Groupe BPCE is the second largest banking group in France, and one of the ten foremost European banking groups. It employs 106,500 people serving its 31 million customers, 9 million of whom are also cooperative shareholders, and it finances more than 20% of the French economy.
The banks serving Future Street are all different but they share a set of common values and give expression to our corporate tagline: **Bankers and insurers with a different perspective.** Entrepreneurial and socially committed, they harness all the Group’s resources to help their customers bring their plans to fruition.

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**GROUPE BPCE**

Created by the merger between the Banque Populaire banks and the Caisse d’Epargne in 2009, Groupe BPCE completed the final year of its 2014-2017 strategic plan with the challenge of defining and developing a strategy for a digital world to guide its new plan for 2018-2020.

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Join forces, expand opportunities: in 1878, the first Banque Populaire was founded to allow craftsmen, retailers and small manufacturers to finance their businesses by guaranteeing one another’s loans. The leading bank among small- and medium-sized enterprises, Banque Populaire is also one of the two front-runners among craftsmen and retailers.

To be helpful: since its creation in 1818, the Caisse d’Epargne has innovated ceaselessly to ensure that private interests match the public interest, and vice versa. 200 years later, its ambition remains the same: to build a better future together while being useful to each and every member of society: individuals, public sector, social housing, social and solidarity-based economy, professionals and companies.

Beyond Banking: an international banking institution at the exclusive service of its clientele of major corporations, financial institutions, and Groupe BPCE’s retail banking networks, Natixis provides innovative high-value-added solutions in the areas of asset and wealth management, financing, investment, insurance and financial services.

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To make all your real-estate projects possible: dedicated to real-estate financing in France since 1852, Crédit Foncier serves the needs of its clientele of individuals, investors and real-estate professionals. A major provider of interest-free loans and loans for low-income families, it is also one of the leaders in real-estate expertise in France.

The art of banking has been pursued by Banque Palatine since 1780, driven by values such as high expectations, trust, creativity, and the striving for excellence. A partner of midcap companies and their managers, a private banking institution, Banque Palatine focuses on providing solutions tailor-made for each customer.

The retail banks of BPCE International serve a clientele of individual and corporate customers in Africa, the Indian Ocean, Vietnam, New Caledonia and Tahiti. Ingépar specializes in structured asset finance. Pramex International supports French SMEs and startups in their drive to expand in the international arena.
THE BANKS OF THE FUTURE, QUITE SIMPLY

Have you read 20 Future Street, the short story in volume 1 of our 2017 Review of Operations? The challenge collectively faced by the residents of this building is similar to the one currently faced by Groupe BPCE: that of bringing an unprecedented transformation to a successful conclusion.

In our industry, we must rise to the challenges of a technological and digital revolution that is giving power to our customers, creating new competition and an upheaval in how we produce and distribute our services. This revolution is also providing us with the possibility to reinvent our activities. Seizing this opportunity to work with our customers, cooperative shareholders, employees and partners and create the bank and insurance company of the future is the goal of our new TEC 2020 strategic plan for 2018 to 2020.

We possess what it takes for success: the trust of our customers, the commitment of our teams, the dynamism of our commercial performance, and the strength of our financial position thanks to the success of our previous strategic plans: Together and Another way to grow.

Our 2017 results underscore the resilience of our universal banking model. Our local banks have attracted more than 250,000 new customers and generated a record amount of loans: €125 billion. Our Asset Management and Corporate & Investment Banking divisions have put
up a fine performance; Insurance and Payments have continued to enjoy strong growth; the targets for cost and revenue synergies defined in our 2014-2017 plan have been exceeded; we have controlled the increase in our management costs and again reduced the cost of risk; the Group’s balance sheet has been further reinforced with a very high capital adequacy and significant loss-absorbing capacity.

With its focus on digital transformation, commitment, and growth, TEC 2020 is a resolutely aggressive plan, consistent with the ongoing industrial revolution; it’s a plan for accelerated digital transformation to provide our customers and employees with greater simplicity, autonomy and efficiency, to anticipate needs, propose customized offerings, and generate new revenue streams.

