Natixis
Disposal of retail banking activities, acquired by BPCE S.A.
September 12, 2018
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Figures in this presentation are unaudited
Key highlights of the contemplated transaction

New Dimension one step further

In this presentation, all financial impacts from the transaction have been estimated based on 2018 projections

- Natixis is contemplating the disposal of its retail banking activities to BPCE S.A. - Consumer finance, Leasing, Sureties & Financial guarantees, Factoring and Securities services

- The transaction will allow Natixis to reinforce its differentiated positioning across key areas of expertise i.e. Asset & Wealth Management, CIB, Insurance and Payments. Consistent with the objectives of the New Dimension strategic plan, this will support value creation sustainability, notably via increased flexibility and agility, both from a financial and a strategic standpoint. This will also foster value creation throughout the Group

- The foreseen transaction price of €2.7bn is based on each business’ 2018 New Dimension trajectory. Based on 2017 reported figures, this is equivalent to a ~12.5x P/E and ~1.7x allocated capital

- The transaction will provide Natixis with increased strategic mobility to deploy capital towards potential acquisitions and dividends. Upon completion of the foreseen transaction and given Natixis’ strategy to not hold any excess capital, a special dividend up to €1.5bn (~€0.50/share) will be paid out, contingent on potential acquisitions that may arise by then. By doing so, Natixis will position itself at a fully-loaded CET1 ratio of 11%, reaching the 2020 target ahead of plan. Natixis’ acquisition ambition for 2018-2020 will be lifted from €1bn to €2.5bn with Groupe BPCE to support Natixis’ growth ambitions, if needed

- 14-15.5% 2020 RoTE target reviewed upwards compared to previous target range of 13-14.5%

- Up to €1.5bn Special dividend to be paid upon completion of the transaction contingent on potential acquisitions that may arise by then (slide 15)
OVERVIEW & STRATEGIC RATIONALE
PROJECTED DEAL
## Strategic rationale of the transaction
Reinforce Natixis’ strategic mobility & value creation potential

**Figures estimated as at end 2017**

<table>
<thead>
<tr>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengthening of Groupe BPCE universal banking model</strong></td>
</tr>
<tr>
<td>to adapt to digital uses, foster growth and commercial development. Existing relationships between Natixis and Groupe BPCE networks unchanged</td>
</tr>
<tr>
<td><strong>Strategic mobility</strong></td>
</tr>
<tr>
<td><strong>Increased ability to deploy capital towards potential acquisitions</strong></td>
</tr>
<tr>
<td>and dividends, consistent with Natixis’ strategy to not hold any excess capital and with BPCE commitment to allocate more capital towards Natixis’ asset-light activities, if needed</td>
</tr>
<tr>
<td><strong>Asset-light strategy</strong></td>
</tr>
<tr>
<td><strong>Deepen Natixis’ asset-light strategy towards non-banking activities</strong></td>
</tr>
<tr>
<td>that consume less capital, liquidity and cost of risk</td>
</tr>
<tr>
<td><strong>Differentiate</strong></td>
</tr>
<tr>
<td><strong>Reinforcement of Natixis’ differentiation</strong></td>
</tr>
<tr>
<td>with a clear focus on businesses where Natixis’ truly distinctive expertise and strategy will support sustained revenue growth (AWM, CIB, Insurance, Payments)</td>
</tr>
<tr>
<td><strong>Agility</strong></td>
</tr>
<tr>
<td><strong>Improved cost flexibility</strong></td>
</tr>
<tr>
<td>with a higher share of variable expenses in order to adjust Natixis’ cost trajectory, if necessary. <strong>Improved balance sheet agility</strong></td>
</tr>
<tr>
<td>with a shorter duration (&gt; 75% under 1 year)</td>
</tr>
<tr>
<td><strong>International</strong></td>
</tr>
<tr>
<td><strong>More geographically diversified</strong></td>
</tr>
<tr>
<td>sources of revenues and thus increased focus on Natixis’ international development</td>
</tr>
</tbody>
</table>

**Consistent strategy and selective expertise to differentiate ourselves and deliver sustainable value creation**
Scope of the transaction
Natifixs to sell its retail banking activities to BPCE S.A.

Net revenues by business line

SFS activities sold to BPCE S.A.

