobile, digital wallet)

### New business model integration underway

- Acquisition of Dalenys, a major e-commerce payment player with European footprint
- Digitalization of different payment ecosystems (meal vouchers, leisure event, gift cards, online money pots)

Payments (3/3)

## Adopt a pure-player strategy



### KEY AMBITION: A LEADING PAYMENT SERVICE PROVIDER (PSP)

#### Relevant offline and online payment solutions for merchants on Tier 2 / Tier 3 clients<sup>1</sup>

- Focus on **end-to-end digital payment services**
- Invest in **technology and niche-oriented payment solutions** (tokenization, authentication)

#### A forerunner in rolling-out Instant Payment

- Revolutionize e-payment acceptance with the roll-out of Instant Payment

A key player in prepaid and managed digital solutions to serve corporates, merchants and regional & local authorities



### SCALE UP

**x1.5**

Payment revenues in 2020

Expand customer base:

**50%**

through **direct distribution**

Keep strong development within  
**BPCE retail networks**

Develop our **European footprint**

(1) Tier 2 / Tier 3: clients with a turnover between €1bn and €50k

# Financial services and Specialized financing

## Accelerate industrial transformation to become full digital



### Enhance customer experience to grow revenues

- ▶ Seamlessly integrate SFS solutions into BP & CE<sup>1</sup> customer pathways (online subscriptions; self-care tools, etc.)
- ▶ Use data and advanced analytics to improve customer experience



### Foster innovation to create new sources of value

- ▶ Explore and test new business opportunities
- ▶ Make our solutions available through APIs to enable new partners to distribute our offers
- ▶ Foster digital skills through training and sourcing



### Overhaul our operating model to step up further efficiency gains

- ▶ Streamline and digitalize front-to-end processes by leveraging technologies (robotics, AI, bots, etc.)
- ▶ Pool transversal components across businesses (KYC tools, data management platforms, etc.)
- ▶ Pursue the roll-out of agile organizations (fewer layers of management and simplification)

### 2020 digital subscription targets:

**Equipment Leasing:** in the professional customer segment, 20% of subscriptions online  
**Car leasing:** in the professional customer segment, 80% of subscriptions online  
**Consumer finance:** for personal loans, 60% of distance and online selling

> 15 new digital projects developed in our incubator

Efficiency gains of ~ 10% already engaged (captured in Natixis Efficiency Program)

(1) Banques Populaires and Caisses d'Épargne networks

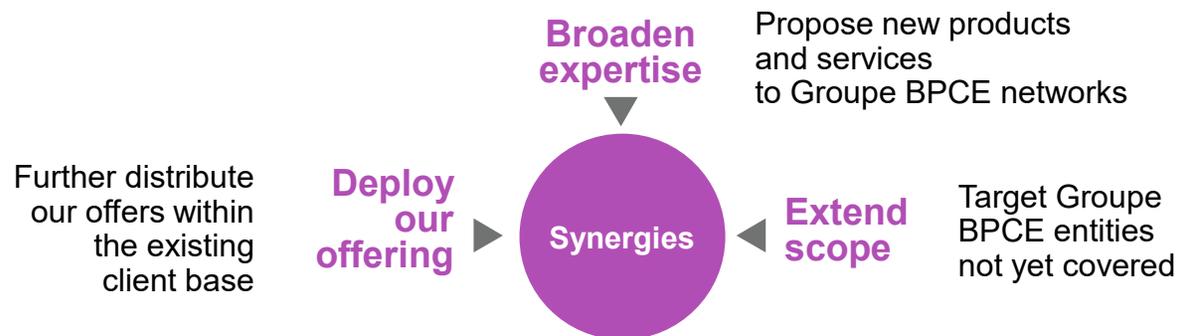
## Revenue synergies and new growth drivers (1/2)

# Additional synergies to capture with BP & CE networks

Sizeable potential to unlock > €150m in revenue synergies



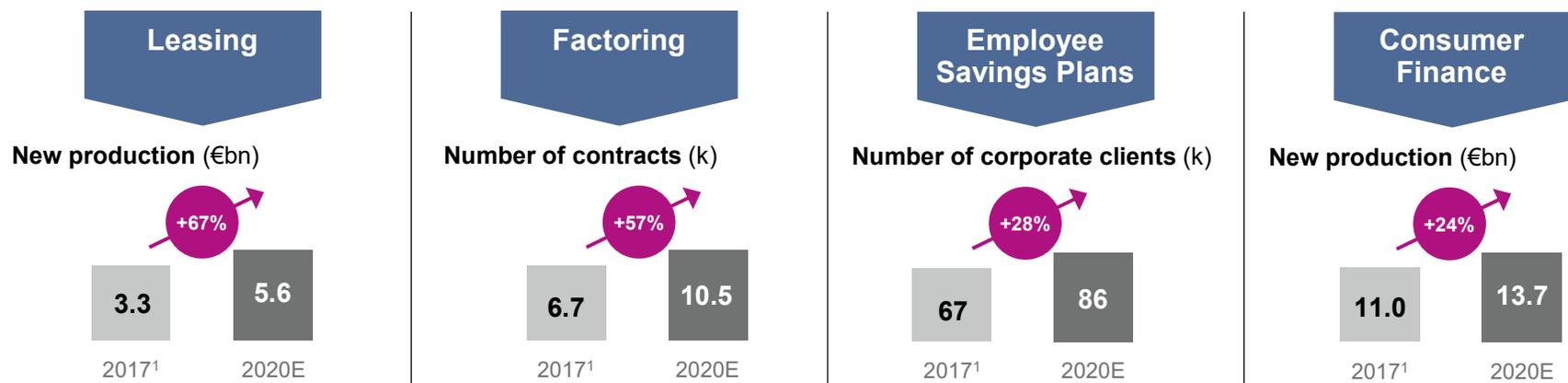
3 main levers to capture new synergies



(1) Estimated with 9M 2017 annualized revenues. Only Natixis revenue share is considered

## Revenue synergies and new growth drivers (2/2)

# Ambitious commercial targets for 2018-2020



Ambitious commercial targets to tap into the significant synergy potential of BP & CE networks and underpinned by new growth drivers

- ▶ Deploy a complete automotive financing solution
- ▶ Develop **vendor program** capabilities to conquer suppliers' customer base
- ▶ Establish stronger **partnerships with brokers** to fully capture market growth potential
- ▶ Become a strong actor in the **corporate retirement market**: build an offer based on European and French pension fund laws
- ▶ Build **credit restructuring** offer capabilities
- ▶ Extend the payment offering with credit solutions

(1) Estimated 2017 based on 9M + [Q4=Q3]

