



# Overview

//// June 2014

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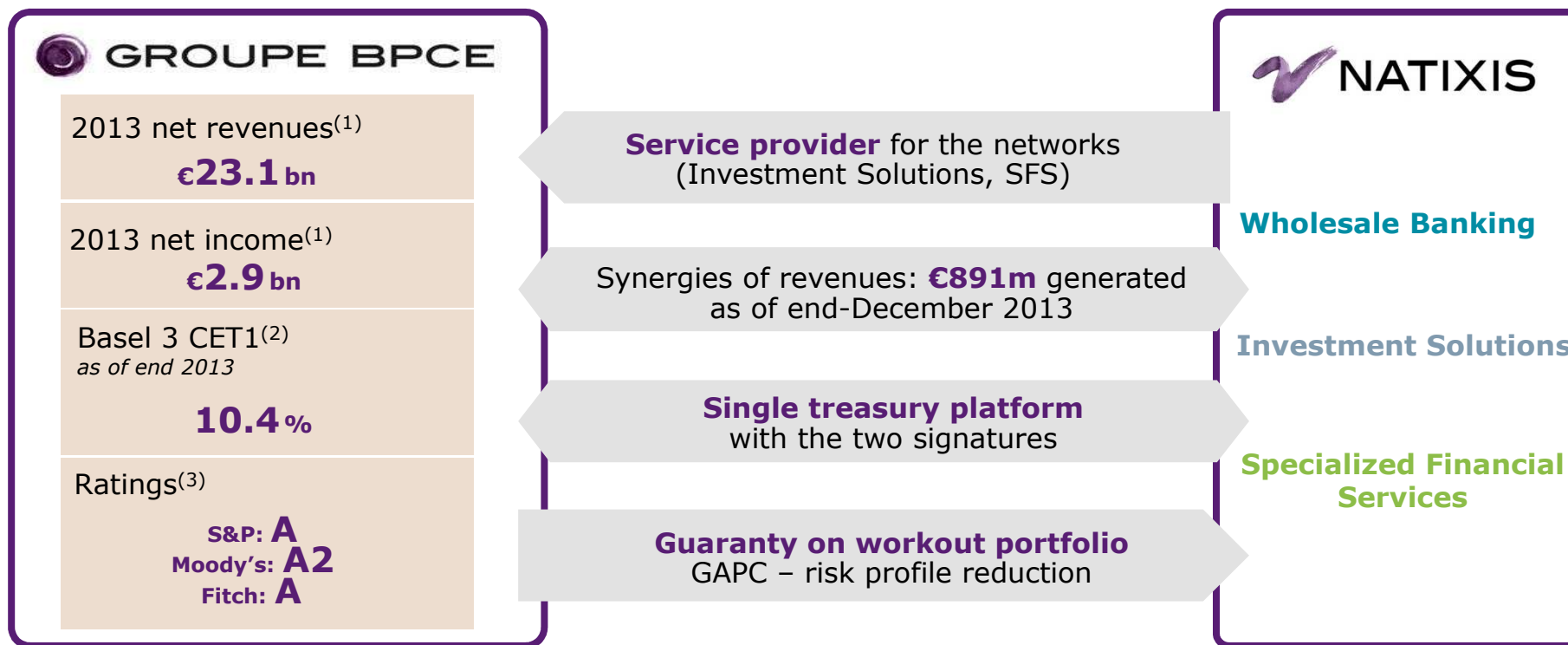
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# Agenda

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- 1. 2009-2013 – Successful recovery**
- 2. 2014-2017 – Strategic plan**
- 3. Financial targets**
- 4. Conclusion – New Frontier plan launched**