Consumer finance (Natixis Financement), Leasing (Natixis Lease), Sureties & Financial guarantees (CEGC), Factoring (Natixis Factor), Securities services (Natixis EuroTitres). These activities generate an average ~80% of their revenues with Groupe BPCE networks

~ 2/3 of SFS
Net revenues

~ 85% of SFS
Profit before tax

~ 85% of SFS
RWA

SFS activities remaining within Natifixs

Payments, Employee savings plan (Natixis Interépargne), Film industry financing (Natixis Coficiné). Payments remain core to Natixis’ strategy and ambition to build a European pure-player

~ 1/3 of SFS
Net revenues

~ 15% of SFS
Profit before tax

~ 15% of SFS
RWA

(1) % of net revenues generated with Groupe BPCE networks
More firepower to reach Natixis’ ambitions
Increase distinctiveness in Natixis’ four business lines

Become the world’s premier active asset manager

Asset & Wealth Management

- Asset Management
- Wealth Management
- Employee Savings Plans

> 30bps Fee rate over 2018-2020

Corporate & Investment Banking

- Investment Banking and M&A
- Financing (incl. Film Industry)
- Capital Markets
- Trade and Treasury Solutions
- Coverage

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

~ 6% Net revenues / RWA in 2020

Insurance

- Life & Personal Protection
- Property & Casualty

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

~ €90bn(1) Life insurance AuM in 2020

Payments

- Merchant Solutions
- Prepaid & Managed Solutions
- Services & Processing

Build a European pure-player in Payments

x 1.5 Payment revenues by 2020

Post transaction, Payments will become a standalone business line

Post transaction, Employee savings plan (Natixis Interépargne) will be reallocated to Asset & Wealth Management and Film industry financing (Natixis Coficiné) to CIB

(1) ~€77bn excluding the reinsurance agreement with CNP Assurances
Strategic relationship between Natixis and Groupe BPCE

Natixis’ expertise in high-growth businesses to serve the networks

Synergies remain elevated between Natixis’ businesses and Groupe BPCE networks, driven by Natixis’ asset-smart and high-growth activities.

Pro forma for the transaction, ~16% of Natixis’ 2017 revenues generated with the networks.

(1) Pro forma for perimeter to be sold
Foreseen timetable of the transaction
Transaction expected to close by the end of 1Q19

12/09/2018
Transaction announcement

08/11/2018
Natixis 3Q18 results

12/02/2019
Natixis 4Q18 results

February
Natixis

BPCE
EGM

March
Closing of the transaction

09/05/2019
Natixis 1Q19 results

28/05/2019
Natixis AGM

By the end of February 2019
Regulatory approvals

Approval of BPCE S.A. capital upstream related to the transaction

Financial impacts detailed on slide 11 fully booked by then

Completion of the transaction subject to regulatory approvals, employee representatives’ approval and BPCE S.A. capital upstream
FINANCIAL IMPACTS
PROJECTED DEAL
Main financial impacts of the transaction
Based on a transaction price of €2.7bn

In this presentation, all financial impacts from the transaction have been estimated based on 2018 projections. Impacts estimated at end 2018. Actual figures will notably depend on potential fiscal adjustments.

**P&L IMPACTS**

**ONE-OFF**
~ +€450m
Impact on Net income
fully booked by closing of the transaction

**RECURRING**
~ €200m
2017 Net income contribution
from activities to be sold to BPCE S.A.

**CAPITAL GENERATION**

~ +200bps
Impact on FL CET1 ratio

~ +€450m
One-off P&L gain
fully booked by closing of the transaction

**FULLY-LOADED CET1 RATIO**

11.0%
Upon closing of the transaction
post €1.5bn special dividend and/or acquisitions (slide 15)

**RETURN ON TANGIBLE EQUITY**

Broadly stable
2017 pro forma
excluding excess capital

~ €14bn
RWA deconsolidation

2020 Target
already achieved
With increased strategic mobility

In this presentation, all financial impacts from the transaction have been estimated based on 2018 projections. Impacts estimated at end 2018. Actual figures will notably depend on potential fiscal adjustments.
Natixis’ business model
A diversified mix increasingly geared towards non-banking activities

Current (1H18)
- AWM, Insurance, Payments
- CIB, SFS excl. Payments

Pro forma (1H18)
- AWM, Insurance, Payments
- CIB

NET REVENUES
- 53% AWM, Insurance, Payments
- 47% CIB, SFS excl. Payments

GROSS OPERATING PROFIT
- 59% AWM, Insurance, Payments
- 41% CIB, SFS excl. Payments

ALLOCATED CAPITAL
- 61% AWM, Insurance, Payments
- 39% CIB, SFS excl. Payments

Capital allocated towards non-banking activities > 50% if full consumption of the €2.5bn acquisition enveloppe
Natixis’ business model
Flexibility and resilience to ensure sustainable delivery

**ASSET MANAGEMENT**
- 2-year rolling
- Net revenues and Gross Operating Income
- 2007=100

2006-2017 Net revenues multiplied by ~ x2
2006-2017 Gross Operating Income multiplied by ~ x2.5