## Steady revenue growth, low earnings volatility and strong profitability

### AMBITION

Seize  
opportunities  
to grow market  
shares  
in all SFS  
businesses

Adopt a **pure-player strategy  
in Payments**

Accelerate our industrial  
transformation to become  
**full digital**

Generate additional  
**revenue synergies  
with Groupe BPCE networks**  
and explore new **growth drivers**

### 2020 TARGETS

~ **6%**

NET REVENUES CAGR

~ **5%**

RWA CAGR

~ **67%**

CIR

~ **16%**

ROE

# New dimension

deepen, digitalize & differentiate

## Asset & Wealth Management

London  
November 20, 2017

*Jean Raby*





# NEW FRONTIER:

Sustainable growth driven  
by the competitive advantages  
of our business model

## Among the largest and most profitable asset managers worldwide

2016 rankings

#15

by  
AuM<sup>1</sup>

€832bn

#10

by  
Revenue<sup>2</sup>

€2.5bn

#10

by  
Operating Profit<sup>2</sup>

€717m

(1) Cerulli Associates: Global Markets 2017 report based on AuM as of December 2016 (2) Based on ranking of publicly traded asset managers

# Our multi-affiliate business model...

## NORTH AMERICA



## EUROPE



## APAC



## ...supported by a value-adding federation

A centralized and global platform driving organic growth

Our approach preserves the autonomy of each affiliate

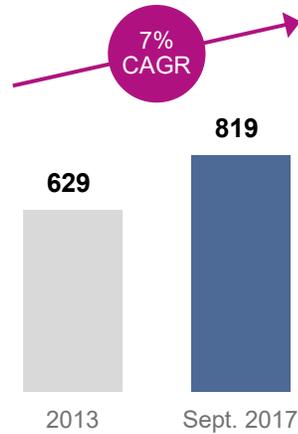


Seed money and support for new products and internal development

(1) A division of NGAM Advisors, L.P. (2) A brand of DNCA Finance. (3) A brand of Natixis Asset Management.

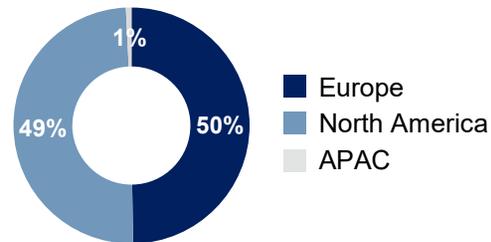
# A truly global and diversified asset manager

## New Frontier: evolution of AuM (€bn)

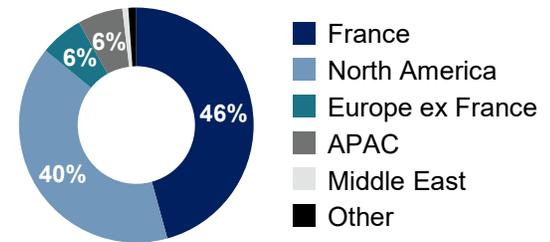


## Assets under management

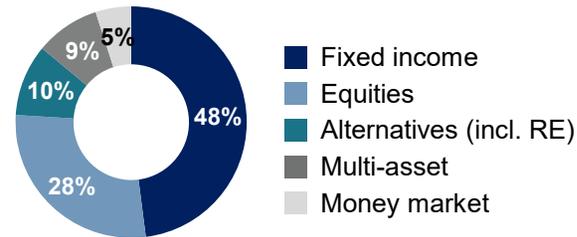
### BY GEOGRAPHY (based on affiliate manager location)



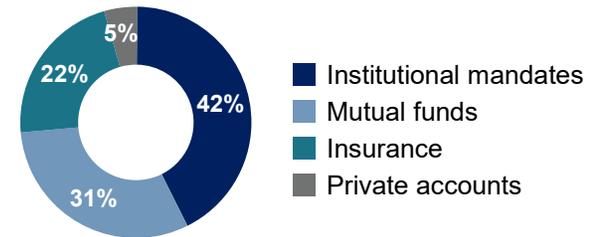
### BY CLIENT LOCATION



### BY ASSET CLASS

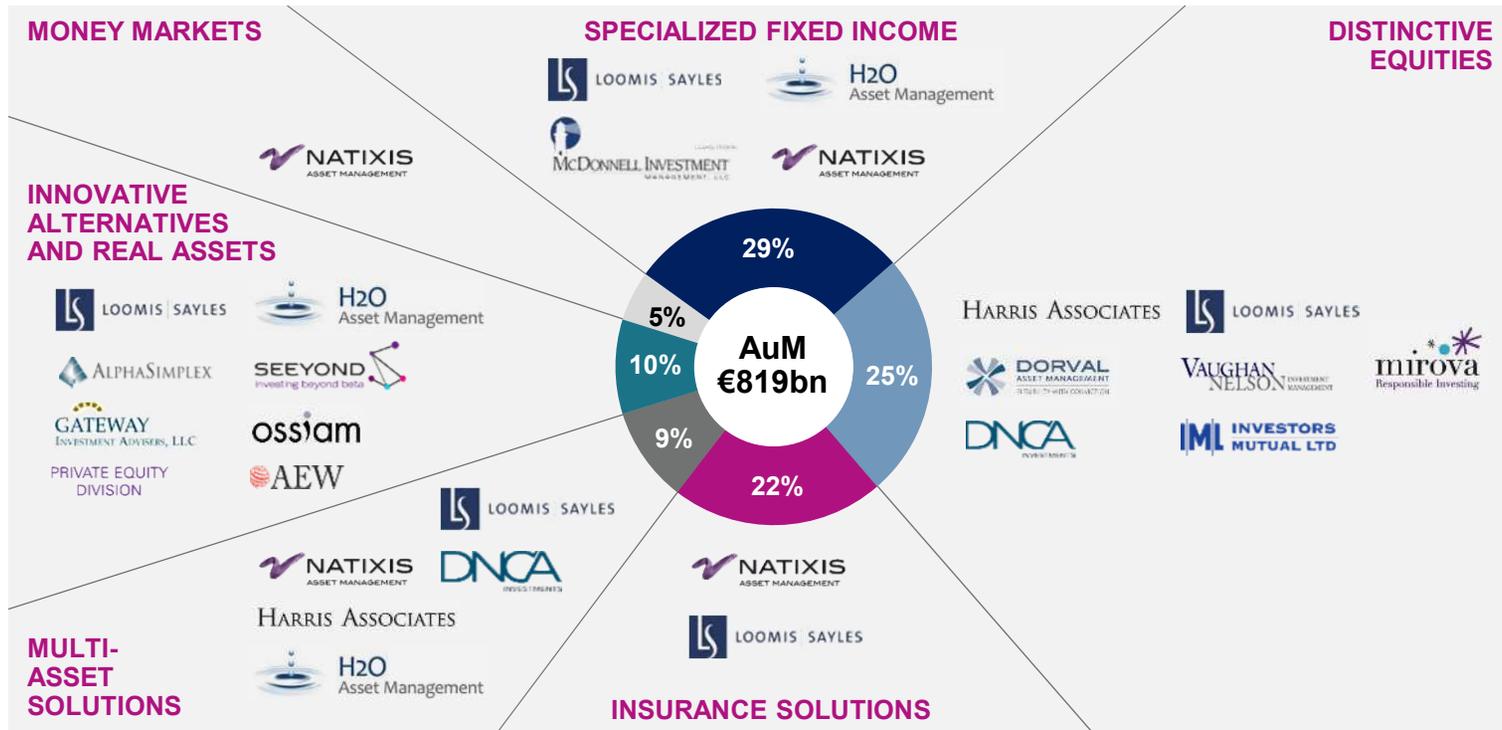


### BY INVESTMENT VEHICLE



Note: All figures reflect pro forma AuM as of September 30, 2017 including the acquisition of IML that closed on October 4, 2017