With TEC 2020, we are writing a new chapter in the history of Groupe BPCE with our customers, cooperative shareholders, employees and partners: a chapter devoted to the banks of the future.

It’s a plan that translates our commitment to our customers to whom we want to offer greater expertise, solutions and satisfaction; to our employees, to support them through the changes in their professional activities, to equip them with the best tools and attract the best talent; to our cooperative shareholders by putting ourselves more than ever at the service of a more responsible, more socially supportive and more entrepreneurial world.

It is also a growth plan with major ambitions for each of our business lines that will be achieved by mobilizing our collective intelligence and our ability to work together for the benefit of our customers.

Our ambition for 2020: to be recognized as a major player in digital banking and distinguish ourselves by the quality of the digital experience, the expertise, advice and solutions provided by our companies everywhere and in all our business areas.
THE SUPERVISORY BOARD

The role of the Supervisory Board is to maintain constant oversight over the decisions taken by the Management Board; this oversight includes monitoring the appropriateness of actions taken and their regulatory compliance. The Board is comprised of 19 members: seven members representing the Caisses d’Epargne, seven members representing the Banque Populaire banks(1), three independent members, and two members representing Group employees. The Supervisory Board also includes six censeurs (non-voting directors) acting in an advisory capacity.

Michel Grass(2)  
Chairman  
Chairman of the Board of Directors of Banque Populaire Bourgogne Franche-Comté

Nicolas Plantrou(2)  
Vice-Chairman  
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Normandie

Members representing the Banque Populaire banks

Thierry Cahn(5)  
Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne

Alain Condaminas(6)  
CEO of Banque Populaire Occitane

Pierre Desvergnes(3)(4)  
Chairman of the Board of Directors of CASDEN Banque Populaire

Yves Gevin(2)(3)(4)(5)  
CEO of Banque Populaire Rives de Paris

André Joffre(3)(4)(6)  
Chairman of the Board of Directors of Banque Populaire du Sud

Members representing the Caisses d’Epargne

Catherine Amin-Garde(3)(4)  
Chairwoman of the Steering and Supervisory Board of the Caisse d’Epargne Loire Drôme Ardèche

Astrid Boos(3)(4)  
Chairwoman of the Steering and Supervisory Board of the Caisse d’Epargne Alsace

Françoise Lemaillé(6)  
Chairwoman of the Steering and Supervisory Board of the Caisse d’Epargne Côte d’Azur

Stéphanie Paix(6)  
Chairwoman of the Management Board of the Caisse d’Epargne Rhône Alpes

Didier Patault(2)(3)(4)(5)  
Chairman of the Management Board of the Caisse d’Epargne Ile-de-France

Pierre Valentin(5)  
Chairman of the Steering and Supervisory Board of the Caisse d’Epargne Languedoc-Roussillon

Independent members

Maryse Aulagnon(3)(4)  
Chairwoman of the Board of Directors of Affine

Marwan Lahoud(5)(6)  
Chairman of the Supervisory Board of IDEMIA

Marie-Christine Lombard(5)(6)  
Chairwoman of the Management Board of Geodis

Employee representatives

Vincent Gontier(4)  
Frédéric Hassaine

Censeurs  
(non-voting members)

Jean Arondel(2)(7)  
Chairman of the Fédération Nationale des Caisses d’Epargne

Pierre Carli  
Chairman of the Management Board of the Caisse d’Epargne de Midi-Pyrénées

Dominique Garnier  
CEO of Banque Populaire Aquitaine Centre Atlantique

Daniel Karyotis  
CEO of Banque Populaire Auvergne Rhône Alpes

Alain Lacroix  
Chairman of the Management Board of the Caisse d’Epargne de Provence-Alpes-Corse

Dominique Martinie(2)(7)  
Chairman of the Fédération Nationale des Banques Populaires