# Natixis: core to Groupe BPCE, the 2nd largest banking group in France

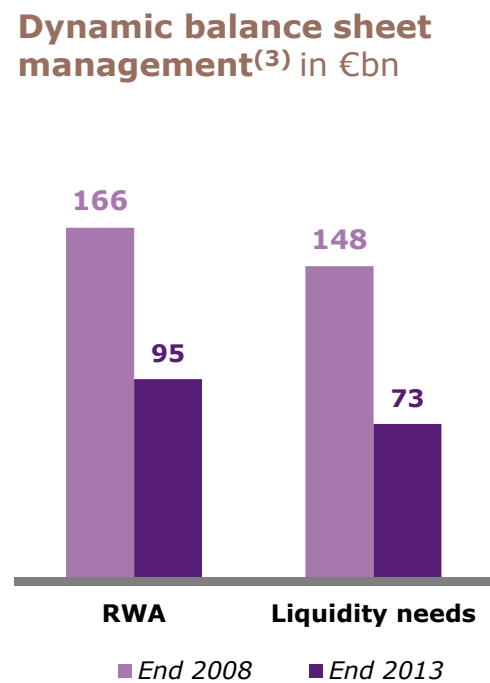
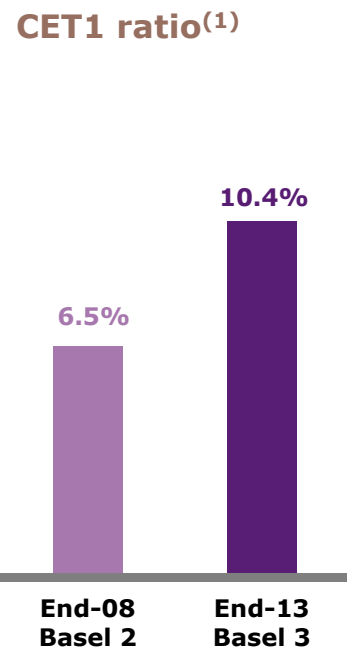


**22% of 2013 Natixis' net revenues generated with the BPCE networks**

(1) Excluding non-operating items  
 (2) Estimate – CRR/CRD4, as applied by Groupe BPCE; without transitional measures, after restating for DTAs  
 (3) Long term rating

# 2009-2013 successful recovery: profitable refocusing on 3 core businesses

- **19 successive quarters** with positive net income; ~**€6.2bn cumulative net income** since 3Q09
- **43% and 50% reduction in RWA and liquidity needs** since end-08



**Natixis' transformation achieved in accordance with New Deal plan**

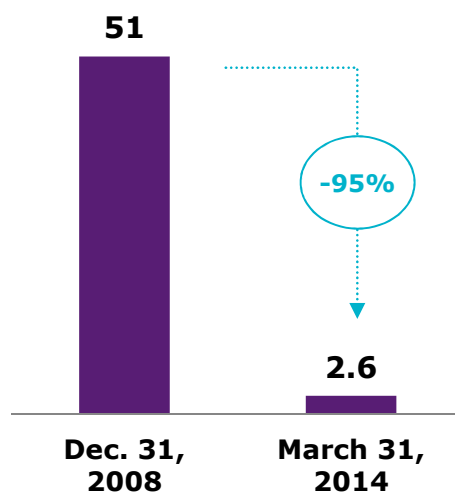
(1) End-08 ratio: including new CCI prudential treatment as RWA – End-13 estimated ratio: Final Basel 3 impact will depend on final rules – Fully loaded except for DTAs - Net of BPCE guarantee  
 (2) Annual net revenues excl. FV adjustment on own debt and GAPC  
 (3) RWA: excluding CCI prudential treatment as RWA, excluding P3CI, CRD3 and 4 - Liquidity needs: LT and ST funding for Wholesale Banking and GAPC

# 2009-2013 successful recovery: closing of the workout portfolio at end-June 2014

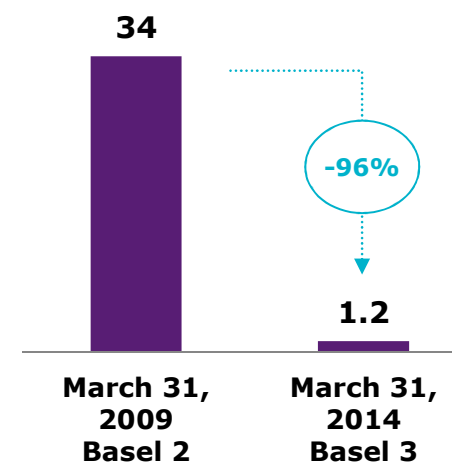
## Successful de-risking process initiated since 2009

- No significant impact on Natixis P&L since mid-2009
- 95% decrease in GAPC net asset value