# A portfolio of autonomous asset managers providing a diversified suite of distinctive active investment strategies



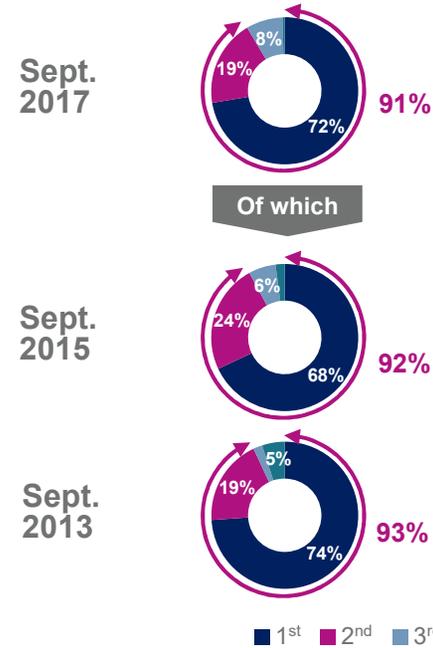
Note: Pro forma AuM as of September 2017 including the acquisition of IML that closed on October 4<sup>th</sup>, 2017

# Consistently delivering alpha across the affiliate range

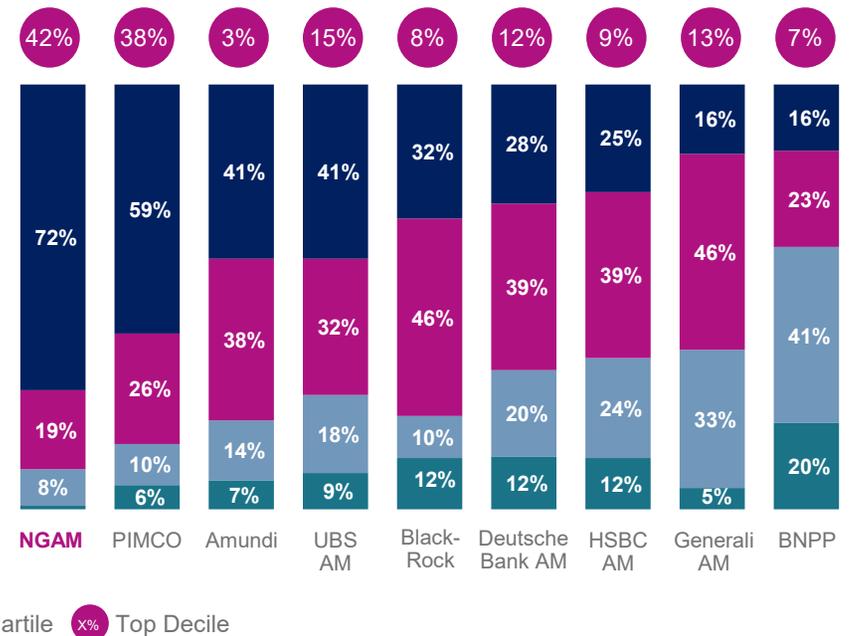
**Consultant ratings:**  
157 buy ratings across the affiliate range<sup>1</sup>

Affiliate	# of buy ratings	Strategies AuM
Loomis Sayles	92	203
Harris Associates	14	124
Natixis AM	5	18
AEW	5	9
Vaughan Nelson	10	7
DNCA	3	7
H <sub>2</sub> O	21	5
Mirova	5	3
Alpha Simplex	1	2

**Mutual funds ranking by AuM<sup>2</sup>**  
5-year performance as of stated date



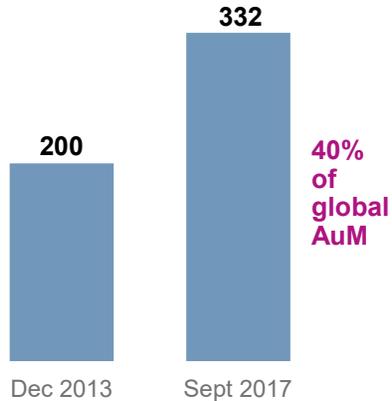
**Mutual funds performance compared to our peers**  
5-year annualized return as of Sept. 2017, % of AuM



(1) Ratings held with Mercer, Russell, Aon Hewitt, Willis Towers Watson and Cambridge Associates. Individual strategies may be counted multiple times if rated at multiple consultants (table reflects ~ 65 different strategies). Reflects long & short buy lists. AuM includes all assets in strategy (retail and institutional) as of September 2017. (2) 217 funds representing \$239bn as of September 2017, 173 funds representing \$211bn as of September 2015 and 148 funds representing \$175bn as of September 2013. Not all funds have a track record of 5 years as of stated date. Source Morningstar / Natixis analysis

# A powerful, centralized and at-scale global distribution platform

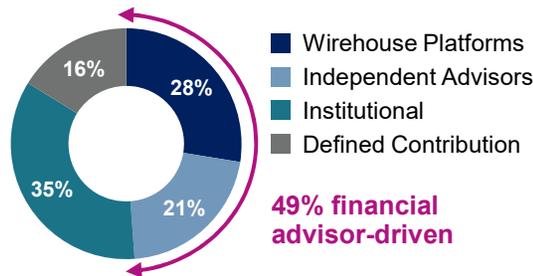
AuM distributed through the NGAM distribution platform €bn<sup>1</sup>



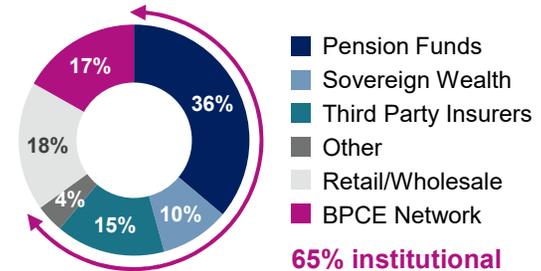
**880**  
employees globally

- ▶ Central support hubs in Paris, Boston and London
- ▶ **€43bn in net flows** (2014 - September 2017)
- ▶ An attractive **competitive advantage** for new affiliates or investment teams
- ▶ Proven **ability to globalize** affiliates

