

## **BPCE/Natixis**

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# **US Resolution Plan**

# **Public Section**

December 31, 2015

*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 of 2010 and the rule promulgated thereunder (the “165(d) Rule”), BPCE SA (“BPCE”) is deemed to be a covered company and must submit annually to the Board of Governors of the Federal Reserve System (the “FRB”) and the Federal Deposit Insurance Corporation (the “FDIC”) (collectively, the “US Regulators”) a US Resolution Plan. BPCE’s majority-owned consolidated subsidiary, Natixis SA (“Natixis”), operates in the US through a New York State licensed branch and other nonbanking subsidiaries.

In accordance with the 165(d) Rule and the instructions provided by the US Regulators, BPCE/Natixis prepared this 2015 US Resolution Plan (the “2015 US Resolution Plan”). This submission takes into account the material financial distress or failure of the covered company under baseline, adverse and severely adverse scenarios.

BPCE annually submits an update to its Recovery and Restructuring Plan (the “BPCE Plan”) in accordance with French Prudential Banking Law to its home country regulator, the *Autorité de Contrôle Prudentiel et de Résolution* (the “ACPR”). The most recent update was submitted by BPCE in October 2015. The 2015 US Resolution Plan will be provided to the ACPR and the European Central Bank (the “ECB”) subject to the approval of the US Regulators.

### 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’Épargne* Supervisory Board approved the terms and conditions of the combination of their two (2) 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’Épargne, the two (2) networks that form the foundation of the group’s retail banking operations. The Banque Populaire banks and the Caisses d’Épargne are credit institutions. Their governance comprises a Board of Directors for the Banque Populaire banks and Supervisory and Management Boards for the Caisses d’Épargne.

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 Banques Populaires banks and 50% by the Caisses d’Épargne.

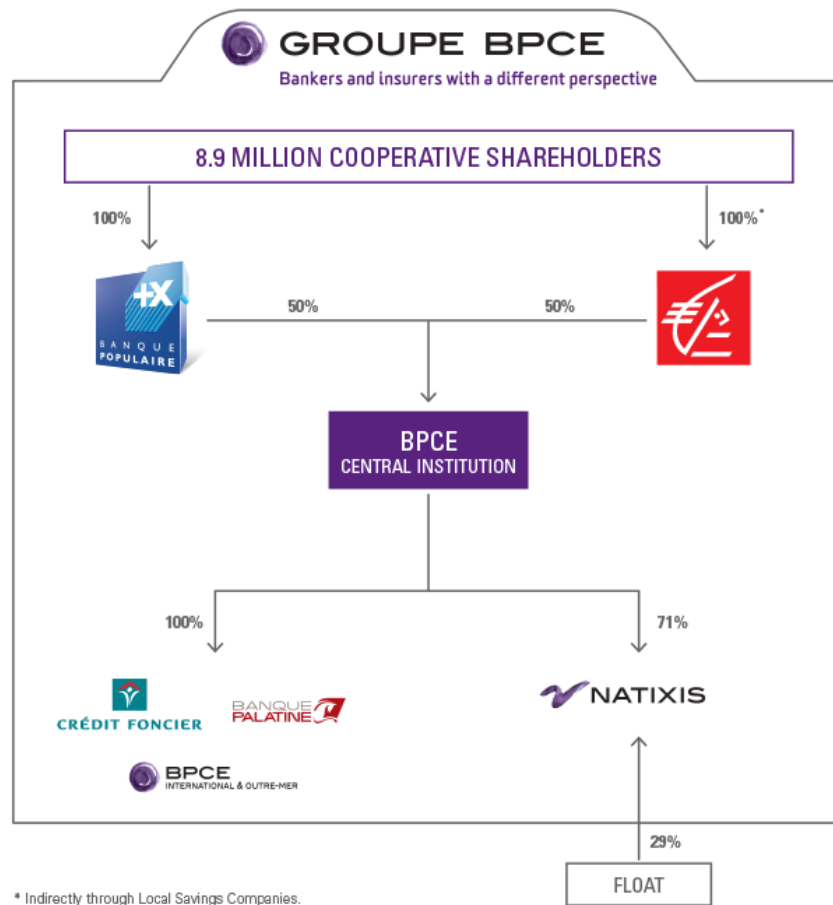
Natixis is a *société anonyme à conseil d’administration* that was formed in 2006 through the combination of Natixis Banques Populaires and various subsidiaries of the Groupe Caisse d’Épargne, notably IXIS Corporate & Investment Bank and IXIS Asset Management.