GAPC: net value, in €bn



GAPC: RWA<sup>(1)</sup>, in €bn



The legacy of 2007-2009 crisis has been put behind us

# Natixis is on track for growth and value creation

**Shareholders friendly dividend policy**

with a 50% payout ratio target



**Groupe BPCE**

Strong base for growth in our core businesses



**Wholesale Banking**

**Investment Solutions**

**Specialized Financial Services**



**Solid financial structure**

Enabling Natixis to catch opportunities



**Client-oriented business model**

to provide solutions and services for Natixis and BPCE networks customers

**Financial Investments**



**Coface – successful restructuring**

a pure player in credit-insurance

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**1. 2009-2013 – Successful recovery**

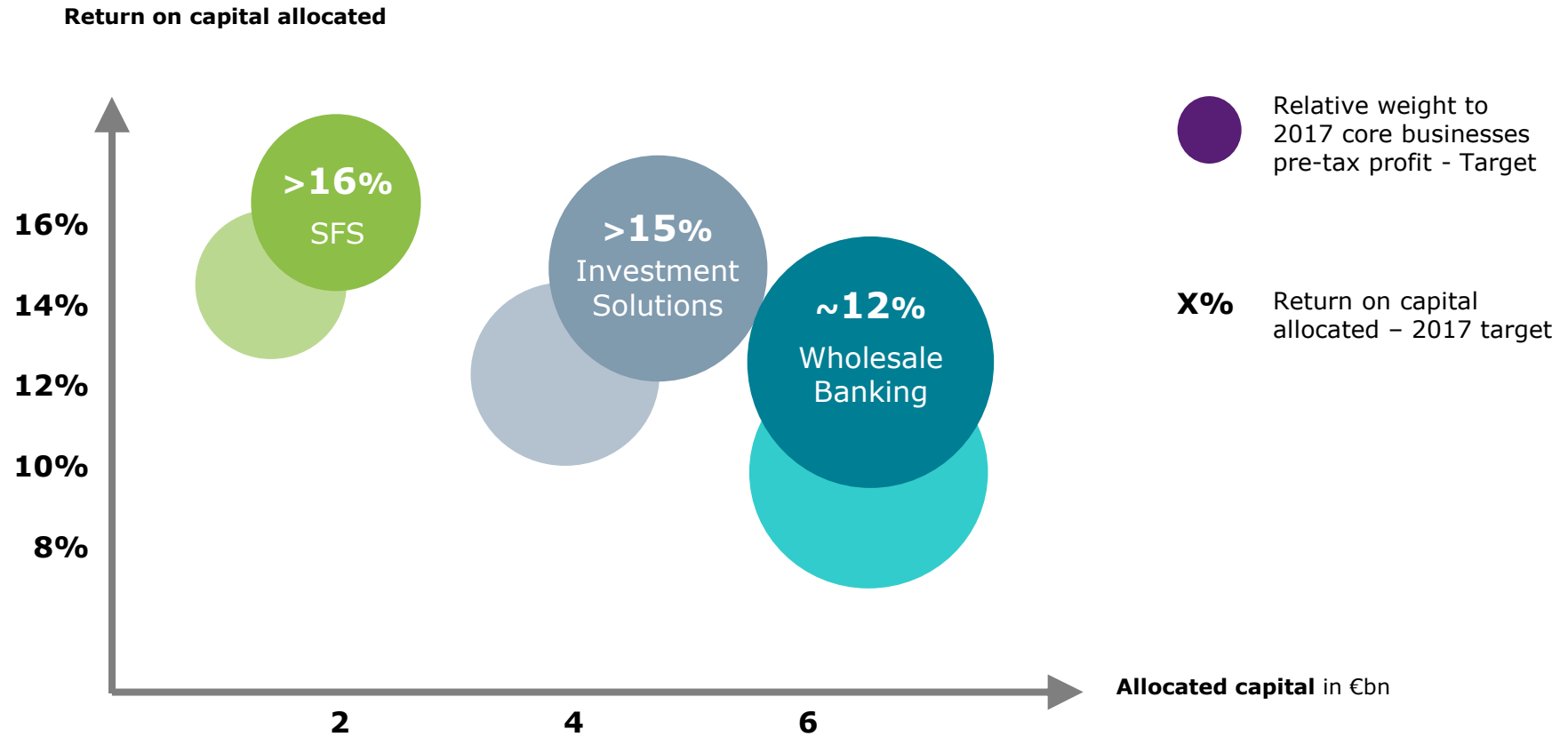
**2. 2014-2017 – Strategic plan**

**3. Financial targets**

**4. Conclusion – New Frontier plan launched**



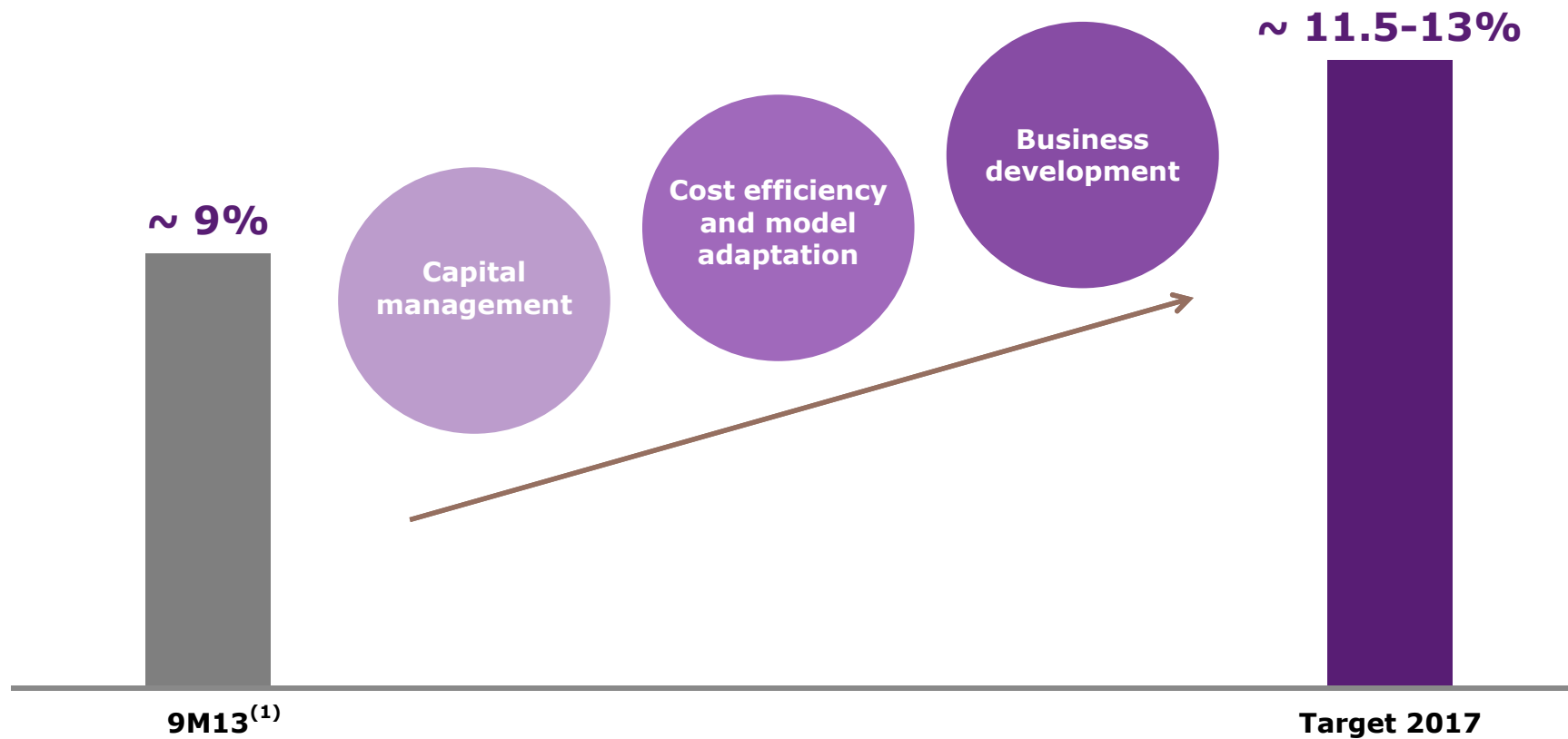
# Our ambitions for our 3 core businesses...