The following also attends Board meetings

Didier Giraud  
Representative of the BPCE Works Council

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(1) A Board member representing the Banque Populaire banks will shortly be appointed to replace Stève Gentili resigned from the Supervisory Board, effective June 30, 2017.  
(2) Member of the Cooperative and CSR Committee.  
(3) Member of the Appointment Committee.  
(4) Member of the Remuneration Committee.  
(5) Member of the Audit Committee.  
(6) Member of the Risks Committee.  
(7) Non-voting director as of right.
Representatives of the cooperative shareholders
The cooperative shareholders are represented by the Chairmen/women of the Board of Directors of the different Banque Populaire banks and by the Chairmen/women of the Steering and Supervisory Boards of the Caisses d’Epargne (via their local savings companies).

Censeurs (non-voting directors)
The Fédération Nationale des Banques Populaires and the Fédération Nationale des Caisses d’Epargne, represented by their respective Chairmen, are censeurs as of right. The Ordinary General Shareholders’ Meeting appoints three censeurs from the Caisses d’Epargne and three censeurs from the Banque Populaire banks.

Employee representatives
Two representatives of Groupe BPCE employees are Board members as of right. One representative from the BPCE Works Council attends Board meetings in an advisory capacity.

GENERAL MANAGEMENT COMMITTEE
The General Management Committee is comprised of eight members including the five members of the Management Board of BPCE appointed by the Supervisory Board.

From left to right

Laurent Mignon
Chief Executive Officer of Natixis, Member of the Management Board

Laurent Roubin
Chief Executive Officer, Member of the Management Board responsible for Retail Banking and Insurance

François Pérol
Chairman of the Management Board

Jacques Beyssade
Deputy Chief Executive Officer responsible for Risks, Compliance and Permanent Controls

Catherine Halberstadt
Chief Executive Officer, member of the Management Board responsible for Human Resources, Group internal Communications, and the Corporate Secretary’s Office of BPCE SA

François Riahi
Chief Executive Officer, member of the Management Board responsible for Group Finance, Strategy, Legal Affairs, and the Secretariat to the Supervisory Board

Jean-Yves Forel
Chief Executive Officer responsible for Transformation and Operational Excellence

Yves Tyrode
Chief Digital Officer
KEY FIGURES
2017

SUMMARY INCOME STATEMENT

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>23,720</td>
<td>24,158</td>
<td>23,868</td>
</tr>
<tr>
<td>Gross operating income</td>
<td>6,621</td>
<td>7,485</td>
<td>7,620</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>72.1%</td>
<td>69.0%</td>
<td>68.1%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>1,384</td>
<td>1,423</td>
<td>1,832</td>
</tr>
<tr>
<td>Cost of risk in basis points(^{(1)})</td>
<td>20</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td>Income before tax</td>
<td>5,516</td>
<td>6,370</td>
<td>6,123</td>
</tr>
<tr>
<td>Net income attributable to equity holders of the parent</td>
<td>3,024</td>
<td>3,988</td>
<td>3,242</td>
</tr>
<tr>
<td>ROE</td>
<td>4.8%</td>
<td>6.9%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Business line contribution to Group NBI\(^{(2)}\)

- 71% Retail Banking and Insurance
- 38% Natixis' Business lines

Business line contribution to Group income before tax\(^{(2)}\)

- 65% Retail Banking and Insurance
- 46% Natixis' Business lines

ACTIVITY

<table>
<thead>
<tr>
<th>in billions of euros</th>
<th>12/31/2017</th>
<th>12/31/2016</th>
<th>12/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>1,259.9</td>
<td>1,235.2</td>
<td>1,166.5</td>
</tr>
<tr>
<td>Customer loans (gross loan outstandings)</td>
<td>704.9</td>
<td>679.2</td>
<td>629.8</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Cost of risk in annualized bp on gross customer loan outstandings at the start of the period.
\(^{(2)}\) Excluding the Corporate Center.
106,500 employees
31 millions customers
7,800 branches
9 millions cooperative shareholders