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<sup>1</sup> BPCE is No. 2 by market share of customer savings and customer loans (source: Banque de France Q3-2014 – all non-financial customers), No. 2 in terms of penetration rate among professional customers and individual entrepreneurs (source: Pépites CSA 2013-2014 survey).

Natixis has been affiliated with BPCE since 2009. Natixis was previously affiliated with both the Caisse Nationale des Caisses d’Epargne and the Banque Fédérale des Banques Populaires since 2006. As of March 31, 2015, Natixis was approximately 71% owned and controlled by BPCE with approximately 29% held via public free float. Natixis shares are listed on the Euronext in Paris as shown in the following abridged organization chart.

### ORGANIZATION CHART OF GROUPE BPCE AT MARCH 31, 2015



As BPCE principally operates in the US through Natixis<sup>2</sup>, the 2015 US Resolution Plan focuses on the US activities conducted by Natixis’ Core Business Lines and Material Entities.

## 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

<sup>2</sup> Pramex International, an indirect operating subsidiary of BPCE, is located in New York and provides business development, business engineering, and business management consulting services.

*Line.*” The following legal entities, including a brief description of each, have been designated as a Material Entity to Natixis activities conducted in the US which remain unchanged from previous US Resolution Plan submissions:

- *Natixis New York Branch (the "NY Branch")* – The NY Branch is a branch of Natixis that is licensed by the New York State Department of Financial Services (the “NYSDFS”) to conduct a banking business in New York. The NY Branch’s activities include commercial lending, non-retail deposit taking and the management of Natixis’ US dollar funding position. The NY Branch is a registered US Government Securities Dealer (non-primary) and also engages in Repurchase agreements and Reverse Repurchase agreements (together, “Repos”) as principal. The NY Branch, acting as agent, markets, sells and executes derivative transactions on behalf of Natixis.
- *Natixis Securities Americas LLC ("NSA")* – NSA, a Delaware limited liability company and wholly-owned subsidiary of NNA, is a registered broker-dealer regulated by the Securities and Exchange Commission (the “SEC”) and the Financial Industry Regulatory Authority (“FINRA”). NSA engages in several classes of services, including principal and agency transactions in both domestic and foreign equities, and investment banking activities. NSA also participates in private placements and engages in proprietary matched-book securities financing transactions.
- *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 by its subsidiaries. NNA provides infrastructure support services to the US Wholesale Banking entities.
- *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. NGAM-US consists of twelve (12) 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 (3) main businesses globally: Wholesale Banking, Investment Solutions & Insurance and Specialized Financial Services. For purposes of the 2015 US Resolution Plan, the US activities of Wholesale Banking and Investment Solutions & Insurance have been deemed Core Business Lines (“US Wholesale Banking”, “US Investment Solutions”, collectively the “Core Business Lines”) which are unchanged from previous US Resolution Plan submissions.

In addition, Coface, an insurance business, is present in the US but its activities are not considered a main business by Natixis. Specifically, in June 2014, Natixis sold approximately 59% of Coface in an initial public offering.

### **C.1. US Wholesale Banking**

Natixis Wholesale Banking includes five (5) business segments that operate globally: Coverage & 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 (3) 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 Securities Origination and Conduit Funding, Credit Solutions and Insurance Solutions.

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

EQM provides clients access to a wide range of underlying assets across the full spectrum of global equity markets. EQM employs an integrated approach covering research, trading, execution, sales, distribution and financial engineering, and is geared to delivering investment, hedging and financial solutions to a very broad range of clients. EQM is divided into the following main business activities: Equity Finance, Cross Asset Investment Solutions, Fund Solutions, Equity Capital Markets, Strategic Equity Solutions and Private Equity Secondaries Financing.