## US Distribution AuM by Channel



## Non US Distribution AuM by Channel<sup>2</sup>



(1) 2017 data includes the addition of assets serviced for BPCE networks (\$26bn) (2) Long-term AuM

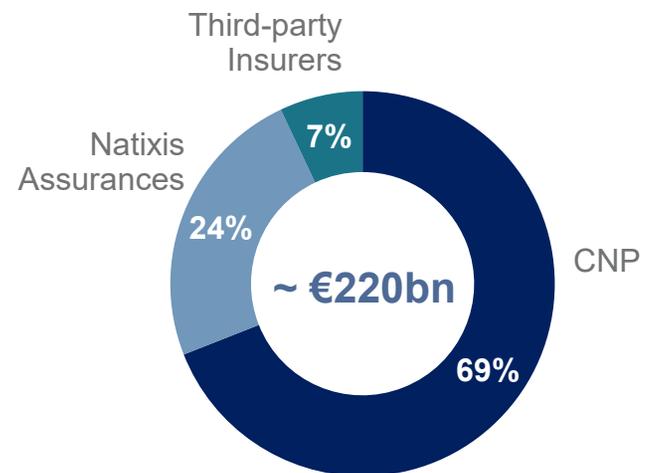
## Extensive experience in managing insurance assets

### An attractive business

- ▶ We have **scale** given our existing asset base with historically captive clients and now our dedicated Insurance distribution team to develop third-party relationships
- ▶ A **profitable** and sticky business line reflecting low but stable fees and indirect revenues
- ▶ **Industry tailwinds** at our back
  - Increasing shift from core fixed income to **higher fee alpha strategies** (alternatives and real assets) benefiting multiple affiliates
  - Industry shift towards **unit-linked products** with higher revenues; **Natixis Assurances** look to increase percentage of unit-linked to 35%
  - Consolidation trend among insurance asset managers; we are **positioned to be a consolidator** with ability to achieve synergies

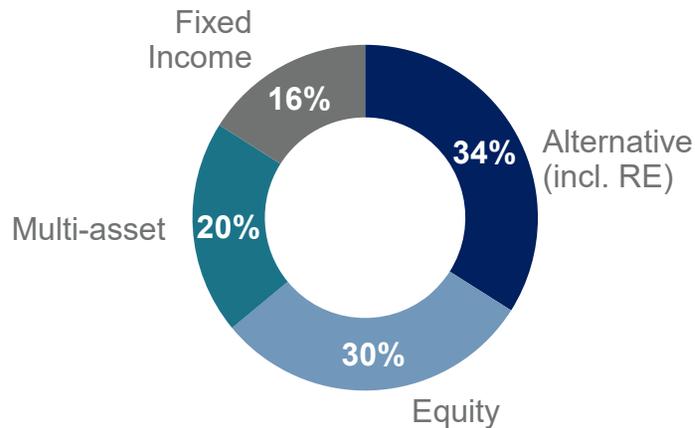
### Breakdown of General Account Assets

As of September 30<sup>th</sup> 2017



# Significant capital resources to seed and sponsor new strategies and vehicles...

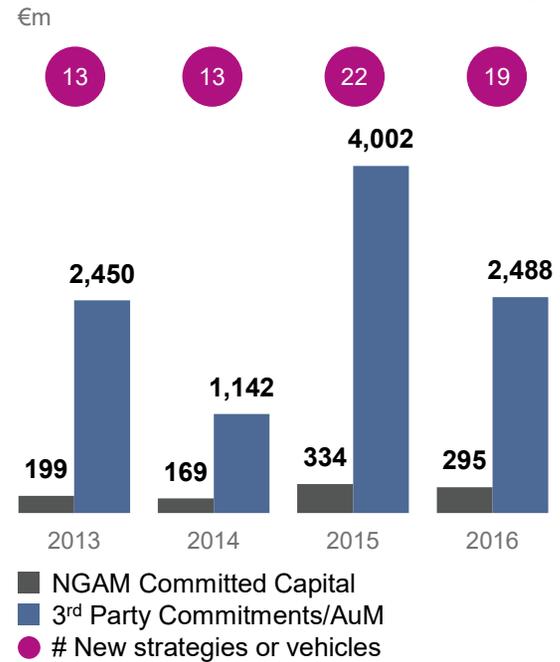
Invested capital by asset class<sup>1,2</sup>



67 affiliate strategies funded with nearly €1bn in total committed capital (2013-2016)

- ▶ Effective investment/redemption of seed money to optimize size of overall portfolio
- ▶ Overlay on portfolio limiting impact on P&L