**RETAIL BANKING AND INSURANCE**

<table>
<thead>
<tr>
<th>Deposits and savings</th>
<th>Loan outstandings</th>
<th>New loan production</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in billions of euros)</td>
<td>(in billions of euros)</td>
<td>(in billions of euros)</td>
</tr>
<tr>
<td>651</td>
<td>663</td>
<td>691</td>
</tr>
<tr>
<td>202</td>
<td>205</td>
<td>210</td>
</tr>
</tbody>
</table>

- Off-balance sheet deposits and savings
- On-balance sheet deposits and savings

**FINANCIAL STRUCTURE AND LIQUIDITY RESERVE**

<table>
<thead>
<tr>
<th>in billions of euros</th>
<th>12/31/2017</th>
<th>12/31/2016</th>
<th>12/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to equity holders of the parent</td>
<td>64.0</td>
<td>61.5</td>
<td>57.6</td>
</tr>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>59.0</td>
<td>55.3</td>
<td>50.9</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>59.5</td>
<td>56.6</td>
<td>52.2</td>
</tr>
<tr>
<td>Total regulatory capital</td>
<td>74.0</td>
<td>72.3</td>
<td>65.8</td>
</tr>
<tr>
<td>Liquidity reserve</td>
<td>214</td>
<td>230</td>
<td>196</td>
</tr>
</tbody>
</table>

Under Basel III, taking into account CRR/CRD IV phase-in measures.

**Capital ratios**

<table>
<thead>
<tr>
<th>Capital ratios</th>
<th>12/31/2015</th>
<th>12/31/2016</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital ratio</td>
<td>16.8%</td>
<td>18.5%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Tier 1 ratio</td>
<td>13.3%</td>
<td>14.5%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Common Equity Tier 1 ratio</td>
<td>13.0%</td>
<td>14.1%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

Under Basel III, taking into account CRR/CRD IV phase-in measures.

**Credit ratings**

- **FitchRatings**: A Positive
- **Moody’s**: A2 Positive
- **R&I**: A Stable
- **Standard & Poor’s**: A Positive

Outlook

Under Basel III, taking into account CRR/CRD IV phase-in measures.
CSR FIGURES
2017

▶ REGIONS AND SOCIETY

87% of the Group’s suppliers are SMEs

No. 1 bank for the social and solidarity-based economy and SMEs

“ISO 26000(2)”
Seven Group companies are committed

“Responsible supplier relations(2)” Label obtained by seven Group companies

€30.8 million devoted to corporate philanthropy and sponsorship by the Banque Populaire banks (€11.1 million) and Caisses d’Epargne (€19.7 million)

(1) International standard on corporate social responsibility.
(2) At end-2017.

▶ SOCIAL SOLIDARITY AND SRI

No. 1 banking operator for microcredit solutions (including support measures) in France

€27.6 billion in responsible savings deposits

No. 1 for the collection and management of solidarity-based savings in France

▶ GREEN GROWTH

€8.1 billion in funding outstandings and commitments devoted to the energy transition

Intermediation of Green or Social financing operations: 3 issues between 2015 and 2017
**COOPERATIVE DNA**

- **9 million** cooperative shareholders own 100% of their banks
- **4.3 million** Banque Populaire cooperative shareholders, or 33% of all customers
- **4.8 million** Caisse d’Epargne cooperative shareholders, or 24% of all customers

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**CUSTOMERS**

- **71%** of account managers received training in banking services designed for vulnerable customers
- **40,900** people trained\(^{(1)}\) in budget management, i.e. 2,700 training sessions

\(^{(1)}\) By the Finances & Pédagogie association.

