

Paris, 19 November 2017

**“NEW DIMENSION” 2018-2020**  
**“DEEPEN, DIGITALIZE, DIFFERENTIATE”**

**2020 MAIN FINANCIAL TARGETS**

**REVENUES GROWTH ~ 5% PER ANNUM**

**ROTE BETWEEN 13% AND 14.5%**

**SHAREHOLDER-FRIENDLY DISTRIBUTION POLICY - UP TO €4BN DIVIDENDS,  
WITH A MINIMUM PAYOUT OF 60% EVERY YEAR**

**AFTER “NEW DEAL”, THE PLAN OF RECOVERY AND RENEWED CONFIDENCE AND “NEW FRONTIER” FOCUSED ON BUSINESS TRANSFORMATION AND DEVELOPMENT, NATIXIS COMMITS TO “NEW DIMENSION”, A PLAN TO DELIVER SUSTAINABLE VALUE CREATION**

**Natixis successfully completes its “New Frontier” strategic plan** with all key targets set out 4 years ago being reached or overachieved, mainly: **revenues growth** (+26%)<sup>1</sup>, **balance sheet and risk management** (7% RWA drop of which 19% in Corporate & Investment Banking)<sup>1</sup>, and **profitability** (RoTE 12.5% vs. 9% in 2013)<sup>1</sup> thanks to the asset-light model implementation. Such a success has allowed Natixis to distribute a significant part of its results via dividends and to generate **one of best Total Shareholder Return in the banking sector globally**, to the benefit of its shareholders. The success of “New Frontier” provides solid foundations to the launch of the “New Dimension” plan, to which Natixis commits today.

**“New Dimension”** gathers 3 strong initiatives, all contributing to the development of high value-added solutions dedicated to our clients: **Deepen businesses’ model transformation**, successfully embarked on the “New Frontier” plan, a significant allocation of existing investment budget towards **digital technologies** and **a strong drive to differentiate ourselves**, becoming our clients’ key representative in areas where Natixis’ teams have developed strong and recognized expertise.

**OUR ABILITY TO DELIVER SUSTAINABLE VALUE CREATION RELIES ON 3 LEVERS**

- **Differentiate ourselves** in the long run via selected expertise within each of our businesses to sustain their ambitions:
  - **Asset & Wealth Management** - Assert our **world-leading position in active asset management**, thanks to our size, profitability and innovation capabilities
  - **Corporate & Investment Banking** - Become the **“go-to bank”** in 4 selected sectors and be recognized as a **solution-oriented innovative house**
  - **Insurance** - Consolidate our **leading position** in the French insurance landscape
  - **Specialized Financial Services** - Become a **pure player in Payments in Europe** and accelerate the **digital transformation**
  - **Accelerate synergies** with **Groupe BPCE networks** in each of our businesses
  - **Digital projects** dedicated to our clients and business efficiency, financed via the reallocation of existing IT costs

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

- **Increase the flexibility of our model to adapt quickly to fast-paced environment:**
  - **A diversified revenue mix** for a greater resilience through-the-cycle: ~ 50% of Natixis' 2020 revenues to come from non-banking activities together with a balanced portfolio of businesses relying on client assets (Asset management...) vs. businesses relying on client activity (Corporate & Investment Banking)
  - **30% of 2020 expenses to be variable** hence capacity to adjust expense trajectory, if necessary
  - **Fast balance sheet rotation** thanks to the O2D model, allowing for a smooth adaptation to regulatory changes
  - **Agile organization** and collaborative ways of working
  
- **Keep on with disciplined capital management together with a shareholder-friendly dividend policy:**
  - **Tight grip on RWA** with a ~ 2% CAGR over 2018-2020
  - **High businesses' intrinsic profitability** - RoTE target of 13%-14.5%
  - **Strong capital generation** - ~ €4bn of capital available for distribution throughout the plan with a **fully-loaded CET1 ratio target of 11%**
  - **Shareholder-friendly dividend policy** - Between €3bn and €4bn dividends over 2018-2020 with a minimum payout ratio of 60% every year

**Laurent Mignon, Natixis Chief Executive Officer, said:** "I am particularly pleased to unveil **New Dimension** today, Natixis' new strategic plan for the coming three years. After the success of *New Frontier*, Natixis now is a solid company, recognized for the quality of its expertise, and profitable. It is one of the top value-creating banks in the world, which I am very proud of. I would like to thank all our clients, who are at the heart of our commitment and also all 17,000 Natixis' employees for their work and general dynamism.

With **New Dimension**, we are going to anchor our success through time by deepening the transformation of our business model, investing in digital and by a strong will to differentiate ourselves via Natixis teams' widely-recognized expertise."