**CIB**
- FICT + Equity revenues vs. listed French banks over New Frontier - excl. CVA/DVA
- 2013=100

Natixis: 2013-2017 Net revenues up ~ +30%
Other French banks: 2013-2017 Net revenues up ~ +6%

**INSURANCE**
- Net revenues and Gross Operating Income
- 2013=100

2013-2017 Net revenues up ~ +60%
2013-2017 Gross Operating Income up ~ +70%

~ 60% of variable costs
Historical illustration: ~50% drop in variable compensation in 2008 to offset a ~20% decline in revenues to protect Gross Operating Income

Deepen and Differentiate across all CIB activities
Focus on Solutions vs. flow business (Global markets)
Focused and selective sectorial approach (Global finance)
Multi-boutique model (M&A)

Net revenues
Gross Operating Income

Banques Populaires
Life
✓
Non-Life
✓
to achieve New Dimension

Caisses d’Epargne
✓
achieved New Frontier
✓
achieved New Frontier
3 STRATEGY UPDATE & CAPITAL DEPLOYMENT

POST PROJECTED DEAL
New Dimension: 2018-2020 financial targets
RoTE and excess capital generation targets reviewed upwards

<table>
<thead>
<tr>
<th>NET REVENUES</th>
<th>OPERATING EXPENSES</th>
<th>CET1 FULLY-LOADED</th>
<th>ROTE(^{(1)})</th>
<th>EXCESS CAPITAL FREE UP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017-2020 Businesses CAGR</strong></td>
<td><strong>2017-2020 CAGR</strong></td>
<td><strong>2020 Target after distribution</strong></td>
<td><strong>2020 Target</strong></td>
<td><strong>2018-2020</strong></td>
</tr>
<tr>
<td>Old</td>
<td>~ 5%</td>
<td>&lt; 3%</td>
<td>11%</td>
<td>13-14.5%</td>
</tr>
<tr>
<td>NEW</td>
<td>~ 5%</td>
<td>~ 3%</td>
<td>11%</td>
<td>14-15.5%</td>
</tr>
</tbody>
</table>

Minimum pay-out ratio > 60%

Theoretical dividend capacity of €5.6bn, after €0.4bn spent on acquisitions to date, should no further acquisition happen by the end of 2020.

Special dividend up to €1.5bn, contingent on potential acquisitions that may arise by the closing of the transaction.

Ambition for potential acquisitions reviewed upwards from €1bn to €2.5bn with BPCE to support Natixis’ growth ambitions, if needed.

\(^{(1)}\) Post SRF contribution and US tax reform reviews
New Dimension: 2018-2020 acquisition strategy
Value creation through a solid track record of acquisitions

2015 flagship acquisitions in AWM and CIB

<table>
<thead>
<tr>
<th>NET REVENUES</th>
<th>GROSS OPERATING INCOME</th>
<th>COMMERCIAL INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 20% CAGR 2014-2017 fee rate increase</td>
<td>&gt; 20% CAGR 2014-2017</td>
<td></td>
</tr>
<tr>
<td>&gt; 80% CAGR 2015-2017</td>
<td>&gt; 90% CAGR 2015-2017</td>
<td></td>
</tr>
<tr>
<td>~40% of 2015-2017 net inflows driven by Natixis integration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From #42 (2012) to #5 (2017) number of transactions in France</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

~ 12% Return on Investment\(^{(1)}\) on New Frontier acquisitions in AM after an average ~2 years

<table>
<thead>
<tr>
<th>TARGETED PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 90% CAGR 2015-2017</td>
</tr>
<tr>
<td>&gt; 20% CAGR 2014-2017 fee rate increase</td>
</tr>
<tr>
<td>&gt; 80% CAGR 2015-2017</td>
</tr>
</tbody>
</table>

Foster underlying growth while creating sizeable revenue synergies

Management stability
Alignment of interests, autonomy of the teams
Enrichment and depth of Natixis’ offering
Sharing of Natixis’ standards

> 13% Return on Investment\(^{(1)}\) on New Frontier acquisitions in CIB after an average ~3 years

Target to reach RoI > 12% in 3-5 years

Reminder - Some fully-consolidated entities are not owned 100% but with a gradual ramp-up over time. This means progressive EPS accretion with no additional capital consumption

\(^{(1)}\) Based on 2017 actual figures and/or 2018 projected figures
APPENDIX
PROXY FINANCIALS
POST PROJECTED DEAL
Natixis - Pro forma consolidated P&L