Differentiated approaches for our core businesses

## ...to reach a ~ 11.5-13% ROTE in 2017

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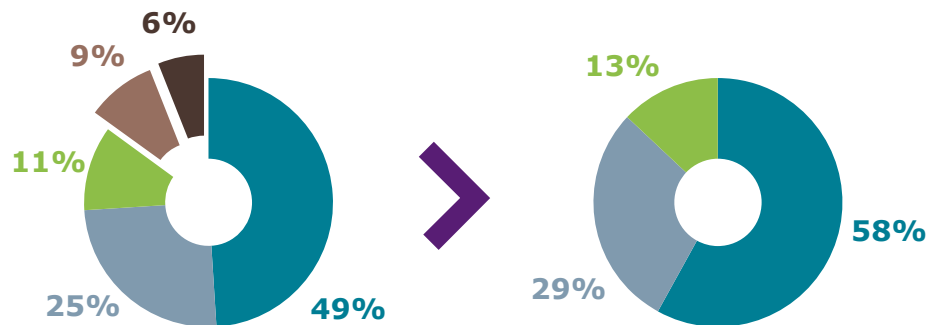
# Rebalance the capital allocation in favor of Investment Solutions

## Capital management

**Disposal of non-strategic assets which have negative impact on profitability**

- Coface full-disposal during the strategic plan
- GAPC closing by mid-2014

2013 capital allocation basis<sup>(1)</sup>



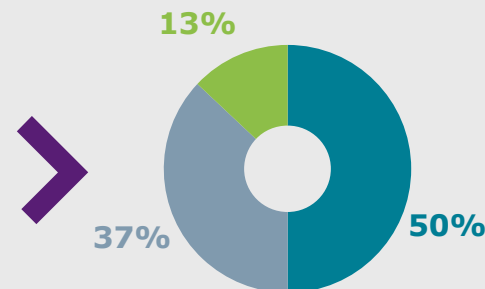
Core businesses



2017 targets include acquisitions hypothesis in Asset Management for €1.5bn

Capital allocation oriented to profitable and liquidity light businesses

2017 capital allocation target<sup>(1)</sup>



**Dividend policy: payout ratio  $\geq$  50%**

(1) Including goodwill and intangible assets

# Strong focus on cost management...

## Cost efficiency

**2013**  
*Cost income ratio*

**70.1 %**  
Natixis<sup>(1)</sup>

**57.8 %**  
Wholesale Banking

**73.6 %**  
Investment Solutions

**65.5 %**  
Specialized Financial  
Services



**2017**  
*Cost income ratio  
targets*

**~ 65 %**  
Natixis<sup>(1)</sup>

**~ 55 %**  
Wholesale Banking

**< 70 %**  
Investment Solutions

**< 64 %**  
Specialized Financial  
Services

## Cost reduction

- Resizing and streamlining some activities
- Operational excellence reinforcement (Support functions, Back offices)
- ~ 700 targeted jobs reduction
- ~ €100m pre-tax restructuring costs accounted in 4Q13



**€100m additional reduction in expenses by 2015**

# ...and model adaptation for our 3 core businesses

## Model adaptation

### Investment Solutions

- **Develop a new AM model in Europe**
  - Move to a multi-affiliates organization
  - Become a real European player
- **Create a unified insurance platform for BPCE networks**
  - Integrate BPCE Assurances
  - In source over time Caisses d'Épargne insurance business



**€22bn cumulated net inflows in European asset management**

### Wholesale Banking - O2D: a fully integrated chain

- **Enhance Structured financing underwriting capacity**
- **Net revenues growth driven by increasing fee businesses**
- **Increase in RoRWA**



**35% of net arrangement fees in 2017 financing revenues**

### Specialized Financial Services

- **Improve IT process with BPCE retail networks**
- **Refinancing diversification**

### Wholesale Banking - Adaptation

- **Resizing and streamlining some activities**
- **Strict control of RWA in capital intensive business**

# Extensive growth potential within Groupe BPCE

## Business development

### Groupe BPCE

#### Market share in France:

- **Customer deposits & savings: 21.5%**
- **Customer loans: 20.7%**



**19 Banque Populaire**  
3,301 branches



**17 Caisses d'Épargne**  
4,242 branches



**BANQUE PALATINE**  
L'Art d'être Banquier

#### Consumer finance

Consumer finance market share equal to banking market share in 2017

~ 13%



~ 17%

#### Insurance

Groupe BPCE aims to be the insurer of one third of its current client base before the end of 2017