**MAIN 2018-2020 FINANCIAL TARGETS - NATIXIS**

NET REVENUES	OPERATING EXPENSES	CET1 FL	ROTE	CAPITAL AVAILABLE FOR DISTRIBUTION
~ 5%	< 3%	11%	13-14.5%	~ €4bn
2017-2020 CAGR	2017-2020 CAGR	2020 TARGET AFTER DISTRIBUTION	2020 TARGET	2018-2020
> €10bn Net revenues in 2020	Positive jaws effect in all businesses	No lower than 10.5% at the end of each year	Cost of risk / Net revenues < 3% over the plan	> €3bn cash dividend payment
~ €400m revenue synergies with Groupe BPCE networks	Capacity to adjust expense trajectory, if necessary	Total capital ratio: 14%	Assuming no change in US corporate tax rate	Up to ~ €1bn for potential acquisitions and/or cash dividend
~ 2% RWA CAGR with an accretive impact on ROE		Leverage ratio <sup>1</sup> ≥ 4%	<b>ROTE target sustainable</b> under 'Basel 4' <sup>2</sup>	Minimum annual payout increased from 50% to > 60%

(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

**MAIN 2018-2020 FINANCIAL TARGETS - BUSINESS LINES**

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 > 30bps FEE RATE	~ 2% RWA CAGR ~ 6% NET REVENUES/RWA	~ €90bn <sup>1</sup> LIFE INSURANCE AuM < 94% <sup>2</sup> COMBINED RATIO	× 1.5 PAYMENT REVENUES €150m ADDITIONAL SYNERGIES WITH GROUPE BPCE

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

## ASSET & WEALTH MANAGEMENT (AWM)

**ASSERT OUR WORLD-LEADING POSITION IN ACTIVE ASSET MANAGEMENT,  
THANKS TO OUR SIZE, PROFITABILITY AND INNOVATION CAPABILITIES**

- **A performance-focused multi-affiliate model**
  - **Natixis ranks 15<sup>th</sup> based on AuM globally<sup>1</sup>** and 10<sup>th</sup> both in terms of revenues and Operating Profit<sup>2</sup>. Natixis is a **truly global and diversified asset manager**
  - **A portfolio of autonomous asset managers** providing a diversified suite of distinctive active investment strategies. Affiliates benefiting from a centralized and **global distribution platform** as well as support for internal development (e.g. *seed money*)
  - **Consistently delivering alpha** across the affiliate range with 42%<sup>3</sup> of mutual funds being ranked top decile when looking at 5-year cumulative returns, far above direct peers
  - **A very resilient and stable fee structure** due to a strong track record and active strategies demonstrating to be more resilient to fee pressure than passive strategies
  
- **A high value-added growth strategy**
  - **Opportunity to capture assets on the move** from “*chronic underperformers*” and/or “*low value added*” strategies
  - **Extend distribution reach**, notably in Europe ex-France
  - **Leverage on BPCE networks** in France and capitalize on Natixis’ ambitions for CIB and Insurance via increased collaboration
  - **Expand in growing asset classes**, mainly **Alternatives and Solutions**
  - **Further develop the APAC platform** - Recent acquisition of IML in Australia
  - **Actively participate in industry consolidation** trends in a disciplined manner
  - Develop **Responsible Investing**
  - **Digitalization, innovation, and operational** efficiency at the core of Natixis’ strategy (blockchain, robo-advice, CRM, etc.)
  - **Re-branding** for better visibility - **Natixis Global Asset Management becomes Natixis Investment Managers**
  
- **Main 2018-2020 targets**
  - **Net inflows** > €100bn over the plan
  - **Fee rate** > 30bps in 2020
  - **Assets under Management** ~ €1tn at end 2020
  - **Operating Income** > €1bn in 2020

(1) Cerulli Associates: Global Markets 2017 report based on AuM as of December 2016

(2) Based on ranking of publicly traded asset managers. Source: publicly available information. Based on 2016 results

(3) 217 funds representing \$239bn as of September 2017, Source Morningstar / Natixis analysis