#### **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 (2) 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 the Americas. This group works with manufacturers, airlines, lessors as well as subordinated and equity investors and any 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. GIP’s focus 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:

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

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

GEC includes two (2) specific groups: Houston Energy (“GEC–Houston”) and GEC 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 and Canada.

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

Investment Solutions & Insurance globally includes approximately twenty (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 NGAM-Global. NGAM-Global is a French entity that oversees the financial and strategic management of approximately twenty (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 specialized asset management firms meeting the needs of a large international client base. NGAM-US owns twelve (12) principal asset management and distribution companies in the US that are managed and overseen by NGAM-US. NGAM-US monitors and manages the activities of its subsidiaries 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 the most 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, 2014 and 2013, are presented below:



Amounts expressed in € millions	BPCE Consolidated <sup>1</sup>		Natixis Consolidated <sup>2</sup>	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Assets</b>				
Cash and balances with central banks	€ 74,141	€ 51,726	€ 56,598	€ 40,891
Financial assets at fair value through profit and loss	234,393	211,282	254,560	218,324
Hedging derivatives	14,171	6,429	130	1,733
Available-for-sale financial assets	49,446	44,232	44,816	40,678
Loans and receivables	358,577	344,255	178,942	165,575
Held-to-maturity financial assets	4,295	4,751	2,763	3,025
Accruals and other assets	61,765	47,739	48,374	36,438
Investments in associates	3,234	2,430	684	140
Intangible assets	816	782	750	675
Goodwill	2,972	2,825	2,807	2,652
<b>Total</b>	<b>€ 803,810</b>	<b>€ 716,451</b>	<b>€ 590,424</b>	<b>€ 510,131</b>
<b>Liabilities and equity</b>				
Financial liabilities at fair value through profit and loss	€ 205,086	€ 180,820	€ 220,622	€ 186,049
Hedging derivatives	14,017	5,390	735	532
Amounts due to customers and credit institutions	199,484	203,545	195,848	187,897
Debt securities	239,079	203,899	56,583	38,779
Accruals and other liabilities	48,242	36,962	40,205	29,663
Insurance companies' technical reserves	50,754	45,694	50,665	44,743
Contingency reserves	2,712	2,373	1,597	1,447
Subordinated debt	15,916	10,749	4,008	3,076
Equity attributable to equity holders of the parent	21,221	21,249	18,872	17,900
Non-controlling interests	7,299	5,770	1,289	45
<b>Total</b>	<b>€ 803,810</b>	<b>€ 716,451</b>	<b>€ 590,424</b>	<b>€ 510,131</b>

<sup>1</sup> The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. Please refer to the 2014 Registration Document and Annual Report for further information.

<sup>2</sup> The information at December 31, 2013 has not been restated to reflect the impact of the first application of IFRS 10 and 11, as it is not material. Please refer to the 2014 Registration Document and Annual Report for further information.

## D.2. Funding Sources and Uses

### Capital

BPCE and Natixis consolidated capital adequacy ratios must meet the minimum requirement under Basel 3. At December 31, 2014, BPCE's and Natixis' Tier 1 and Total Capital ratios exceeded the applicable Basel 3 minimum requirements.

BPCE's Tier I and Total Capital ratios calculated as of December 31, 2014 and reported under Basel 3 were 10.3% and 15.5%, respectively. Natixis' Tier I and Total Capital ratios

calculated as of December 31, 2014 and reported under Basel 3 were 12.0% and 13.8%, respectively.

### **Liquidity Risk Management Policy and Governance**

Natixis is affiliated with the BPCE network, as defined by the French Monetary and Financial Code. Article L.511-31 of the French Monetary and Financial Code which stipulates that central institutions are credit institutions and, as such, they must oversee the cohesion of their network and ensure the proper operation of affiliated institutions and companies. To this end, they take any necessary measures notably to guarantee the liquidity and capital adequacy of all such institutions and companies as well as the network as a whole.