#### Securities & guarantees

Take-up of Saccef individual homebuyer guarantees

**CE: > 75%**  
**BP: < 10%**



**CE: > 75%**  
**BP: < 50%**

#### Employee benefits planning

Take-up of employee savings planning

**BP: Pro: 10%**  
**Corp: 8%**  
**CE: Pro: 6%**  
**Corp: 5%**



**BP and CE: Pro: 14%**  
**Corp: 10%**



**€432m cumulative additional revenues** generated with Groupe BPCE retail networks from end-09 to end-13

**Additional target of €400m** from 2014 to 2017

# Targeted international developments in Wholesale Banking and Investment Solutions

## Business development

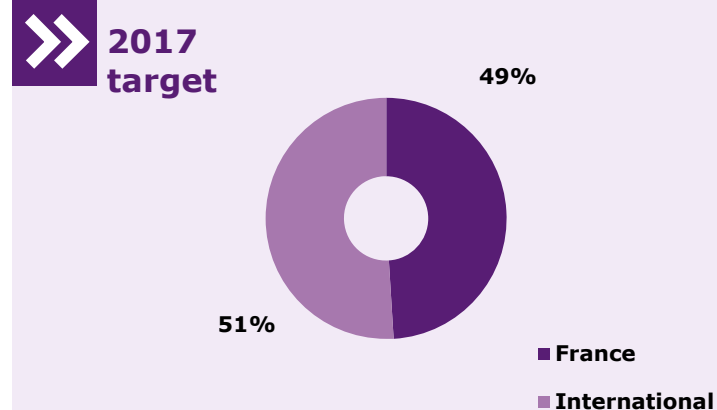
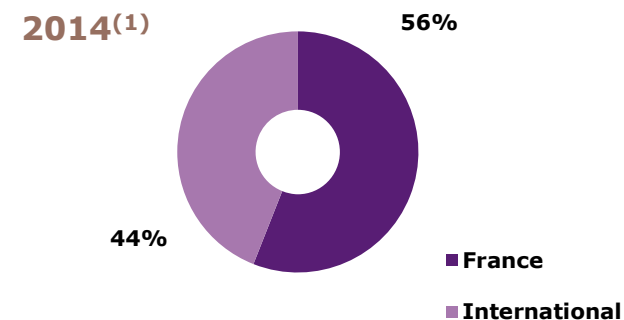
### Wholesale Banking

- **Selective strengthening of our international platform**
  - America: renewed effort for Equity derivatives, opportunistic development for FIC-T (LatAm, Canada...)
  - EMEA: focus on Capital markets and Structured financing
  - Asia: strengthen Trade finance and develop O2D
- **Target: around 50% of FTE in international areas in 2017 (vs. nearly 40% in 2013)**

### Investment Solutions

- **Pursue the development of our US distribution platform** via investments in new expertise and access to new distribution channels
- **Reinforcement of our distribution** in Asia, Middle East and LatAm organically and through local partnerships
- **+ 500 FTE targeted in Investment Solutions, mainly overseas**

### Natixis core businesses' geographical net revenues breakdown



(1) Estimated

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## 2017 targets for regulatory ratios

	2017 targets	1Q14
CET 1	9.5 – 10.5% fully loaded	10.6% <sup>(1)</sup>
Total capital	~ 14 - 15%	12.8% <sup>(2)</sup>
LCR	> 100% by January 2014	> 100%
Leverage ratio	> 3%	3% <sup>(3)</sup>



