

## **BPCE/Natixis**

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# **US Resolution Plan**

# **Public Section**

December 31, 2013

*This document contains forward-looking statements. BPCE and Natixis may also make forward-looking statements in their respective Annual Registration Documents and Annual Financial Reports, in press releases and in other written materials and in oral statements made by officers, directors or employees to third parties. Statements that are not historical facts, including statements about BPCE's and Natixis' beliefs and expectations are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and BPCE and Natixis undertake no obligation to update publicly any of them in light of new information or future events.*

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## Public Section

In accordance with Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“DFA”) and the rule promulgated thereunder (the “165(d) Rule”) the top tier holding company of a foreign banking organization (“FBO”) that is a US bank holding company or is treated as a US bank holding company and has \$50 billion in global consolidated assets is deemed to be a covered company and must submit annually to the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (“FDIC”) (collectively the “US Regulators”) a plan that specifies the resolution of such covered company in the event of material financial distress. BPCE is a “covered company” subject to the US resolution planning requirements because it is the top tier holding company, is treated like a US bank holding company and has global consolidated assets in excess of \$50 billion. BPCE’s majority-owned consolidated subsidiary Natixis (“Natixis”) operates in the US through a New York State licensed branch and other nonbanking subsidiaries. BPCE has no US presence other than Natixis’ US activities.

BPCE, in addition to filing a resolution plan to the US regulators covering Natixis’ US operations (the “US Resolution Plan”), has filed a Recovery and Resolution Plan (the “BPCE Plan”) in accordance with French Prudential Banking Law with its home country regulator, the *Autorité de Contrôle Prudentiel et de Résolution* (“ACPR”). Subject to receipt of applicable regulatory approvals, the US Resolution Plan will be included as an Appendix to the BPCE Plan and submitted to the ACPR.

### A. Background of BPCE and Natixis

On February 26, 2009, the *Banque Fédérale des Banques Populaires* Board of Directors and the *Caisse Nationale des Caisses d’Epargne* Supervisory Board approved the terms and conditions of the combination of their two central institutions, leading to the creation of Groupe BPCE which is the number two (2) banking group in France<sup>1</sup>. Groupe BPCE has a distinctly cooperative character, with cooperative shareholders owning the Banque Populaire banks and the Caisses d’Epargne, the two (2) networks that form the foundation of the group’s retail banking operations. The Banque Populaire banks and the Caisses d’Epargne are credit institutions. Their governance comprises a Board of Directors for the Banque Populaire banks and Supervisory and Management Boards for the Caisses d’Epargne.

BPCE, the central institution of Groupe BPCE, was founded by a law dated June 18, 2009 and its formation was completed on July 31, 2009. BPCE is 50% owned by the 19 Banques Populaires banks and 50% by the 17 Caisses d’Epargne.

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<sup>1</sup> BPCE is number two by: number of branches (source: database, 2011 bank websites), market share of customer savings and customer loans (source: Banque de France Q3-2012) and in terms of penetration rate with professional customers and individual entrepreneurs (source: Pepites CSA 2011-2012 survey).

Natixis is a *société anonyme* that was formed in 2006 through the combination of Natixis Banques Populaires and various subsidiaries of the Groupe Caisse d'Épargne, notably IXIS Corporate & Investment Bank and IXIS Asset Management. Natixis has been affiliated with BPCE since 2009. Natixis was previously affiliated with both the Caisse Nationale des Caisses d'Épargne and the Banque Fédérale des Banques Populaires since 2006. As of December 31, 2012, Natixis was approximately 72% owned and controlled by BPCE with approximately 28% held via public free float. Natixis shares are listed on the Euronext exchange in Paris.

As BPCE does not have any US business or legal entity presence other than through its ownership of Natixis, the US Resolution Plan focuses on the Core Business Line activities and Material Entities of Natixis conducted in the US.

## B. Description of Natixis Material Entities

A Material Entity is defined in the 165(d) Rule as “a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line.” The following legal entities and a brief description of each have been designated as a Material Entity to Natixis activities conducted in the United States (“US”):

*Natixis North America LLC (“NNA”)* – NNA, a Delaware limited liability company, is a wholly-owned subsidiary of Natixis U.S. Holdings, Inc. (“NUSHI”) which is an indirectly wholly-owned subsidiary of Natixis. NNA is the parent company for Natixis’ US Wholesale Banking activities that are conducted in its subsidiaries. NNA provides infrastructure support services to the US Wholesale Banking entities.

*Natixis Securities Americas LLC (“NSA”)* – NSA, a Delaware limited liability company and wholly-owned subsidiary of NNA, is (i) a registered broker-dealer regulated by the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”), (ii) a “notice” Futures Commission Merchant (“FCM”) registered with the Commodity Futures Trading Commission (“CFTC”) and (iii) a registered investment adviser under the Investment Advisers Act of 1940. NSA is part of the US Wholesale Banking Core Business Line.