Seed & Co-Invest Capital by vintage year<sup>2</sup>

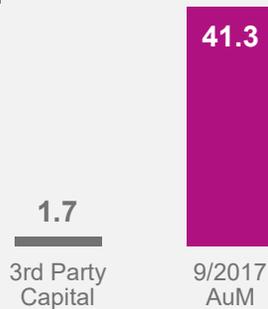


(1) As of September 2017 (2) Excluding Private Equity

## ...and demonstrated ability to integrate and grow new investment teams and affiliates



### NEW TEAM \$bn



Recruited new **growth equity team** (Aziz Hamzaogullari) in 2010

- ▶ **\$1.7bn** in 3<sup>rd</sup> party capital at launch



### NEW TEAM \$bn

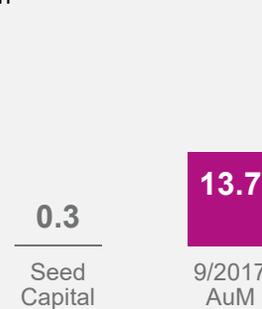


Recruited new **FI Core team** in 2010

- ▶ **\$52m** in new seed deployed: 2010 to 2017



### NEW AFFILIATE €bn



Launched new affiliate with **Bruno Crastes and his team** in 2010

- ▶ **€250m** in new seed deployed: 2010 to 2017



### NEW AFFILIATE €bn

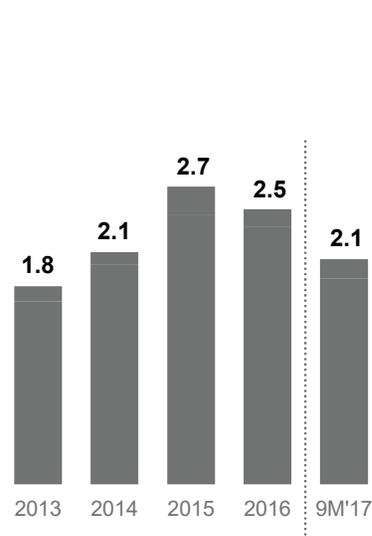


Acquired **DNCA** in June 2015

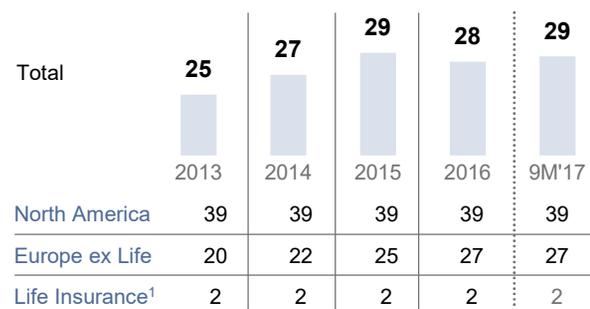
- ▶ **€16.5bn** AuM at acquisition
- ▶ Revenue up 70% with increase in fee rate

# A solid financial performance track record with a very resilient and stable fee structure

Net revenue (€bn)

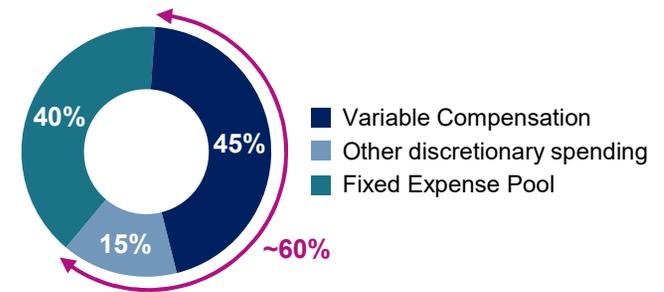


Asset-based fees (bps)

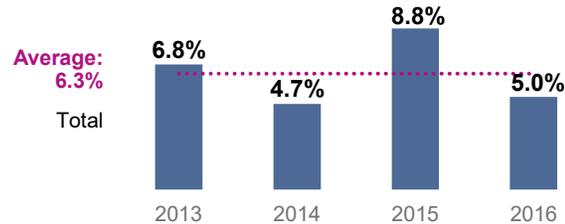


(1) Fees directly earned by NAM on general life insurance mandates  
Note: Private Equity included in Europe ex Life 2014-2107

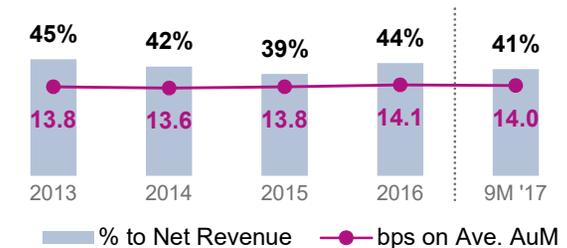
Split of expense pool (illustrative)



Performance fees (% of net revenue)



Net operating expenses before variable comp.





## DEEPEN, DIGITALIZE & DIFFERENTIATE: Our 2020 Ambition

## Industry winds are changing

Poor performance of many benchmark-led active managers

Increased competition from passive

Client demand for alternatives and customized outcomes

Regulators demand more transparency and better value for end investor

Three pathways for growth in this environment

Remain focused on our business model

Profitably capture assets on the move

Organic and external growth initiatives

# Active strategies have demonstrated to be more resilient to fee pressure and contribute significantly more to revenue growth than passive

Change in US asset weighted average fees<sup>1</sup>

**ACTIVE**  
strategies

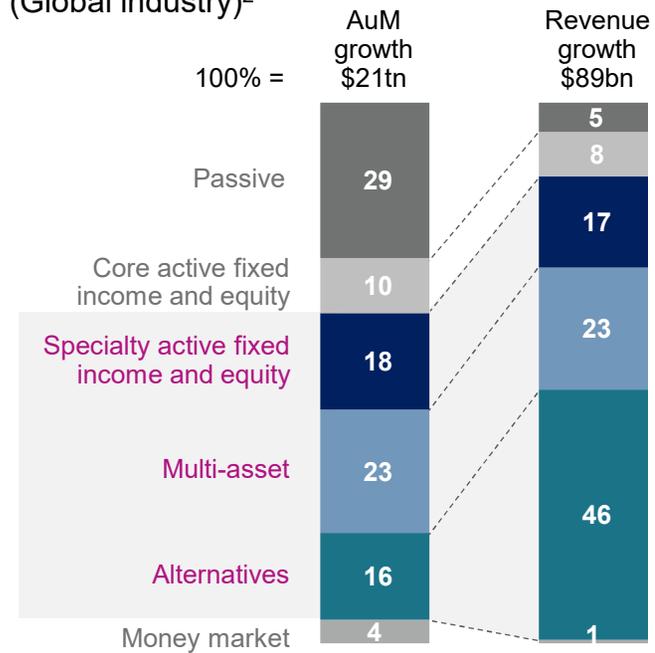


**PASSIVE**  
strategies



**Active strategies are more resilient to fee pressure than passive strategies**

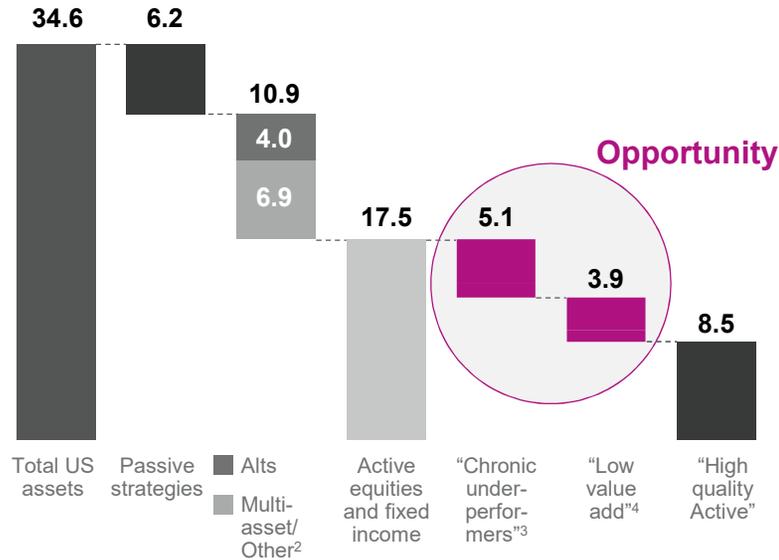
% Contribution to 2010-16  
(Global industry)<sup>2</sup>



(1) McKinsey, based on sample of advisory and admin fees for all long-term, non-FoF mutual fund, and ETF portfolios (2) McKinsey