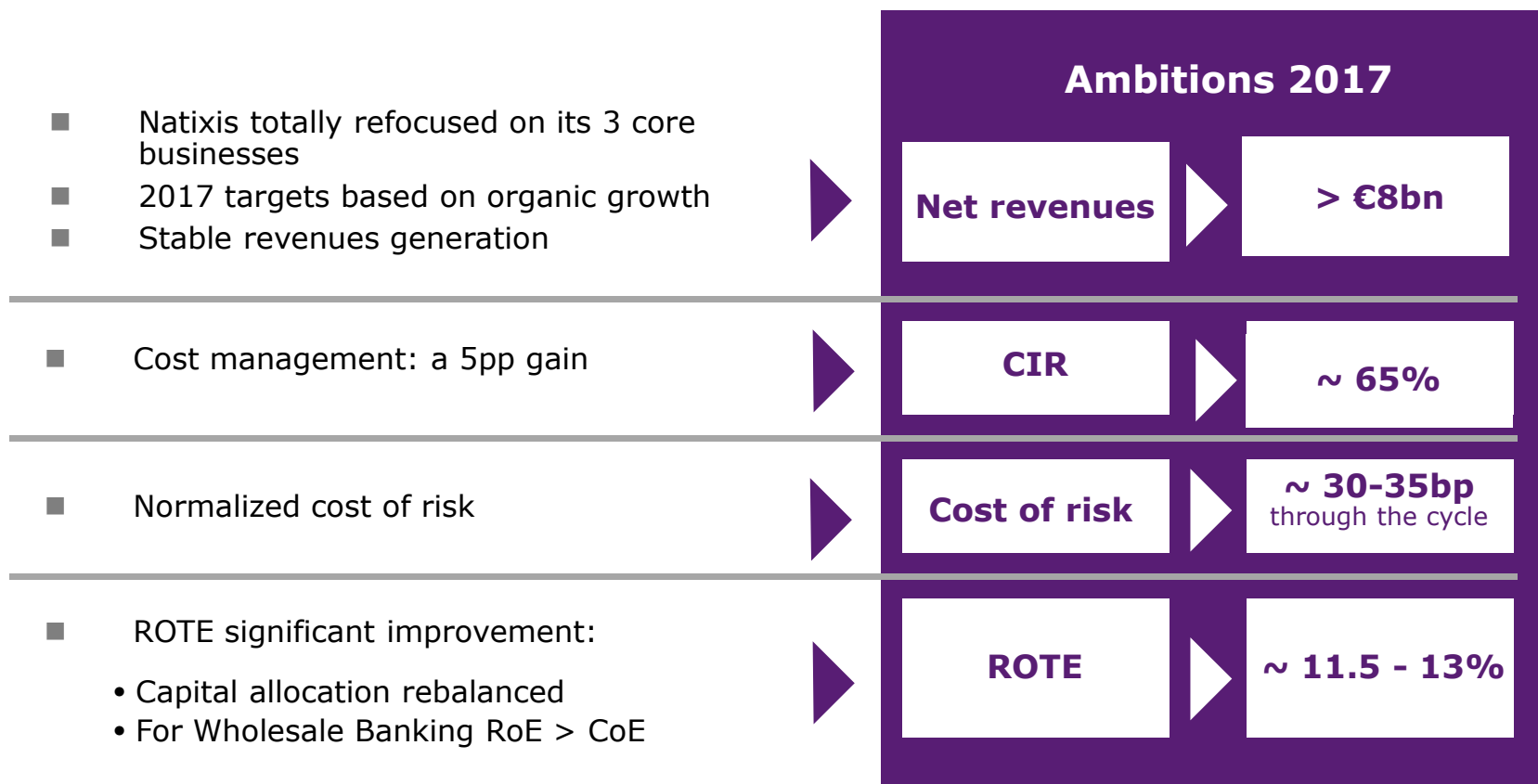
**On track to fill all the regulatory ratios, well ahead of the planned agenda**

(1) Final Basel 3 impact will depend on final rules – Fully loaded except for DTAs – Net of BPCE guarantee

(2) Excluding DTAs

(3) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax loss carry forwards

# 2017 Natixis financial ambitions



**»» Dividend policy: payout ratio ≥ 50%**

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# New Frontier plan is launched

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- ✓ **Capital reallocation engaged**
  - BPCE Assurances acquisition
  - Coface IPO in preparation
  - GAPC closing on track
  
- ✓ **Reinforcement of relative weight of Investment Solutions in core business revenues (38% in 1Q14 vs. 32% in 1Q13)**
  
- ✓ **Core business ROE<sup>(1)</sup> rose 200bp year-on-year to 11.8%**
  
- ✓ **Solvability strengthened with a 10.6% CET1<sup>(2)</sup> as of end of March 2014**
  
- ✓ **Confirmed ability to deliver a  $\geq$  50% pay-out ratio**

(1) Excluding +€72m of non-recurring items in Wholesale Banking revenues (mainly transition to IFRS 13 rules)

(2) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax loss carry forwards

# Improvement of core businesses ROE on track

Return on capital allocated in 1Q14