*Natixis New York Branch (“NY Branch”)* –The NY Branch is a branch of Natixis that is licensed by the New York State Department of Financial Services (“NYSDFS”) to conduct a banking business in New York. The NY Branch is part of the US Wholesale Banking Core Business Line. The NY Branch’s activities include commercial lending, non-retail deposit taking and the management of Natixis’ US dollar funding position. The NY Branch, acting as agent, markets, sells and executes derivative transactions on behalf of Natixis.

*Natixis Global Asset Management, L.P. (“NGAM-US”)* – NGAM-US, a Delaware limited partnership and wholly-owned subsidiary of NUSHI, is the holding company for the US operations of Natixis Global Asset Management (“NGAM-Global”). NGAM-Global is the global holding company for the Natixis asset management business, which is part of the Core Business Line of Natixis called Investment Solutions. NGAM-US consists of 15 principal asset management and distribution entities in the US. NGAM-US provides limited infrastructure support services to affiliated entities in the US.

## C. Description of Natixis Core Business Lines and Activities

Natixis has three main businesses globally: Wholesale Banking, Investment Solutions and Specialized Financial Services. For purposes of the US Resolution Plan, the US activities of Wholesale Banking and Investment Solutions have been deemed Core Business Lines (“US Wholesale Banking,” “US Investment Solutions”, collectively the “Core Business Lines”). In addition, Coface, an insurance business, is present in the US but its activities are not considered a main business by Natixis.

### C.1. US Wholesale Banking

Natixis Wholesale Banking includes five business segments that operate globally: Advisory, Financing, Global Markets, Global Transaction Banking and Research, of which only Global Markets and Financing are conducted in the US. Accordingly, US Wholesale Banking activities are comprised of Global Markets and Financing (Structured & Asset Finance or “SAF”) activities.

#### **Global Markets**

Global Markets in the US is organized around three principal business activities which are Fixed Income, Commodities & Treasury (“FICT”), Global Structured Credit & Solutions (“GSCS”) and Equity Markets (“EQM”).

#### ***Fixed Income, Commodities & Treasury***

FICT offers a wide range of diversified, standard and structured products in fixed income, foreign exchange, commodities, and credit markets. FICT also conducts treasury and funding activities. FICT products and services include credit products such as debt underwriting and loan syndication, interest rate, commodities and other derivative products, guaranteed investment contracts and foreign exchange.

#### ***Global Structured Credit & Solutions***

GSCS provides advisory, origination, structuring, and underwriting and placement services for structured financing transactions. GSCS products and services include Securitization Advisory Services, Asset-Backed Security and Conduit Funding, Credit Solutions and Insurance Solutions.

#### ***Equity Markets***

EQM provides clients access to a wide range of underlying assets across the entire global equity markets spectrum. EQM employs an integrated approach covering research, trading, execution, sales, distribution and financial engineering. EQM is divided into four main business activities: Equity Finance, Equity Solutions, Strategic Equity Solutions and Equity Capital Markets.

#### **Structured & Asset Finance**

SAF business activity in the US is responsible for covering clients’ broad banking needs. Core activities are centered on organization, underwriting, and distribution of credit

facilities for clients, with a focus on arranger or agent roles, and cross-selling all other relevant products offered by US Wholesale Banking, particularly US Global Markets products. SAF includes the following activities: Acquisition & Strategic Finance (“ASF”), Aviation, Export and Infrastructure (“AEI”), Global Energy and Commodities (“GEC”), and Real Estate Finance (“REF”).

### ***Acquisition & Strategic Finance***

ASF provides a broad range of financing solutions to its equity sponsor and corporate clients, typically debt underwritings in connection with an acquisition or a refinancing. ASF actively markets to clients to provide cash flow-based financings for buy-outs, recapitalizations, re-financings, and general corporate purposes, acting as lead or joint-lead underwriter.

### ***Aviation, Export and Infrastructure***

AEI includes two specific groups: Aviation and Global Infrastructure and Projects. The following is a brief description of each group:

*Aviation Group* - The Aviation Group is responsible for clients in the aviation industry for North America. This group works with manufacturers, airlines, lessors as well as subordinated and equity investors and other parties in the aviation industry. Aviation clients seek financing for asset purchases, to refinance existing debt or for working capital and general corporate purposes.

*Global Infrastructure and Projects (“GIP”)* - GIP is responsible for developing relationships and managing a portfolio of loans with borrowers primarily located in the Americas - North, Central, and South. The focus of the Group is to advise and arrange senior secured financings (loans or securities) for large projects on a non-recourse or limited recourse basis with repayment contingent on the cash flows of the project assets. GIP is active in the following sectors:

- Power and Renewable Energy;
- Natural Resources;
- Infrastructure (including public transportation, water production/distribution and waste management); and
- Telecom.