## CORPORATE & INVESTMENT BANKING (CIB)

**BECOME THE “GO-TO BANK” IN 4 SELECTED SECTORS AND  
BE RECOGNIZED AS A SOLUTION-ORIENTED INNOVATIVE HOUSE**

- **Capitalize on “New Frontier” achievements to deepen relationships with Corporates and Investors**
  - **Coverage activities already repositioned** - Strategic dialogue moved up to the decision-makers allowing Natixis to increase client intimacy leveraging on its Investment banking division
  - **Further develop the multi-boutique approach in M&A** by investing in selected geographies
  - **Step up the high value-added Solutions business** - On the one hand, focus on innovation to strengthen financial engineering teams, on the other hand digitize flow products to reduce operating costs
  - **Keep up the growth momentum** of equity derivatives and continue to develop the recognized structured credit Solutions business franchise
  - **Foster international growth**, especially in the Americas and APAC
  - **Strengthen the O2D model** to generate more fees. Expand customer base and focus on structuring/distribution
- **Differentiate ourselves by developing additional expertise to enhance client intimacy**
  - **Become the “go-to” bank in 4 chosen sectors** - Globally-recognized franchises in structured finance and over 20 years’ experience in *Energy & Natural Resources, Aviation, Infrastructure, Real Estate & Hospitality*. These 4 sectors constitute a large fee pool to be tapped into for investment banks and estimated at \$25bn at end 2016<sup>1</sup>
  - **Increase the footprint with Insurers and Financial Sponsors** capitalizing on Natixis’ complete range of expertise across all businesses
  - **Become a reference bank in green business** and a market pioneer in *green* O2D
- **Main 2018-2020 targets**
  - Revenues/RWA ~ 6% in 2020
  - Generate > 40% of revenues in Americas and APAC in 2020
  - **Global Finance & Investment Banking** - Revenues in Investment banking and M&A to increase by > 7% per annum
  - **Global Finance & Investment Banking** - *Green* business revenues multiplied by x2 by 2020

(1) Source Thomson Reuters. Fee pool on bonds, equity, loans, M&A

## INSURANCE

### CONSOLIDATE OUR LEADING POSITION IN THE FRENCH INSURANCE LANDSCAPE

- **A strategy to support Groupe BPCE's ambitions in Insurance**
  - Natixis Assurances now is **the single platform for Groupe BPCE**, second largest banking group in France. Full internalization of insurance activities with **the recent acquisition by Natixis Assurances of a 40% stake in BPCE Assurances**
  - **Strong growth potential** across the range of Life and Non-life products via **increased financial savings** and **Groupe BPCE networks' strong distribution capabilities**
  - **Shared knowledge and expertise** with Natixis' businesses (Asset & Wealth Management, Corporate & Investment Banking) and Groupe BPCE (infrastructure, digital)
  - **Further development of cutting-edge digital solutions** to offer best-in-class customer experience
- **Main 2018-2020 targets**
  - **Life Insurance** - €90bn Life insurance AuM and > 35% Unit-Linked products in the mix by 2020
  - **Life Insurance** - 12% AuM CAGR, mainly stemming from the Caisses d'Epargne networks
  - **Life Insurance** - 8% Premium income CAGR
  - **Non-life Insurance** - Combined ratio < 94% in 2020
  - **Non-life Insurance** - 8% Premium income CAGR
  - **Non-life Insurance** - +1 million policies in portfolio by 2020

## SPECIALIZED FINANCIAL SERVICES (SFS)

### BECOME A PURE PLAYER IN PAYMENTS IN EUROPE AND ACCELERATE THE DIGITAL TRANSFORMATION

- **Adopt a pure-player strategy in Payments**
  - **€150m** investments 2018-2020 for organic development, included in the €450m allocation to digital projects at the Natixis level
  - Payment revenues multiplied by **1.5x** by 2020
  - **Strong industrial backbone** with state-of-the art processing platforms and services across the value chain
  - **Ability to cope with regulatory changes**, mainly PSD2 (“Payment Services Directive 2”) and *Instant Payment*
  - Recent acquisition of **Dalenys**, a major e-commerce player with a European footprint
  
- **Accelerate digital transformation in other SFS businesses**
  - **€100m** investments 2018-2020 in Financial services and Specialized financing, included in the €450m allocation to digital projects at the Natixis level
  - Development of **fully digital customer journeys** to enhance customer experience
  - > 15 new digital projects already developed in Natixis’ **digital incubator**
  - **Overhaul of the operating model to step up further efficiency gains** via automation and streamlining of processes
  
- **Accelerate synergies**
  - > **€150m additional revenues** to be generated with Groupe BPCE networks over the next 3 years (2018-2020) vs. ~ €140m estimated over the 2014-2017 “New Frontier” plan
  - **3 levers to capture new synergies** - Further deploy the SFS offering with existing clients, broaden expertise via new products and services dedicated to Groupe BPCE networks and extend scope to target Groupe BPCE entities not yet covered by SFS
  
- **Main 2018-2020 targets**
  - > **€150m** additional synergies generated with Groupe BPCE networks i.e. a ~ 40% increase compared to “New Frontier”
  - **Payments** - Revenues multiplied by 1.5x
  - **Payments** - 50% of direct clients by 2020
  - **Consumer finance** - New production up 24% between 2017 and 2020
  - **Leasing** - New production up 67% between 2017 and 2020
  - **Factoring** - Number of contracts up 57%
  - **Employee Savings Plans** - Number of corporate clients up 28%



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