<table>
<thead>
<tr>
<th>€m</th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>2,110</td>
<td>2,175</td>
<td>1,973</td>
<td>2,277</td>
<td>2,172</td>
<td>2,358</td>
<td>4,285</td>
<td>4,507</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,631)</td>
<td>(1,461)</td>
<td>(1,396)</td>
<td>(1,594)</td>
<td>(1,654)</td>
<td>(1,504)</td>
<td>(3,092)</td>
<td>(3,158)</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>479</td>
<td>714</td>
<td>577</td>
<td>683</td>
<td>518</td>
<td>831</td>
<td>1,193</td>
<td>1,348</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>(50)</td>
<td>(54)</td>
<td>(43)</td>
<td>(42)</td>
<td>(36)</td>
<td>(41)</td>
<td>(104)</td>
<td>(77)</td>
</tr>
<tr>
<td>Associates</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Gain or loss on other assets</td>
<td>9</td>
<td>18</td>
<td>(1)</td>
<td>22</td>
<td>6</td>
<td>4</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>Change in value of goodwill</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>446</td>
<td>684</td>
<td>539</td>
<td>670</td>
<td>495</td>
<td>796</td>
<td>1,130</td>
<td>1,291</td>
</tr>
<tr>
<td>Tax</td>
<td>(190)</td>
<td>(227)</td>
<td>(153)</td>
<td>(119)</td>
<td>(174)</td>
<td>(231)</td>
<td>(416)</td>
<td>(405)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>(28)</td>
<td>(29)</td>
<td>(59)</td>
<td>(76)</td>
<td>(60)</td>
<td>(57)</td>
<td>(57)</td>
<td>(117)</td>
</tr>
<tr>
<td>Net income (group share)</td>
<td>228</td>
<td>428</td>
<td>326</td>
<td>475</td>
<td>260</td>
<td>508</td>
<td>656</td>
<td>768</td>
</tr>
</tbody>
</table>

Proxy financials, including exceptional items. Actual pro-forma figures may ultimately differ and will be communicated at a later point in time.
# Natixis - P&L of perimeter considered for sale

<table>
<thead>
<tr>
<th>€m</th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>237</td>
<td>234</td>
<td>232</td>
<td>229</td>
<td>241</td>
<td>242</td>
<td>471</td>
<td>483</td>
</tr>
<tr>
<td>Expenses</td>
<td>(140)</td>
<td>(133)</td>
<td>(135)</td>
<td>(143)</td>
<td>(141)</td>
<td>(136)</td>
<td>(273)</td>
<td>(277)</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>97</td>
<td>101</td>
<td>97</td>
<td>86</td>
<td>100</td>
<td>106</td>
<td>198</td>
<td>206</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>(20)</td>
<td>(13)</td>
<td>(13)</td>
<td>(23)</td>
<td>(8)</td>
<td>1</td>
<td>(34)</td>
<td>(7)</td>
</tr>
<tr>
<td>Associates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Gain or loss on other assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>Change in value of goodwill</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>77</td>
<td>88</td>
<td>84</td>
<td>63</td>
<td>93</td>
<td>107</td>
<td>165</td>
<td>199</td>
</tr>
<tr>
<td>Tax</td>
<td>(25)</td>
<td>(28)</td>
<td>(27)</td>
<td>(21)</td>
<td>(30)</td>
<td>(35)</td>
<td>(53)</td>
<td>(64)</td>
</tr>
<tr>
<td>Minority interests</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net income (group share)</td>
<td>52</td>
<td>59</td>
<td>57</td>
<td>43</td>
<td>62</td>
<td>72</td>
<td>111</td>
<td>134</td>
</tr>
</tbody>
</table>

Proxy financials, including exceptional items. Actual pro-forma figures may ultimately differ and will be communicated at a later point in time.
# Natixis - Payments

<table>
<thead>
<tr>
<th>€m</th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
<th>2Q18</th>
<th>1H17</th>
<th>1H18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>81</td>
<td>83</td>
<td>83</td>
<td>89</td>
<td>93</td>
<td>95</td>
<td>164</td>
<td>188</td>
</tr>
<tr>
<td>Expenses</td>
<td>(68)</td>
<td>(70)</td>
<td>(70)</td>
<td>(77)</td>
<td>(79)</td>
<td>(88)</td>
<td>(139)</td>
<td>(167)</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>7</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net operating income</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>7</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Associates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other items</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>8</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>RWA (Basel 3 – in €bn)</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
<td>1.0</td>
<td>1.2</td>
<td>0.9</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Proxy financials, including exceptional items. Actual pro-forma figures may ultimately differ and will be communicated at a later point in time.