# There is a massive opportunity for us to capture assets on the move

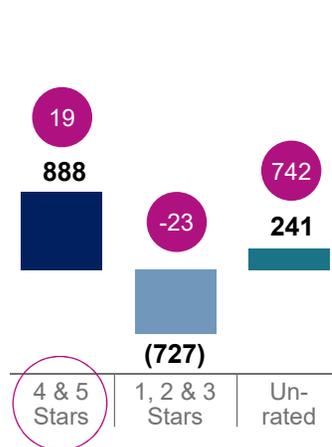
Total externally managed US assets<sup>1</sup>  
(2016, \$tn)



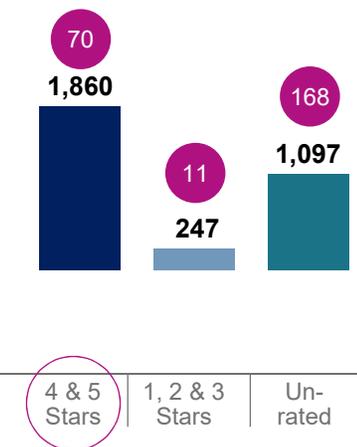
Top performing funds dominate the capture of new flows

2011-2016 accumulated net flows by fund rating for all active products (\$bn)<sup>5</sup>

US FUNDS



EUROPE FUNDS



● Accumulated net flows as a share of beginning-of-period AuM (%)

□ Accumulated net flows 2011-2016

(1) McKinsey (2) Includes cash, money market, liquid alternatives, and absolute return strategies (3) Funds which had <-25 bps of excess return for four or more consecutive years in the period 1997-2016 in comparison to equivalent passive funds (4) Includes assets of funds with negative excess returns and assets in categories with negative excess returns. Excludes funds which were marked as "Chronic underperformers". (5) The Boston Consulting Group, Natixis. Based on Morningstar ratings for mutual funds. Unrated mostly relates to funds that are less than three years old.

## Our view on the barbellization of the industry

Industry dynamic

Our position

Niche, high margin  
**alpha generating**  
strategies

Commoditized,  
low margin or  
**passive / beta**  
strategies



Fee resilient,  
**high conviction,**  
**high active share**  
investment  
strategies at scale

Low fee,  
but **cost efficient**  
management  
of insurance assets  
**at scale**

## Deepen, Digitalize & Differentiate

### CORE GROWTH PRIORITIES

Extend  
distribution  
reach

Leverage  
BPCE  
networks

Expand  
in growing  
asset  
classes

Focus  
on APAC

### Key transversal initiatives

External  
growth

Responsible  
investing

Digitalization

Operational  
efficiency

# Core growth priorities (1/3)

## EXTEND DISTRIBUTION REACH

- ▶ Refocus efforts on core European countries outside of France, namely the UK, Germany, Switzerland and Italy
- ▶ Enhance coverage of private banks and insurers, notably through better leverage of CIB relationships
- ▶ Expand the private wealth offering in the US and build on innovative retirement solutions such as ESG target date funds
- ▶ Continue to strengthen Portfolio Research and Consulting Group as a key competitive advantage, providing advice and solutions to clients
- ▶ Maintain optimal coverage of institutional markets together with affiliates
- ▶ Increase focus on retention

**2020 TARGET**

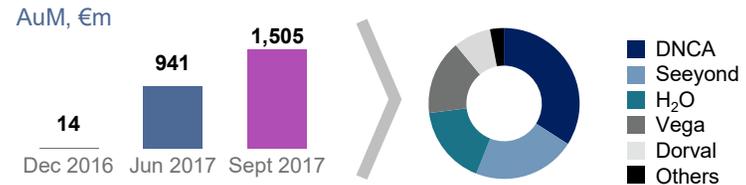
**~ €85bn**  
cumulative net flows<sup>1</sup>

(1) Includes assets gathered by NGAM Distribution platform and direct by affiliates

## LEVERAGE BPCE NETWORKS

### Grow our affiliates within the networks

- ▶ Specific sales force dedicated to improving market share and networks' awareness of the affiliates' offering
  - ▶ Launch of online tools and robo-advisors to enhance share of savings in OPCVM (UCITS)
  - ▶ Capitalize on Natixis Assurances objective to reach 35% of unit-linked products in total AuM in 2020 (from 22% currently)
- 
- ▶ Case study: launch of Sélectiz fund range exclusive to BPCE clients developed with Portfolio Research & Consulting Group



**2020 TARGET**

**~ €15bn**  
cumulative net flows

## Core growth priorities (2/3)

### EXPAND IN GROWING ASSET CLASSES

#### Alternatives

- ▶ Leverage current expertise of affiliates to expand product scope and increase competitiveness
- ▶ Proactive seeding/ sponsoring of new initiatives
- ▶ Acquire new capabilities
- ▶ Enhance centralized distribution platform to better promote illiquid Alternatives

#### Solutions

- ▶ Consolidate existing European capabilities (€30bn) into a centralized affiliate-neutral solutions group
- ▶ Leverage current expertise and client mindshare of our Portfolio Research & Consulting Group
- ▶ Combine key distinctive investment strategies across affiliate portfolios with complementary 3<sup>rd</sup> party products
- ▶ Focus on integrating, internationalizing and increasing 3<sup>rd</sup> party AuM

2020  
TARGET

Increase Alternatives AuM from €90bn to ~ **€120bn**

### FOCUS ON APAC

#### Regional initiatives

- ▶ Creation of an Asian hub in Hong Kong
- ▶ Selective expansion of distribution reach
- ▶ Increased collaboration with CIB
- ▶ Seek partnerships in certain key geographies

#### External growth

- ▶ Increase Pan-Asian manufacturing presence
- ▶ Fully integrate IML:
  - Launch Australian retail strategy for other Natixis affiliates leveraging IML platform
  - Grow IML outside of its core client base (new channels & new geographies)
  - New product development

2020  
TARGET

Increase AuM from €50bn to ~ **€80bn**

## Core growth priorities (3/3)

### CORE GROWTH PRIORITIES

Extend  
distribution  
reach

Leverage  
BPCE  
networks

Expand  
in growing  
asset  
classes

Focus  
on APAC

### Key transversal initiatives

External  
growth

Responsible  
investing

Digitalization

Operational  
efficiency

# Key transversal initiatives

## External growth

- ▶ Criteria for new affiliates: entrepreneurial, performing, high-conviction active management style, and synergistic / complementary
- ▶ Particular focus on APAC, Alternatives, Emerging Markets and supplement existing capacity constrained capabilities
- ▶ Actively participate in industry consolidation trends

## Responsible investing

- ▶ Mirova one of the best known asset managers in this area with a world class expertise
- ▶ Joint bids with other affiliates to leverage Mirova's expertise
- ▶ Responsible investing as a vector of investment performance

## Digitalization

- ▶ Leverage existing strong capabilities in the investment process and operational efficiency
- ▶ Numerous initiatives ongoing in certain specific areas, such as blockchain (NAM) and robo-advisory (BPCE)
- ▶ Sharing of knowledge and best practices across affiliates
- ▶ Continued investment in CRM based functionalities and reporting capabilities
- ▶ Capitalize on initiatives at Natixis and BPCE levels

## Operational efficiency

- ▶ Streamlining of fund operations in Europe
- ▶ Consolidation of European capabilities in solutions into a single business unit
- ▶ Redesign of support functions within holding and distribution networks



Powered by Active Thinking<sup>SM</sup>



HARRIS ASSOCIATES



PRIVATE EQUITY DIVISION



Powered by the expertise of 26 specialized investment managers globally, we apply Active Thinking<sup>SM</sup> to deliver proactive solutions that help clients pursue better outcomes in all markets.