### ***Global Energy and Commodities***

GEC includes two specific groups: Houston Energy (“GEC–Houston”) and Global Energy and Commodities New York (“GEC–NY”). The following is a brief description of each group:

*GEC–Houston* concentrates on energy-related clients and works with producers, distributors, importers, resellers and service companies. Clients seek financing for acquisitions, to refinance existing debt or for working capital and general corporate purposes.

GEC-NY provides financing products to its clients which include commodity trading and distribution companies, producers and processors in both North America and Mexico. GEC-NY clients operate in the following industries:

- Metals and Mining;
- Energy Trading and Distribution; and
- Soft Commodities / Agricultural Products and Fertilizers.

### **Real Estate Finance**

REF is a full service commercial real estate finance platform, originating and purchasing commercial mortgages, and providing repurchase agreements, subscription lines, financing facilities (on portfolios and single assets), subordinated debt and other assets backed by commercial real estate-related assets which are securitized, syndicated or held in portfolio. REF clients are principally based in the US.

## **C.2. US Investment Solutions**

Investment Solutions globally includes approximately 20 asset management companies, as well as entities outside the US engaged in private banking, insurance and private equity. In the US, the primary business activity is Asset Management.

### **Asset Management**

The Asset Management business of the US Investment Solutions Core Business Line is structured around the NGAM-Global holding company. NGAM-Global is a French entity that oversees the financial and strategic management of approximately 20 specialized asset management firms in Europe, the US and Asia and a global distribution platform. The specialized asset management firms market a wide range of investment solutions to a broad array of clients, including funds, dedicated products and mandates in all asset classes, including money market, bonds, equities, real estate, alternative and diversified classes.

NGAM-Global's business model is based on a global distribution platform serviced by multi-specialist asset management companies meeting the needs of a large international client base. NGAM-US owns 15 principal asset management and distribution companies in the US which are directly managed and overseen by NGAM-US. NGAM-US monitors and manages its activities of the affiliates to protect and enhance shareholder value and ensure that proper risk control and compliance are in place; brings access to capital for new investment products (seed money); and generally supports a business model that unifies distribution in an efficient manner on behalf of its affiliated entities. NGAM-Global's European and Asian asset managers are not owned by NGAM-US.

## D. Summary Financial Information

### D.1. Consolidated Balance Sheets

The consolidated Balance Sheets of BPCE and Natixis, prepared in accordance with International Financial Reporting Standards (“IFRS”) as of December 31, 2012 and 2011 are presented below:

Amounts expressed in € millions	BPCE Consolidated December 31,		Natixis Consolidated December 31,	
	2012	2011	2012	2011
<b>Assets</b>				
Cash and balances with central banks	€ 46,584	€ 11,678	€ 34,697	€ 5,567
Financial assets at fair value through profit and loss	224,554	234,751	231,870	245,625
Hedging derivatives	10,454	10,985	2,722	3,492
Available-for-sale financial assets	46,508	51,335	38,485	35,143
Loans and receivables	369,313	412,333	161,350	160,463
Held-to-maturity financial assets	5,197	4,626	3,506	4,037
Accruals and other assets	55,560	53,636	40,157	38,981
Investments in associates	13,738	12,522	12,090	10,838
Intangible assets	862	914	751	799
Goodwill	2,916	2,948	2,742	2,766
<b>Total</b>	<b>€ 775,686</b>	<b>€ 795,728</b>	<b>€ 528,370</b>	<b>€ 507,711</b>
<b>Liabilities and equity</b>				
Financial liabilities at fair value through profit and loss	€ 198,296	€ 229,834	€ 200,913	€ 232,184
Hedging derivatives	9,886	9,394	1,277	1,152
Amounts due to customers and credit institutions	225,164	224,010	182,304	153,113
Debt securities	216,593	212,382	46,085	25,879
Accruals and other liabilities	38,637	36,622	29,244	25,816
Insurance companies’ technical reserves	43,828	41,656	42,996	40,930
Contingency reserves	2,223	2,026	1,315	1,271
Subordinated debt	9,959	12,109	4,216	6,178
Equity attributable to equity holders of the parent	24,681	21,571	19,478	20,668
Non-controlling interests	6,419	6,124	542	520
<b>Total</b>	<b>€ 775,686</b>	<b>€ 795,728</b>	<b>€ 528,370</b>	<b>€ 507,711</b>

Additional information regarding BPCE and Natixis financial statements can be found in their individual December 31, 2012 Registration Document and Annual Financial Report available on their respective website at the following addresses:

*BPCE website:* <http://www.bpce.fr/en/Investors/Results/Registration-documents>

*Natixis website:* [http://www.natixis.com/natixis/jcms/lpaz5\\_30117/documents-de-reference](http://www.natixis.com/natixis/jcms/lpaz5_30117/documents-de-reference)



## D.2. Funding Sources and Uses

### Capital

BPCE and Natixis consolidated capital adequacy ratios must meet the minimum required under Basel 2.5. At December 31, 2012, BPCE and Natixis Tier 1 and Total Capital ratios exceeded the applicable Basel 2.5 minimum requirements of 4% and 8%, respectively.