In light of Groupe BPCE's commitment to the supervisory authorities to ensure and guarantee the liquidity of the bank as lender of last resort, Natixis remains under the supervisory authority of BPCE. This supervision is implemented through a governance process and an overall liquidity risk management and monitoring system that is implemented, shared and harmonized across all affiliates; its principal guidelines have been defined by Groupe BPCE's Asset Liability Management ("ALM") Committee.

The Natixis 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 Wholesale Banking activities within a clear, shared and standardized framework in terms of governance and 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 profitability objectives;
- Respect the internal limits set in close cooperation with BPCE and adapted to the group's ability to provide for Natixis' ultimate liquidity 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:

- *Management of business line liquidity consumption* - In order to manage Natixis refinancing needs, liquidity budgets are allocated for each main business as part of the budgetary procedure and approved by the ALM Committee. Each business line's liquidity consumption is monitored weekly and monthly depending on the business line;
- *Management of Natixis' contribution to Groupe BPCE's net market footprint* - The objective is to match the liquidity allocation system with the Group's strategic ambitions and operational oversight;

- *Supervision of short-term mismatching measured on 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 all contractual transactions including transactions of US subsidiaries. It is subject to four (4) permanent limits approved by the ALM Committee and monitored daily:
  - Overnight market exposure at opening;
  - On the 60-day static liquidity gap;
  - On the 150-day static liquidity gap; and
  - On the 330-day static liquidity gap.
- *Supervision of medium-term mismatching measured on the liquidity gap and asset/liability coverage ratios* - These ratios, which are calculated for all currencies combined and for the US dollar, include minimum hedging ratios approved by the ALM Committee and monitored monthly;
- *Simulations of liquidity stress scenarios* - The purpose of these liquidity stress scenarios is to measure 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;
- *Monitoring of the refinancing structure* - The refinancing structure is monitored to ensure that resources are well diversified, by type of counterparty, by market segment and by geographic area, in order to manage all consolidation risk; and
- *The constitution of a liquidity pool* - Natixis has a liquidity pool to secure intraday payments which is composed of securities and Central Bank-eligible receivables and is based in Paris and New York. The amount held in the pool is fairly stable over time.

## Funding Sources

The Group Finance division organizes, coordinates and supervises the funding of Groupe BPCE on the markets. The short-term funding of Groupe BPCE is carried out by a single Treasury and Central Bank Collateral Management Team, created following the merger of the BPCE and Natixis cash management teams. This integrated Treasury Team is capable of managing the Group's exposition more efficiently, particularly in periods of liquidity pressure. The Group has access to short-term market funding through its two main issuers: BPCE and Natixis.

For medium and long-term funding requirements (more than one year), in addition to deposits from customers of the Banque Populaire and Caisse d'Épargne networks, which are the primary source of funding, the Group also issues bonds through two main operators:

- BPCE (either directly as BPCE or through BPCE SFH, which issues *obligations de financement de l'habitat* ("OH"), a category of secured bond backed by French legislation); and
- Compagnie de Financement Foncier, a subsidiary of Crédit Foncier, which issues covered bonds known as *obligations foncières* ("OF"), also backed by French legislation.

BPCE also handles the medium and long-term funding activities of Natixis, which no longer is a regular issuer in the markets, as well as those of Crédit Foncier.

BPCE has short-term funding programs (certificates of deposit, Euro Commercial Paper and US Commercial Paper) and medium- and long-term funding programs (Medium Term Notes ("MTN"), Euro MTN (or EMTN), US MTN, AUD MTN and a securitized bond program, backed by the home loans of the Banque Populaire and Caisse d'Épargne networks). All of the group's assets and liabilities are subject to internal liquidity pricing, for which the principles are decided by the Groupe BPCE ALM Committee and aim to take into account changes in market liquidity costs and asset/liability matching .

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, guaranteed investment contracts and corporate deposits. Secured financing sources include repurchase agreements and securities lending.