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**EMPLOYEES/HR**

- **4,869** new hires on permanent contracts
- **3,075** staff on work/study programs\(^{(1)}\)
- **29** hours of training received per employee per year

- **56%** Women
- **44%** Men
- **7%** fixed-term contracts
- **93%** permanent contracts
- **32** Group companies have earned Gender Equality certification from the Afnor standardization body

\(^{(1)}\) At end-2017.
The strategic plan
2018-2020

The Together and Another way to grow strategic plans have enabled us to lay the foundation and ensure recovery and development of Groupe BPCE. With TEC 2020, we intend to meet the challenge of the technological revolution and seize the opportunities it offers. TEC 2020 will be pursued over a period of three years, from 2018 to 2020. It is a plan focused on digital transformation, commitment to our customers, employees and cooperative shareholders, and growth for each of our business lines.

SPEEDING UP OUR DIGITAL TRANSFORMATION TO SEIZE NEW OPPORTUNITIES

The pace of our Group’s digital transformation will gather speed under the impetus of the dedicated organization set up at the beginning of 2017. The aim of this structure is to achieve the best customer satisfaction scores by raising the Group’s digital NPS\(^{(1)}\) to the pure player level by 2020.

- We are going to develop interfaces common to all our brands in order to give our clientele a best-in-class customer experience.
- We are going to invest massively in harnessing data in order to personalize our offerings and satisfy our customers more fully, to obtain a more precise assessment of certain risks, to enhance our customer relations management systems, and develop artificial intelligence tools.
- We will also strengthen the agility of our information system by making full use of cloud computing resources.

- We will continue to optimize our business model with sector-based management, the continued industrialization and automation of our procedures, and the transformation of our processes.
- We are also going to recruit key talent in IT and digital processes and boost our investments in the digital transformation to €600 million per year by 2020.

90\% of our active customers using the Group’s digital spaces

NPS\(^{(1)}\) of our digital services at the pure player level

\(^{(1)}\) Net promoter score.
COMMITMENTS TO OUR CUSTOMERS, OUR EMPLOYEES, AND OUR COOPERATIVE SHAREHOLDERS

▶ GREATER EXPERTISE AND MORE SOLUTIONS FOR OUR CUSTOMERS
• In Retail Banking, a promise of easy access, delivering advisory services and excellence to everyone, with a 50% increase in the number of specialized advisors, a more extensive offer of solutions in response to new expectations and usages and, lastly, constant attention paid to customer satisfaction.

+50% increase in specialized advisors

No. 1 for NPS in 2 French regions out of 3

• In Asset Management with customized, innovative solutions and active investment strategies, a dedicated sales force, digital tools and an enhanced presence in the Asia/Pacific region.
• In Corporate & Investment Banking with outstanding expertise in four key areas: Energy and Natural resources, Infrastructure, Aviation, and Real Estate & Hospitality, with a deepening of the relationship forged with our customers.

▶ A STRONG EMPLOYER PROMISE
• By enhancing the employability of our personnel through training and in-house professional mobility, and by equipping them all with digital tools.
• By developing the Group’s image as an employer in order to attract and retain the best talent, notably in the areas of digital technology and sales.

• By pursuing our efforts in favor of gender equality in our executive and senior management teams.

10 million hours of training
45% of managerial positions held by women
70% of our employees recommending the Group as an employer

▶ A RESPONSIBLE, SOCIALY-COMMITTED GROUP
• At the service of the regions and local ecosystems.
• Responsible in the way it pursues its business activities, committed to green growth and CSR.
• Accessible to vulnerable individuals.

More than €10 billion in outstanding and commitments to finance the energy transition

More than €35 billion in responsible savings deposits

10% decline in the Group’s carbon footprint
GROWTH
OUR AMBITIONS FOR EACH OF OUR BUSINESS LINES

▲ RETAIL BANKING
• For the Banque Populaire banks, we want to develop the Civil Service market, consolidate our position as the leading bank for SMEs and provide support for senior managers.
• For the Caisses d’Epargne, we intend to remain the reference bank for individual customers, notably high-net-worth individuals, continue to attract new professional and corporate customers, and remain leader in the institutional markets segment.

+630,000 principal customers using banking services
+70,000 active professional customers
+9,500 active corporate and institutional customers

• Digitize specialized financial services, enhance synergies with the retail banking networks in this area and become a pure player in payments activities (Natixis).