At December 31, 2012, the Tier 1 and Total Capital ratios for BPCE were 11.8% and 11.7%, respectively. At December 31, 2012, the Tier 1 and Total Capital ratios for Natixis were 12.3% and 14.6%, respectively.

### Liquidity Risk Management Policy and Governance

The Liquidity Risk Management Policy is an integral part of BPCE's overall policy framework. This policy sets out to optimize Natixis' overall activities, including its US-based activities within a clear, shared and harmonized framework in terms of governance and Asset Liability Management ("ALM") regulations and in line with the group's risk constraints. Thus, the purpose of the overall liquidity risk management policy is to:

- Guarantee that Natixis complies with its financing commitments while ensuring that its refinancing needs and gaps are in line with the group's short and medium-term refinancing capacities;
- Optimize the cost of refinancing within the set risk constraints to help reach the profitability objectives set out in the strategic plan;
- Respect the internal limits set in close cooperation with BPCE and adapted to the group's ability to provide for Natixis' ultimate gaps needs;
- Comply with national and international regulations; and
- Contribute to the diversification of amounts raised by BPCE by geography, product and counterparty.

Liquidity risk is controlled, managed and monitored in the following manner:

- In order to manage balance sheet growth, liquidity budgets are allocated for each business line as part of the budgetary procedure and approved by the ALM Committee. Each business line's liquidity consumption is monitored at least monthly;
- Supervision of short-term liquidity gaps. In order to manage estimated short-term liquidity requirements, this indicator is produced daily for a 365-day horizon in intervals of one (1) day, based on BPCE's contractual transactions. It is governed according to two permanent limits (one on overnight market exposure and the other on the 60-day liquidity gap) approved by the Natixis ALM Committee and monitored daily;

- Supervision of medium-term liquidity gaps and asset-liability hedging ratios. These ratios include minimum hedging ratios approved by the ALM Committee and monitored at least quarterly or monthly as necessary; and
- Simulations of liquidity stress scenarios for the purpose of measuring BPCE's overall ability to continue to respect its commitments and operate in the event of a liquidity crisis. Natixis periodically simulates its contribution to the group's earnings based on different crisis scenarios (systemic, specific, combined, etc.) and different levels of intensity (moderate, strong, extreme, etc.) over one-, two- and three-month periods based on assumptions set by BPCE.

## Funding Sources

BPCE is the group's principal issuer of financial instruments and the only issuer of financial instruments that are regulatory capital eligible such as subordinated and deeply subordinated notes. BPCE offers investors several debt issuance programs. The group also possesses debt issuers that maintain the highest possible credit ratings. BPCE funding sources include: medium-term note programs totaling €50 billion; a €10 billion European Commercial Paper program; a €60 billion Certificate of Deposit Program; and a \$15 billion US Commercial Paper program.

In the US, Natixis' funding strategy is to develop and maintain a diversified financing base utilizing a mix of secured and unsecured financing sources. Unsecured funding sources include certificates of deposit, commercial paper and guaranteed investment contracts. Secured financing sources include bi-lateral and tri-party repurchase agreements and securities lending.

The NY Branch serves as the primary funding entity and will provide funding to its affiliates within US Wholesale Banking. There is no funding of operations across the Material Entities within the Core Business Lines. Accordingly, NGAM-US and its affiliates do not rely on US Wholesale Banking legal entities such as the NY Branch or other legal entities for funding.

Major funding sources for the US Wholesale Bank Material Entities include the aforementioned matched-book securities financing activities, commercial paper, guaranteed investment contracts and corporate deposits raised by the NY Branch or Natixis Grand Cayman Branch ("GCB"). Retail deposits are not accepted; therefore deposits raised by the NY Branch or GCB are not insured by the FDIC. Borrowings from Natixis are also used to fund US operations.

All US Wholesale Banking funding is handled by the FICT centralized Treasury function. In addition, US Wholesale Banking employs dedicated sales teams with responsibility to market and source new funding sources and innovative funding products to its clients.

The assets of NGAM-US are generally funded with operating cash flows, capital (including retained earnings) and Natixis borrowings.

## E. Derivative and Hedging Activities

BPCE is not engaged in any US derivative activities other than those derivative activities conducted by Natixis. Natixis engages in derivative activities (i) to satisfy client

requirements, (ii) for trading purposes and (iii) to manage its exposure to market and credit risk. All derivative exposures are reported at fair value in the preceding consolidated Balance Sheets.

Derivatives are generally transacted in private over-the-counter (“OTC”) transactions or through recognized derivative settlement exchanges. Natixis (including all of its branches) has provisionally registered as a swap dealer with the CFTC. Natixis derivative products include swaps, options and futures (interest rate, credit default, currency and equity). In addition, Natixis may enter into contracts that are not considered derivatives but include embedded derivative features. An embedded derivative is a component of a host contract which causes some or all of the cash flows of that contract to change in response to changes in an underlying asset’s value (interest rate, share price, exchange rate or other index). When the hybrid instrument (i.e., the combined host contract and the derivative) is not measured at fair value through profit and loss, the embedded derivative is separated from the host contract if it meets the criteria for definition as a derivative and its economic characteristics and associated risks are not closely related to those of the host contract. Derivatives separated from host contracts in this way are included in assets and liabilities at fair value through profit and loss in the accompanying consolidated Balance Sheets.