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

Major funding sources for the US Wholesale Banking Material Entities include the aforementioned matched-book securities financing activities, commercial paper, guaranteed investment contracts and corporate deposits raised by the NY Branch or the 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 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 to satisfy client requirements

and 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 (3) 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 activity conducted in the US, 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. Certain US Wholesale Banking legal entities 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 their business activities. Below is a list of key memberships:

### **US Wholesale Banking**

NSA holds the following exchange memberships:

- NYSE, NYSE-ARCA and NYSE-MKT; NASDAQ, International Securities Exchange, One Chicago, and AQS.

NSA also holds the following clearing memberships:

- Depository Trust and Clearing Corporation, Fixed Income Clearing Corporation (Government Securities Division and Mortgage-Backed Securities Division), National Securities Clearing Corporation, and Options Clearing Corporation.

The NY Branch is a member of Fedwire Funds Service and the Fixed Income Clearing Corporation (Government Securities Division).

In addition, both NSA and the NY Branch transmit payment instructions through the 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, 8.9 million cooperative shareholders and 108,000 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 eighteen (18) Banque Populaire banks and their 50 mutual guarantee companies, whose sole corporate purpose is to guarantee loans issued by the Banque Populaire banks;
- The seventeen (17) Caisses d’Épargne et de Prévoyance (the share capital of which is held by 227 local savings companies);
- Natixis; five (5) Caisses Régionales de Crédit Maritime Mutuel; Banque BCP SAS (France); Banque de la Réunion; Banque de Tahiti; Banque de Nouvelle-Calédonie; Banque des Antilles Françaises; Banque Palatine; Crédit Foncier de France; Compagnie de Financement Foncier; Locindus; Cicobail; 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.

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 sixteen (16) 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 eighteen (18) in total, owned by 3.9 million cooperative shareholders serving 9.1 million customers in over 3,300 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 seventeen (17) regional Caisses d'Épargne are owned by nearly 5.0 million cooperative shareholders and serve 25.5 million customers in 4,200 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 253 branches with 7,000 real estate professionals in France.

### 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. Banque Palatine operates fifty-two (52) branches serving 12,000 business customers and 61,000 private banking customers.

### Insurance Activities

As a major bancassurance specialist on the French market, Groupe BPCE works with leading insurers under partnership agreements and with dedicated subsidiaries. Groupe BPCE has launched a project to bring new life insurance and provident insurance policies distributed by the Caisses d'Épargne into its new Insurance business line and renewed its partnership with CNP Assurances covering savings, payment protection insurance and provident insurance.

In order to build a fully-fledged bancassurance activity, the Group has created a new division combining life and non-life insurance at Natixis. Groupe BPCE's transferred its 60% stake in BPCE Assurances to Natixis Assurances and maintained its existing agreements with BPCE Assurances' other shareholders, Macif and MAIF.

## 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 has over 3,500 employees, controls and develops ten (10) banks and two (2) specialized subsidiaries: Pramex International and Ingépar. With around 100 consultants in fifteen (15) countries, Pramex International has assisted nearly 500 companies with their international growth plans. It has already partnered with Ubifrance and Bpifrance, and is now a partner of ERAI, the Rhône-Alpes region’s agency that promotes the international development of its businesses. 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.

### BRED Banque Populaire (“BRED”)

BRED’s overseas operations include a network of seventy-six (76) branches in the French Overseas Departments, as well as subsidiaries in Polynesia and New Caledonia. Buoyed by this experience, BRED is pursuing sustained and targeted growth in the Pacific (Vanuatu and Fiji) the Horn of Africa (Djibouti) and in South-East Asian countries (Laos and Cambodia), where it is a pioneer among European banks.

### Natixis

Natixis is the corporate, investment, insurance and financial services arm of BPCE. With more than 16,000 employees, Natixis has a number of areas of recognized expertise which are divided into three (3) main business lines: Wholesale Banking, Investment Solutions & Insurance (asset management, private banking, insurance, private equity) and Specialized Financial Services. The following is a brief description of the Natixis’ main business lines activities. Additional information may be found in Section 1.4, *Natixis Business Lines* in the *2014 Registration Document and Annual Financial Report*.