# Asset and Wealth Management

## AMBITION

Become  
the world's  
premier  
active asset  
manager

Extend our **Distribution reach** notably in core European countries outside of France

Leverage on **Groupe BPCE networks**

Expand in **Alternatives and Solutions**

Increase **Pan-Asian** capabilities and distribution reach

Active **M&A strategy**

Roll out our **New brand architecture**

**Natixis Wealth Management:**  
new brand to reflect a refocus on HNWI, UHNWI, Family Offices and Foundations and better leverage the Asset Management product offering

## 2020 TARGETS

€1tn

AuM

~ 6%

NET REVENUES CAGR

> €1bn

OPERATING INCOME

> €100bn

NET FLOWS

~ 16%

ROE

*New* **dimension**  
deepen, digitalize & differentiate

## **Natixis within BPCE**

London  
November 20, 2017

*François Pérol*



Natixis within BPCE  
**A strategic relationship**

**GROUPE BPCE &  
NATIXIS**

- 1 Groupe BPCE at a glance
- 2 A diversified business model

**BUSINESS  
SYNERGIES**

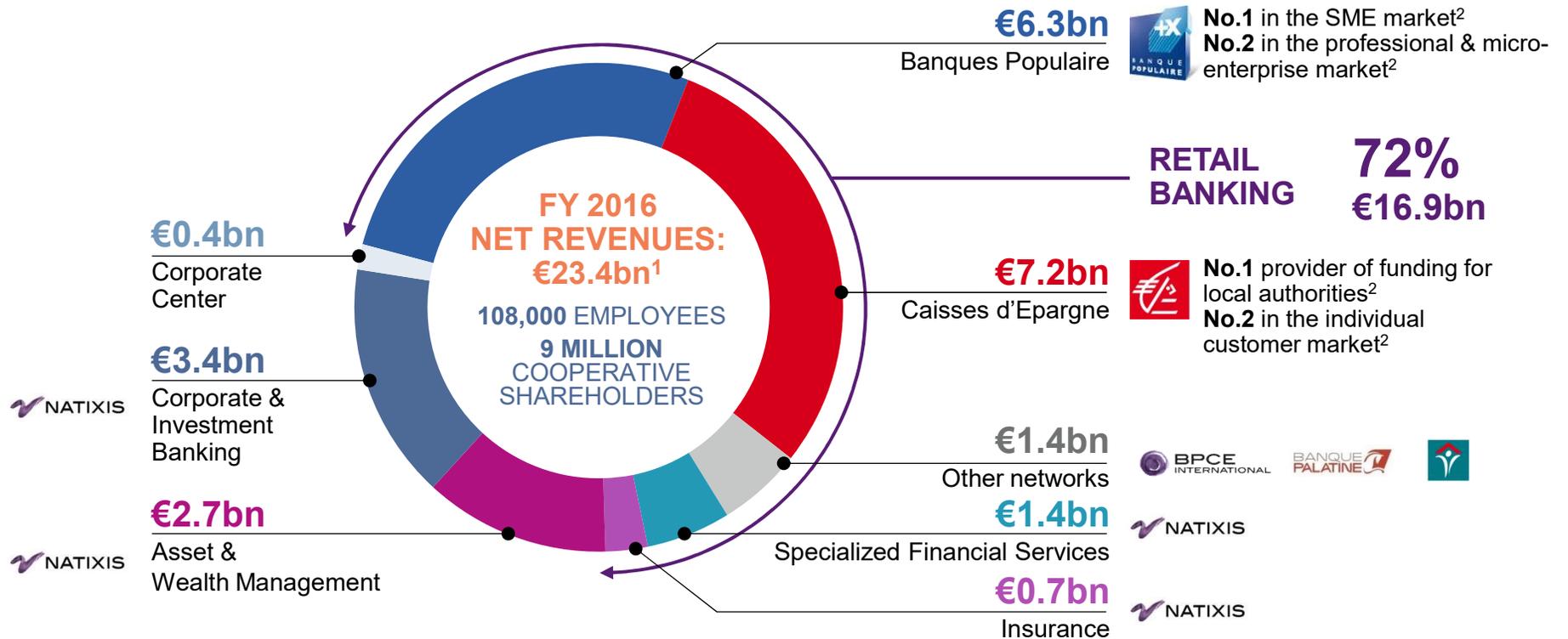
- 3 Revenue synergies
- 4 Operating synergies