Natixis recognizes three hedging relationships: fair value, cash flow and net investment in a foreign operation. The type of instruments used in its derivatives and hedging strategy include but are not necessarily limited to interest rate swaps to hedge variable rate borrowings and loans (i.e., cash flow hedging) and also for fixed rate products (i.e., fair value hedging); and foreign currency contracts (i.e., FX swaps/forwards) are used to hedge the exchange rate risk arising from investments made in a foreign currency. Credit derivatives such as credit default swaps and total return swaps are utilized to manage credit risk.

Regarding derivatives trading activity, the NY Branch acts as agent and markets, sells and executes derivative transactions on behalf of Natixis. Such exposure is recorded and managed centrally by Natixis. In the US, and with the centralization of the derivative activities within Natixis as the registered swap dealer, the Material Entities with the exception of NGAM-US, conduct derivative activities principally with Natixis to act as an economic hedge of certain locally recorded exposures.

NGAM-US does not conduct any derivative activity.

## **F. Memberships in Material Payment, Clearing, and Settlement Systems**

Natixis and its US Material Entities hold memberships in various payment, clearing and settlement systems and exchanges to facilitate its business activity. Below is a list of key memberships:

## US Wholesale Banking

NSA holds the following memberships:

- New York Stock Exchange and ARCA, American Stock Exchange, NASDAQ, International Securities Exchange, One Chicago, ECN-Lava Flow, Depository Trust and Clearing Corporation (Government Securities Division and Mortgage-Backed Securities Division); National Securities Clearing Corp., Options Clearing Corp., Euroclear.

The NY Branch is a member of Fedwire Funds Service, and FedACH Services.

In addition, both NSA and the NY Branch are members of Society for Worldwide Interbank Financial Telecommunications ("SWIFT").

## US Investment Solutions

NGAM-US does not directly hold memberships in any trading, payment, clearing and settlement utilities. NGAM-US subsidiaries and affiliates are members of a variety of domestic and foreign trading, payment, clearing and settlement utilities and exchanges. The affiliates independently select and maintain membership in these systems and such memberships are not shared across affiliates.

## G. Description of BPCE and Natixis Non US Operations

BPCE is the number two (2) banking group in France with more than 8,000 branches, 36 million customers, 8.6 million cooperative shareholders and 117,000 employees. BPCE is the central institution of Groupe BPCE, a cooperative banking group. As such, it represents the credit institutions that are affiliated with it. The affiliated institutions, within the meaning of Article 511–31 of the French Monetary and Financial Code, are:

- The 19 Banque Populaire banks and their 52 mutual guarantee companies, whose sole corporate purpose is to guarantee loans issued by the Banque Populaire banks;
- The 17 Caisses d'Épargne et de Prévoyance (the share capital of which is held by 245 local savings companies);
- Natixis; six Caisses Régionales du Crédit Maritime Mutuel, Banque BCP SAS (France); Banque Fiducial, Banque de la Réunion, Banque de Tahiti; Banque de Nouvelle-Calédonie, Banque des Antilles Françaises, Banque Palatine, Crédit Foncier, Compagnie de Financement Foncier, Locindus, Cicobail, Cinergie; Société Centrale pour le Financement de l'Immobilier ("SOCFIM"), BPCE International et Outre-mer, Banque de Saint Pierre et Miquelon, Batimap, Batiroc-Bretagne Pays de Loire, Capitole Finance-Tofinso, Comptoir Financier de Garantie, Océor Lease Nouméa, Océor Lease Réunion, Océor Lease Tahiti, Sud-Ouest Bail, EXPANSO-Société pour le développement régional – Société Financière.

BPCE's role is to guide and promote the business and expansion of the cooperative banking group, comprising the Caisse d'Épargne network and the Banque Populaire network, the affiliated entities and, more generally, the other entities under its control. The business

activities of BPCE and the Groupe BPCE as a whole both inside and outside France include the following:

### **France Based Activities**

#### Banque Populaire Banks

The Banque Populaire banks are cooperative banks created by and for entrepreneurs, working closely with local businesses and business owners. They form the fourth largest banking network in France with 17 Banque Populaire regional banks, CASDEN Banque Populaire, which serves the staff of the French Ministry of Education, Research, and Culture, and Crédit Coopératif, a major player in the social and solidarity-based economy. Accordingly, the Banque Populaire Banks are 19 in total, owned by 3.9 million cooperative shareholders serving 8.5 million customers in 3,338 branches in France.