#### Wholesale Banking

At December 31, 2014, Natixis’ Wholesale Banking division employed approximately 3,100 people in 28 countries around the world: 60% in France and 40% abroad. It operates in the major global marketplaces with three (3) international platforms:

- Americas (which in addition to the US includes offices in Canada, Brazil, Colombia (opened in 2015), Mexico, Argentina and Peru);
- Asia Pacific; and
- EMEA (Europe (excluding France), Middle East and Africa).

With more than 500 employees in twelve (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 platform’s major responsibilities are to increase the number of local customers by offering them the Natixis product line, supporting global and European clients with their development projects in Asia, especially clients of Natixis’ worldwide franchises, and actively contributing to funding inflows for Groupe BPCE.



The EMEA platform operates in approximately 100 countries. The region is served by teams based in Paris and by some 550 employees divided among five (5) branches (London, Frankfurt, Milan, Madrid and Dubai), two (2) subsidiaries (Moscow and Frankfurt) and three (3) representative offices (Almaty, Johannesburg and Istanbul). All Wholesale Banking business lines are represented within the platform, with the range of services offered to customers varying by country.

### Investment Solutions & Insurance

The Natixis Investment Solutions business line, which previously covered asset management, private banking and private equity, was reorganized in 2014 to become Investment Solutions & Insurance. This business line now comprises two divisions: Asset Management and Private Banking, and Insurance. The purchase of BPCE Assurances by Natixis together with the new partnership initiated with Groupe BPCE and CNP Assurances led to the creation of a single insurance division that will enable Groupe BPCE to become a fully-fledged bancassurance player.

The Asset Management and Private Banking division is centered on Asset Management, an area in which Groupe BPCE has global ambitions, boasting internationally acknowledged asset management expertise and distribution structures adapted to the specific features and regulations of the various markets in which it operates. It also aims to strengthen the positioning of the Banque Populaire and Caisse d'Épargne networks in the financial savings and private banking segments in France, and seek new international growth drivers.

Natixis' Asset Management Subsidiary, NGAM-Global, aims to further its international development. Two-thirds of NGAM-Global's 3,400 employees already work outside of France, mainly in the US, the world's biggest asset management market. In addition, NGAM-Global has a global distribution platform of close to 700 people and has 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 Europe, the US and Asia.

### *Asset Management*

NGAM-Global ensures the overall consistency of asset management operations and also has responsibility for developing a global distribution platform and overseeing the financial and strategic management of around twenty (20) specialized asset management and investment service companies in Europe, the US and Asia. Combined, these entities have 3,450 staff, 2,000 of whom are in the US. They hold key positions in Europe - primarily in France - and are developing their presence in Asia Pacific, the Middle East and, since 2014, Latin America and Canada. NGAM-Global's business model is based on a global distribution platform serviced by multi-specialist asset management companies to meet the needs of a large international client base. Drawing on its diverse range of portfolio management skills, strong distribution network and flexible business model, NGAM-Global has consolidated its

position as a major international player in asset management. NGAM-Global was ranked 16<sup>th</sup> among global asset managers at year-end 2013<sup>3</sup>.

### *Private Banking*

The Natixis Private Banking activity is dedicated to the financial planning of its private investors. It comprises Banque Privée 1818, geared towards the French market, and Natixis Private Banking whose teams are based in Luxembourg and Belgium. At end-2014, its assets under management totaled €24.7 billion.

Its teams work closely together to address all aspects of financial planning using its multi-faceted expertise in wealth engineering, corporate advisory (management package advisory), family office, credit facilities and asset management, and its asset management company VEGA Investment Managers.

The Private Banking activity serves three (3) customer categories: the Groupe BPCE networks, independent wealth management advisors (“IWMAs”) through its Sélection 1818 subsidiary (multi-product and multi-service platform) and direct customers, brought mainly by Natixis.