**FINANCIAL  
SYNERGIES**

- 5 Strong balance-sheet & funding
- 6 Value creation & dividend policy

1 Groupe BPCE at a glance

# BPCE: a diversified cooperative banking and insurance Group

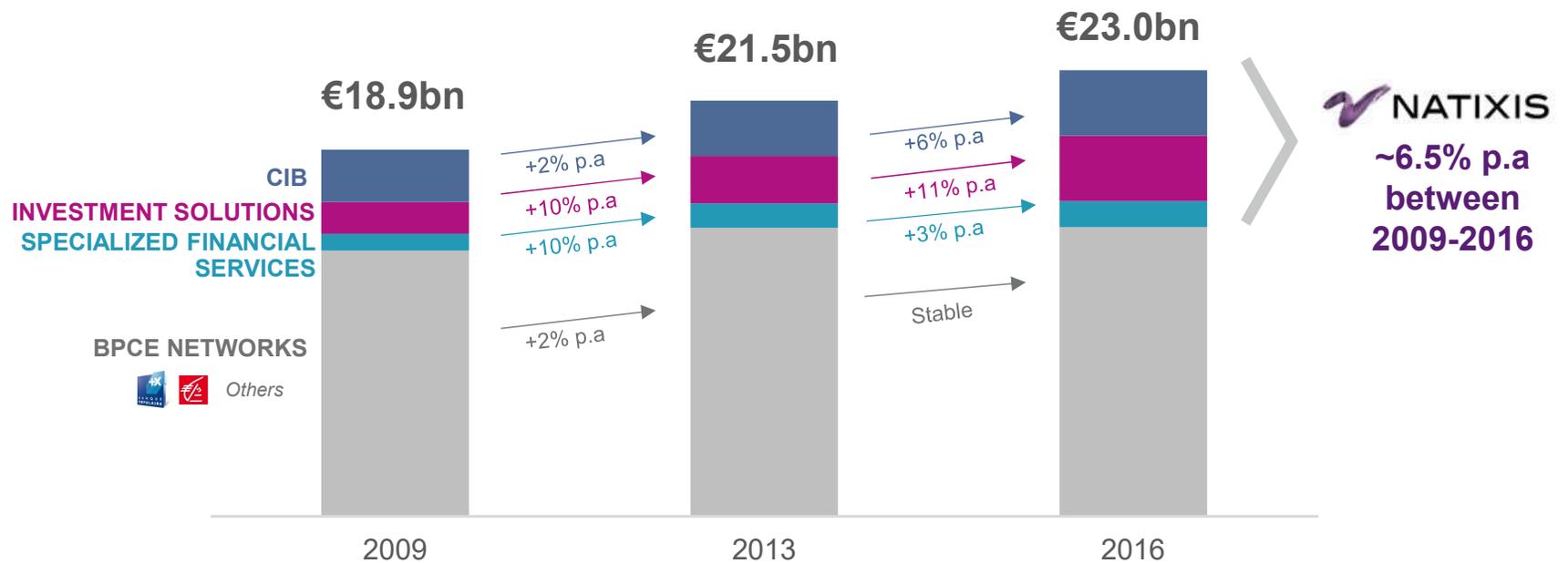


(1) Excluding non-economic and exceptional items (2) Source: Banque de France

2 A diversified business model

## Natixis: a key driver in Groupe BPCE business-mix

### GRUPE BPCE'S CORE BUSINESS LINES<sup>1</sup> - NET REVENUES BREAKDOWN

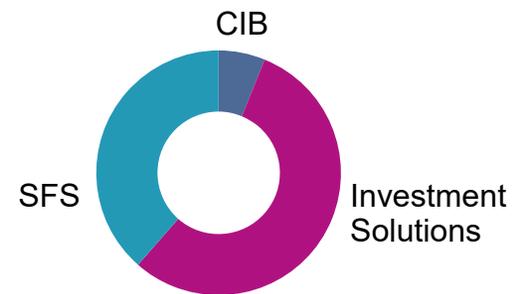
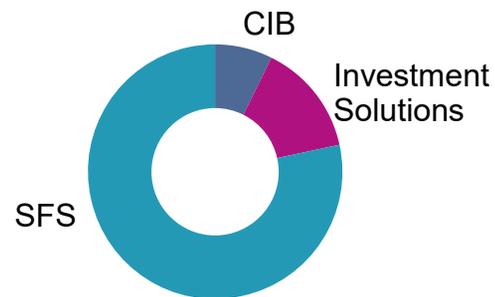


(1) Excluding exceptional and non economic items, pro forma

3 Revenue synergies

## Proven capacity to deliver over the past 8 years

23% OF NATIXIS' NET REVENUES ARE GENERATED WITH GROUPE BPCE NETWORKS



 **NATIXIS**  
*54% of revenue synergies since 2014*

4 Operating synergies

## Key functions shared & optimized at group level

▶ Treasury

---

▶ Pooling of procurements

---

▶ Mutualized IT production platform

---

▶ Joint facility management

---

▶ Mutualized digital capabilities: digital factory, retail data lake,  
UX design & data science capabilities

---

▶ Group HR programs

5 Groupe BPCE's balance-sheet

## Empowering Natixis with top tier funding conditions

### Solid financials

**15.0%**

Fully loaded CET 1 ratio  
(09/30/2017)

**>70bps**

per year generated  
by retained earnings<sup>1</sup>

**20.2%**

Total Loss Absorbing  
Capacity ratio (TLAC)<sup>2</sup>

### Solid rating

	S&P	Moody's	Fitch	R&I
Long term	A	A2	A	A
Short term	A-1	P-1	F1	-
Outlook	Positive	Positive	Stable	Stable

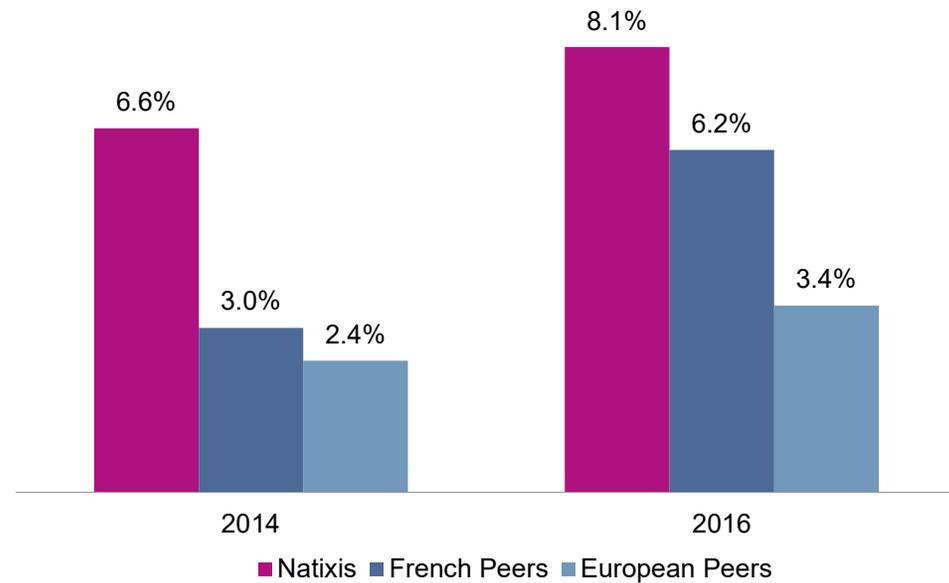
(1) 2013-2017 (2) Excluding transitional measures

6 Value creation & dividend policy

Full alignment of Groupe BPCE's and minority shareholders' interests

Natixis  
dividend yield  
vs. peers

Dividend Yield <sup>1</sup>  
2014-2016



(1) Dividend Yield based on total dividends attributable to the fiscal year and average share price during the year. Simple average between banks' dividend yield. French peers include SocGen, BNP and CASA. European peers include French peers, ABN, Barclays, BBVA, CS, Danske, Deutsche Bank, DNB, HSBC, ING, Intesa, KBC, Lloyds, Nordea, RBS, Santander, SEB, Handelsbanken, Standard Chartered, Swedbank, UniCredit and UBS. Source: Company information