#### Caisses d'Épargne

Since 1818, the Caisses d'Épargne cooperative banks have combined confidence, solidarity and modernity. As part of the second largest retail banking network in France, the 17 regional Caisses d'Épargne are owned by 4.7 million cooperative shareholders and serve 26.4 million customers in 4,219 branches in France. Accordingly, the Caisses d'Épargne are among the leading banks in their regions and support all economic players and are leaders in financing the public sector, social housing and the social economy.

#### Crédit Foncier

Crédit Foncier specializes in real estate financing and works with individual customers as well as public and private operators in synergy with Groupe BPCE networks. Crédit Foncier operates 260 branches with 7,000 real estate professionals that have allowed over 3 million households to become homeowners in the past 20 years.

#### Banque Palatine

Dedicated to business banking and wealth management, Banque Palatine helps its customers achieve their personal and professional goals. Banque Palatine is committed to establishing a true financial partnership with its customers, drawing on its recognized areas of expertise and high value-added advisory services, with solutions tailored to each customer. Several training and development initiatives were also launched in favor of employees. Banque Palatine operates 52 branches serving 9,600 business customers and 65,000 private customers.

#### BPCE Assurances

Groupe BPCE is a major *bancassureur* on the French market. In 2012, the Group significantly developed the marketing of non-life and provident insurance. In France, the subsidiary BPCE Assurances primarily sells non-life and liability insurance products (automotive, comprehensive home insurance, legal protection), provident insurance (personal accident insurance) and health and non-bank insurance.

## Outside France and International Networks

### BPCE International et Outre-mer (“BPCE IOM”)

BPCE IOM develops commercial banking business outside France. A wholly-owned subsidiary of BPCE, it comprises 15 banks, with a controlling interest in 11 of them, and two specialized subsidiaries: Pramex International and Ingépar. With 120 consultants in 15 countries, Pramex International advises and supports the international development of some 1,000 SMEs per year. Ingépar arranges complex financing for assets overseas and in mainland France such as infrastructures, transport, industrial projects, hotels and real estate, and public-private partnerships.

### Natixis

Natixis is the corporate, investment and financial services arm of BPCE. With around 22,000 employees, Natixis has a number of areas of recognized expertise which are divided into three main business lines: Wholesale Banking, Investment Solutions (asset management, private banking, insurance, private equity) and Specialized Financial Services. Please refer to Section 1.4, Natixis Business Lines in the 2012 Registration Document and Annual Financial Report for additional information.

### Wholesale Banking

At December 31, 2012, Natixis’ Wholesale Banking division employed 4,285 people in 31 countries around the world: 64% in France and 36% abroad. It operates in the major global marketplaces with three international platforms:

- Americas (which in addition to the US includes offices in Canada, Brazil, Mexico, Argentina and Peru);
- Asia-Pacific; and
- EMEA (Europe excluding France, Middle East and Africa).

With nearly 500 employees in 12 countries, the Asia-Pacific platform’s goal is to assist the Bank’s clients and build up specialized business expertise in this fast-growing region.

The EMEA platform (Europe excluding France, Middle East, Africa) comprises the Wholesale Banking operations in London, Madrid, Milan, Frankfurt, Moscow and Dubai, in addition to several representative offices.

### Investment Solutions

Investment Solutions plans to leverage its strength in its natural markets in France and the US to further the division’s international expansion. Almost 54% of the people employed (over 4,200 people) by Investment Solutions already work outside France, mainly with NGAM-Global (over 2,300 people at 15 asset management companies in the US) and a global distribution platform employing 600 people throughout the world with a leading position in the US mutual fund segment. Private Banking also has a platform in Luxembourg, where some 100 people are working to build up the European Private Banking

business, while Private Equity offers a global range of funds of funds through asset management firms in the US and Asia.

NGAM-Global's business model is based on a global distribution platform serviced by multi-specialist asset management companies meeting the needs of a large international client base. Drawing on its diverse range of portfolio management skills, strong distribution capacity and flexible business model, NGAM-Global has consolidated its position as a major international player in asset management. NGAM-Global was ranked in the top 15 in the world among asset managers based on AuM at 2012 year end.

### Specialized Financial Services

Natixis' Specialized Financial Services division comprises two major business categories: Specialized Financing and Financial Services.

Specialized Financing offers arrange of services to retail, professional and corporate customers, designed to optimize their cash management or support their investment projects including: factoring, sureties and guarantees, leasing, consumer finance and film and audiovisual financing. Financial Services combines settlement and account-keeping services in the field of payments (i.e., credit transfers, direct debits, electronic payment transactions etc.), financial market transactions, employee savings and pension schemes, service vouchers and collective personal protection insurance.

The Natixis Factor subsidiary creates and manages solutions designed to enable companies of all sizes to optimize and manage their accounts receivable: factoring and financing, credit insurance, information and receivables management. Natixis Factor is the number four (4) player in the market overall and number three (3) in the French market.