6% net revenues CAGR(1)
50% additional payments revenues

INSURANCE
• Consolidate our position as a front-ranking insurer in France, notably one of the Top 5 players in the personal insurance segment.
• Integrate the entire value chain in non-life insurance.
• Offer a distinctive customer experience and a best-in-class operational performance.

+1 million non-life insurance contracts held in portfolio
€90 billion of personal insurance outstandings under management(2)

▲ ASSET MANAGEMENT
• Consolidate our position as the world’s premier active asset manager by virtue of our size, profitability and innovative ability.
• Develop alternative strategies and solutions, as well as revenue synergies with the Group’s retail banking networks.
• Strengthen our presence in the Asia-Pacific region.

€100 billion in aggregate net fund inflows
€1,000 billion of assets under management

(1) CAGR: Compound annual growth rate.
(2) €77 billion excluding the reinsurance agreement with CNP.
CORPORATE & INVESTMENT BANKING

• Win recognition as a bank providing innovative solutions, consolidate our originate-to-distribute business model notably by growing our clientele of insurance companies and investment funds.
• Become the “go-to bank” in four key sectors: Energy & Natural resources, Infrastructure, Aviation, Real Estate and Hospitality.

3% net revenues CAGR

Proportion of total revenues in the Americas and Asia/Pacific regions greater than 40%

REVENUE SYNERGIES

• Generate €750 million of new synergies within three years between Natixis and the retail banking networks thanks, in particular, to financial savings, insurance, and to the expansion of Group entities using specialized financial services.

FINANCIAL TARGETS

• Net banking income greater than €25 billion in 2020 with annual average growth in the region of 2% in Retail Banking, 6% in Asset Management, and 3% in Corporate & Investment Banking, and cost/income ratios in these business lines of approximately 64%, 68% and 60% respectively.
• A cost of risk of 20 to 30 basis points.
• Cost synergies equal to €1 billion in a full year in 2020.
• With regard to the Group’s financial strength, a CET1 ratio greater or equal to 15.5% at end-2020 and a TLAC(1) greater than 21.5%(2) as of January 1, 2019.

Further details about the TEC 2020 strategic plan can be obtained from www.groupebpce.fr

(1) Total loss-absorbing capacity.
(2) Excluding senior preferred debt.
ANOTHER WAY TO GROW: A SUCCESSFUL STRATEGIC PLAN

In the space of four years, Groupe BPCE has become...

MORE DYNAMIC
Our retail banks have considerably expanded their customer base, and we boast major positions in investment solutions and asset management. We are the No. 1 banking partner in France for SMEs, No. 2 for individual and professional customers, and individual entrepreneurs. We are a key partner in the local authority and social housing sectors. Revenue synergies between Natixis and the Group’s retail banking networks have reached €780 million.

MORE EFFICIENT
We have successfully completed a great many structural projects: the creation of banks of a size corresponding to the new French regions with seven merger operations, four of which have already been completed, the pooling of IT production and procurement activities, the optimization of real-estate asset management and desktop publishing. These operations are contributing to our collective efficiency with cost synergies reaching €863 million.

MORE DIVERSIFIED
Our universal banking model, boasting strong positions in different business areas, has demonstrated its resilience in a challenging environment. It offers us new growth drivers: in the international market where Natixis has pursued its growth in America and in the Asia/Pacific region in the area of Corporate & Investment Banking and Asset Management; in Insurance with the creation of an integrated platform serving the retail banking networks and the insourcing of life and property & casualty insurance; in Payments with the creation of a business line pursuing an offensive strategy in Europe.

MORE ROBUST
Our financial ratios have been reinforced, our capital adequacy and liquidity targets were achieved before the end of our strategic plan, and a number of our future requirements have already been respected. Natixis’ asset light model is contributing to this success and non-strategic assets have been divested during the period. The Moody’s, Standard
& Poor’s and FitchRatings ratings agencies have recognized this performance by raising the Group’s outlook from stable to positive.