### *Insurance*

Natixis provides a wide range of insurance products for retail customers, independent professionals and, to a lesser extent, corporate clients. Pension and life insurance products are mainly distributed by the Banque Populaire network, in synergy with the other business lines of the Investment Solutions & Insurance division. The personal protection insurance business records consistent growth and features a wide variety of solutions distributed by the Banque Populaire and Caisse d’Epargne networks ranging from death benefit, work cessation and dependency products to payment protection insurance. Lastly, car and home insurance products available to retail customers in the Banque Populaire and Caisse d’Epargne network are rounded out by an offering geared towards professional customers.

Natixis Assurances operates in Luxembourg through its subsidiary Natixis Life, and in Lebanon through an equity stake in a subsidiary in partnership with a local private bank.

### Specialized Financial Services

Natixis’ Specialized Financial Services division comprises two (2) major business categories: Specialized Financing and Financial Services. These businesses form a core part of the development of the BPCE networks.

Specialized Financing offers a range 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.

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<sup>3</sup> Cerulli Rankings – July 2014 based on assets under management at year-end 2013.

Financial Services combines payment activities (credit transfers, direct debits, electronic payment transactions, etc.), securities account administration and financial market transactions (retail and Private Banking custody), and employee savings (profit sharing and incentive plans, etc.) and pension schemes (individual and collective pension plans), 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.

The insurance company Compagnie Européenne de Garanties et Cautions (“CEGC”) is Natixis’ guarantee and surety platform for multiple business lines. CEGC ranks second in the French market for mortgage guarantees for individuals and guaranteed €19.0 billion in loans in 2014 in a market that was driven by loan renegotiations.

CEGC is the joint market leader in real estate management, commercial properties and third party office management services, and estate agency networks, and has issued more than 5,000 guarantees amounting to more than €6.0 billion in volume terms within the framework of the Hoguet Law. It guaranteed the completed construction of 12,000 single-family homes in France, i.e. 25% of the market. CEGC also operates on the corporate market, and issued over 61,000 guarantees in 2014, an increase of 21%.

With regard to leasing, Natixis Lease is a key player in the French leasing market. It supports companies and other professionals in all of their equipment and real estate leasing investment projects. Social economy and institutional players are also among Natixis Lease’s customers. Natixis Lease is a subsidiary of Natixis and develops and distributes one of the widest ranges of integrated solutions on the market in terms of equipment and real estate leasing, long-term vehicle leasing, renewable energy financing and IT operational leasing. It also arranges and syndicates customer loans.

Additional Specialized Financial Services businesses and activities include Film Industry Financing conducted through Natixis Coficiné, consumer credit offered through Natixis Financement and employee benefit planning solutions developed by Natixis Interépargne. Also, Natixis, through its subsidiary Natixis Payment Solutions (f/k/a Natixis Paiements), ranks as the number three (3) payments operator in France and through Natixis’ EuroTitres provides custody services for retail and private banking and has the leading open custody platform in France.

## 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. In addition, Natixis’ US operations are subject to supervision in all 50 states. Natixis is registered as a US swap dealer with the Commodities Futures

Trading Commission (“CFTC”) and is a member of and subject to supervision by the National Futures Association (“NFA”).

### **Non US-Based Supervisors:**

ECB<sup>4</sup>; ACPR (France)<sup>3</sup>; 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 nineteen (19) members including seven (7) members each representing the Banque Populaire banks and the Caisses d’Epargne, respectively, three (3) independent members and two (2) members representing Groupe BPCE SA employees. Supervisory Board Members including the Chairman and Vice-Chairman are elected to six (6) year terms. There are also six (6) non-voting members or *censeurs*. The composition of the Supervisory Board was confirmed in May 2015 at the BPCE Annual Shareholder Meeting. At this meeting, the shareholders elected Mr. Pierre Valentin and Mr. Stève Gentili as Supervisory Board Chairman and Vice-Chairman, respectively.