Natixis ranks second in the French market for mortgage guarantees for individuals and guaranteed €15.5 billion in loans in 2012 in a contracting market. Natixis also ranks second for guarantees for property administrators and realtors under the Hoguet Law, issuing nearly 5,000 guarantees in 2012. Natixis shares the leading spot in the single-family home building sector (guaranteeing more than 16,500 houses in 2012) and also nearly 44,000 guarantees issued for businesses in order to help them comply with regulatory requirements (payment guarantees), tax requirements (excise taxes and customs duties) or contractual obligations.

With regard to leasing, Natixis Lease provides companies of all sizes and professionals with a range of solutions for financing their equipment and installations, including equipment leasing, real estate leasing, operating leasing, long-term vehicle leasing, IT operational leasing and renewable energy financing.

Additional Specialized Financial Services businesses and activities include Film Industry Financing conducted through Natixis Coficiné and employee benefit planning solutions developed by Natixis Interépargne and Natixis Intertitres. Also, Natixis ranks as the number three (3) payments operator in France and provides securities services and custody through Natixis' EuroTitres Department.

## H. Material Supervisory Authorities

BPCE and Natixis operations are subject to supervisory oversight in the jurisdictions and countries in which each operates. The following is a list of the principal regulators that oversee Natixis operations in the US, France and the Cayman Islands.

### US-Based Supervisors:

FRB; NYSDFS; FINRA; SEC; CFTC and the National Futures Association (“NFA”). In addition, Natixis’ US operations are subject to supervision in all 50 states.

### Non US-Based Supervisors:

ACPR (France); Autorité des Marchés Financiers (“AMF”, France); Cayman Islands Monetary Authority (Cayman Islands).

## I. Identity of Principal Officers

BPCE is governed by a Supervisory Board and a Management Board. The Supervisory Board is comprised of between 10-18 members including seven (7) members each representing the Banque Populaire banks and the Caisses d’Epargne, respectively and four (4) independent members. In addition, there are six (6) non-voting directors that act in an advisory capacity, and two (2) non-voting members representing the BPCE Work Council. The Chairman of the Supervisory Board is Mr. Yves Toublanc. On December 11, 2013, the Supervisory Board of BPCE announced that Mr. Stève Gentili and Mr. Yves Toublanc have been appointed its new Chairman and Vice-Chairman, respectively effective January 1, 2014.

The Supervisory Board performs the duties attributed to it by law and in this respect it performs the checks and controls it deems appropriate and may review any documents regarded as expedient in fulfilling its mission. The Supervisory Board has instituted three specialized committees in charge of preparing decisions and making recommendations for the Supervisory Board to consider. The three committees are: Audit and Risk Committee; Appointments and Remuneration Committee and the Cooperative Committee.

The BPCE Management Board is comprised of between 2-5 members who are appointed by the Supervisory Board. Mr. François Pérol is the Chairman of the Management Board. The BPCE Management Board has the broadest powers to act under all circumstances in the name of BPCE within the corporate purpose and subject to decisions requiring prior authorization in accordance with French law or the Articles of Association, of the Supervisory Board and the Annual General Shareholders’ Meetings.

The complete membership list of the BPCE Supervisory Board and Management Board can be found in Section 2 of the aforementioned BPCE 2012 Registration Document and Annual Report.

Natixis as a *société anonyme* is governed by a Board of Directors and various committees thereof and a Senior Management Committee. Mr. François Pérol is the Chairman of the Natixis Board of Directors.



The Natixis Board of Directors is comprised of 14 members: two (2) members from BPCE; four (4) members each from the Banque Populaire banks and the Caisses d'Épargne and four (4) independent members. The Natixis Board of Directors defines the strategy governing its activities and oversees the implementation of such strategies and defines Natixis' senior management policies. The Board of Directors is supported by three specialized committees: Audit Committee; Appointments and Compensation Committee and a Strategic Committee. The Board of Directors appoints the Chief Executive Officer who establishes a Senior Management Committee comprised of the heads of the Core Business Lines and the support functions. The Natixis Chief Executive Officer is Mr. Laurent Mignon.

The complete membership list of the Natixis Board of Directors and its Committees and the Senior Management Committee can be found in Section 3 of the aforementioned Natixis 2012 Registration Document and Annual Report.

## **J. Description of Corporate Governance and Resolution Planning Process**

To address resolution planning needs, BPCE established a Global Steering Committee responsible for executive oversight of recovery and resolution planning for the Groupe BPCE globally. The Global Steering Committee is composed of the principal officers of BPCE and the Recovery and Resolution Plan Director. Ultimate responsibility for approval of the recovery and resolution plan resides with the BPCE Supervisory Board. In addition, a BPCE Project Team was put into place to coordinate and oversee the production of the Groupe BPCE plan globally. The BPCE Project team coordinated with a Natixis Project Team that contributed Natixis specific information and chapters for inclusion in the BPCE Plan.

Through this governance structure, BPCE completed and filed the BPCE Plan in accordance with French Prudential Banking Law with its home country regulator, the ACPR. The US Resolution plan will be integrated as an appendix to the BPCE Plan subject to the receipt of applicable regulatory approvals and submitted to the ACPR.

With respect to the preparation of the US Resolution Plan, a US Resolution Plan Steering Committee ("US Steerco") was established to oversee the development of the US Resolution Plan in accordance with the 165(d) Rule. Under the US Steerco, a US Resolution Plan Working Group ("Working Group") was set up for US Wholesale Banking and US Investment Solutions to gather the data necessary for the drafting of the resolution plan while leveraging resources of Natixis and BPCE to ensure efficient and complete delivery of the US Resolution Plan. Certain US Working Group representatives are also members of the US Steerco which ensures effective communication, coordination and decision making throughout the process.

During the preparation of the US Resolution Plan, the US Working Group held weekly meetings. The Natixis Project Team and US Working Group coordinated by way of regular calls. The Natixis Project Team then liaised with the BPCE Plan Director to ensure consistency with the BPCE Plan, provide updates on the progress on the US Resolution Plan and address open issues. Updates on US Resolution Plan progress were also provided to the Global Dodd-Frank Steering Committee.

The review and approval process for the US Resolution Plan entailed the submission of the plan to the Natixis US Wholesale Banking Executive Committee and NGAM-US Executive Committee for review and approval. After approval by the respective Executive Committees, the US Steerco submitted the US Resolution Plan to the Natixis Senior Management Committee ("*Comité de Direction Générale*") and then to the BPCE Management Board ("*Directoire*") for final approval under a delegation of authority received from the BPCE Supervisory Board ("*Conseil de Surveillance*").

## K. Description of Key Management Information Systems

Natixis' US Core Business Lines and Material Entities, utilize a number of key management information systems ("MIS") that are both locally supported in the US and fully integrated with Natixis. These systems directly support the management, financial, risk (e.g., market, liquidity, credit, operational) and regulatory reporting throughout the Natixis organization. These key MIS have been identified and compiled by the respective Core Business Lines in their respective inventories of systems and applications used for risk management, accounting, and to discharge various reporting responsibilities to management, investors and regulators. The US Core Business Lines and the Material Entities MIS is fully sufficient to allow it to manage its business operations. Natixis has established procedures and protocols necessary to allow the US Regulators access to these systems, in tandem with Natixis personnel identified as critical during a time of financial crisis.

The US Core Business Lines and Material Entities have also established required Business Continuity Plans ("BCPs") which allow for the timely resumption of critical business activities in the event of a prolonged interruption or event. The BCPs contain a complete inventory of all deemed critical systems and the location of back up processes and facilities available should the need arise. Natixis' Business Continuity program is subject to review by auditors and regulatory authorities and is tested periodically.

## L. Description of Resolution Strategy

The US Resolution Plan strategy encompasses the resolution of the US Material Entities and Core Business Lines in the event of a material financial distress. In particular, the resolution strategy assumes that a hypothetical, idiosyncratic event occurs that is specific to Natixis and leads to the US Material Entities experiencing a 30-day Distress Period. During the Distress Period, it is assumed that market concerns would be heightened regarding the overall health and financial stability of Natixis, while US financial markets would be otherwise functioning normally and clients and counterparties would not have been directly affected by the idiosyncratic event. During the Distress Period, it is also assumed that Natixis would perform ongoing surveillance of its overall health and risk position and that its US executive management has been given the authority to begin executing wind-down actions in an orderly manner that would meet the requirements of the US Resolution Plan.

The US Resolution Plan strategy contemplates that the Material Entities will be resolved under the resolution regimes indicated below:

- The NY Branch would be seized by the Superintendent of NYSDFS and, in accordance with New York State law;

- NNA and NGAM-US would be resolved under Chapter 11 of the Bankruptcy Code and either placed in US bankruptcy or liquidated; and
- NSA would likely be resolved under Chapter 11; however, if NSA had customers as defined under the Securities Investor Protection Act (“SIPA”) upon its entry into resolution, it would be resolved under SIPA.

The US Resolution Plan for US Wholesale Banking assumes that the Superintendent of NYSDFS will take control of the NY Branch and liquidate assets to maximize value for creditors. Similarly, whether under Chapter 11 or SIPA, NSA will sell off its highly liquid assets to maximize value for creditors. NNA as a service provider to US Wholesale Banking entities (including the NY Branch and NSA) will continue to provide services to such entities on a cost-plus basis until such entities are wound down. At that point, NNA will liquidate the remainder of its assets and be dissolved.

The US Resolution Plan for US Investment Solutions assumes the sale of the assets of NGAM-US, consisting principally of its affiliated investment management and distribution companies, in one or more transactions to third party purchasers, such as other asset management groups, private equity funds, banks, insurance companies or other US or international financial institutions and investors.

The US Resolution Plan focuses on the liquidation and wind-down of the Material Entities because their resolution will simultaneously result in the resolution of the Core Business Lines.