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 instituted five (5) specialized committees in charge of preparing decisions and making recommendations for the Supervisory Board to consider. The five (5) committees are: Audit Committee; Risk Committee; Appointments Committee; Compensation Committee and the Cooperative Committee.

The BPCE Management Board is comprised of between two (2) and five (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 current BPCE Management Board mandate runs through May 2020.

Natixis as a *société anonyme à conseil d’administration* 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.

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<sup>4</sup> Since the European Single Supervisory Mechanism (SSM) came into force on November 4, 2014, a Joint Supervisory Team comprising members from both the ECB and the ACPR is in charge of the supervision of BPCE and Natixis.

The Natixis Board of Directors is comprised of fifteen (15) members as of July 31, 2015: two (2) members from BPCE; four (4) members each from the Banque Populaire banks and the Caisses d'Épargne and five (5) 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 five (5) specialized committees: Audit Committee; Risk Committee; Appointments Committee; 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.

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

BPCE, Natixis and its US operations continue to work jointly to provide for an integrated approach for preparation of recovery, restructuring, or resolution plans group wide. BPCE established a permanent function that reports to the Strategy Division and coordinates with the Group Finance, Risk Management and Legal Affairs divisions to review and update the Groupe BPCE Recovery and Restructuring Plan (the "BPCE Plan"). This permanent function is overseen by the BPCE Recovery and Resolution Plan Director that reports into 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 and operates in close cooperation with the Groupe BPCE Audit and Risk Committees. Ultimate responsibility for approval of the BPCE Plan and the US Resolution Plan resides with the BPCE Supervisory Board (*Conseil de Surveillance*) and BPCE Management Board (*Directoire*). A Natixis project team is responsible for contributing Natixis specific information for inclusion in the BPCE Plan, as Natixis' recovery and resolution are an integral part of the BPCE Plan.

With respect to the US operations, the US Resolution Plan Steering Committee ("US Steerco") oversees the development of the US Resolution Plan. The US Steerco is comprised of senior officers of US Wholesale Banking and NGAM-US, as well as Natixis representatives. Functional areas represented on the US Steerco include Legal, Finance and Risk.

Under the US Steerco, the US Resolution Plan Working Group (the "US Working Group") is responsible for gathering data necessary for drafting the US 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.

The Natixis project team and US Working Group coordinate by way of regular communication. The Natixis project team then liaises with the BPCE Plan Director to ensure consistency with the BPCE Plan, provides updates on the progress on the US Resolution Plan, and addresses open issues.

Finally, the review and approval process for the US Resolution Plan entails 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 submits the US Resolution Plan to the Natixis Senior Management Committee (*Comité de Direction Générale*), BPCE Risk Committee and then to the BPCE Management Board (*Directoire*) for final approval under a delegation of authority received from the BPCE Supervisory Board.

## 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 are fully sufficient to allow it to manage its business operations. Natixis 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 2015 US Resolution Plan strategy encompasses the resolution of the US Material Entities and Core Business Lines in the event of a material financial distress under baseline, adverse and severely adverse scenarios. The 2015 US Resolution Plan provides a detailed analysis of how the US operations of Natixis could be resolved in a rapid and orderly manner that would not create adverse effects on US financial stability and that meets the requirements of the 165(d) Rule.

The 2015 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 resolved in accordance with New York Banking law;
- NNA and NGAM-US would be resolved under Chapter 11 of the Bankruptcy Code either by selling of their operations as a going concern or liquidating them; and
- NSA would likely be liquidated under Chapter 11 but if NSA had customers as defined under SIPA upon its entry into resolution, it would be liquidated under

SIPA. However, it is expected that NSA would likely not have “customers” as defined under SIPA upon entering into resolution.

The 2015 US Resolution Plan for US Wholesale Banking assumes that the Superintendent of the 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. NNA will liquidate the remainder of its assets (principally its investments in its subsidiaries) and be dissolved.

The 2015 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 (1) 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 2015 US Resolution Plan focuses on the liquidation and orderly wind-down of the US Material Entities because their resolution will simultaneously result in the resolution of the US Core Business Lines.