MORE DIGITAL
The Group’s digital transformation is underway with the continued development of a multi-channel business model, 78% of customers have signed up for online banking services and already more than 60,000 people use Yammer, the Group’s social network launched in mid-2017. This transformation is gathering pace under the impetus of 89C3, the unified digital organization set up in early 2017.

MORE STIMULATING
We have invested in the personal growth of our employees, created stimulating career paths, simplified mobility within the Group, promoted gender equality and a better work-life balance. 77% of our employees support the Group’s strategy. 78% say they are proud to work for it and are attached to the values of its companies. 88% understand the ongoing transformation. In 2017, Groupe BPCE entered LinkedIn’s Top Companies ranking of the most attractive employers in France.

MORE COMMITTED
As bankers and insurers with a different perspective, we are committed to creating a more eco-friendly and socially supportive world, one that is more responsible and more entrepreneurial; a world open to the diversity of talents and their expression. Another way to be(have) is the tagline chosen for our CSR approach. We express this commitment, with our employees, in our banking, insurance and asset management activities, through our procurement policies and the corporate philanthropy and sponsorship programs of our companies and foundations.
IN 2017

Banque Populaire Grand Ouest was created from the merger of Banque Populaire Atlantique, Banque Populaire de l’Ouest, Crédit Maritime Atlantique and Crédit Maritime Bretagne-Normandie. Banque Populaire Grand Ouest serves 840,000 customers, including 310,000 cooperative shareholders.

The Banque Populaire banks consolidated their sales momentum, ramped up their digital transformation and built up even closer relations with their customers in 2017.

Loan outstandings rose 7.7% and deposits and savings 7%. The number of insured individual customers climbed 8%.

(1) 2017 Kantar TNS survey.
(2) 14th annual franchise survey, CSA 2017.
(3) 2016 CSA Pépites survey.
(4) Internal analysis based on 2016 data.
14 BANQUE POPULAIRE BANKS

1 Alsace Lorraine Champagne
2 Aquitaine Centre Atlantique
3 Grand Ouest
4 Auvergne Rhône Alpes
5 Bourgogne Franche-Comté
6 BRED Banque Populaire(1)
7 Méditerranée
8 Nord
9 Occitanie
10 Rives de Paris
11 Sud
12 Val de France

Their subsidiaries:
Banque Dupuy, de Parseval
Banque Marze
Banque de Savoie
Crédit Maritime

National presence:
13 CASDEN Banque Populaire
14 Crédit Coopératif

(1) BRED Banque Populaire also operates in Guadeloupe, Martinique, the Northern Leeward Islands, French Guiana, Réunion Island, Mayotte, New Caledonia, French Polynesia, in the Fiji and Solomon Islands, in Vanuatu, Djibouti, Ethiopia, Cambodia, Laos, Burma, and Switzerland. In mainland France, it is present in the Ile-de-France region, the Aisne département and in Normandy.

INDIVIDUAL CUSTOMERS

In 2017, Banque Populaire became the primary bank for more than 86,000 new individual customers over age 25, up 2.5% compared to 2016.

It rolled out a comprehensive mobile payment offer, Paylib, alongside Apple Pay, launched Smart’retrait, a solution for withdrawing money without using a debit card, and Money Friends, an openly available money transfer app used to monitor and settle debts among friends.

With new home loans up 15.8% and consumer loans (now available online) up 9.7%, loan outstandings rose 9.3% and 11.4%, respectively. Portfolios of non-life, provident and health insurance policies expanded by nearly 8%.

€32.5 bn in new loans,
+14.9%

337,200 new non-life insurance policies

€120 bn in loan outstandings,
+9.4%

€150.8 bn in deposits and savings,
+5%

172,000 new provident and health insurance policies
PRIVATE BANKING

Private banking continued to attract new clients (+6.5%) and build up assets under management (+7.9%), consolidating its momentum with affluent clients. Drawing on solid expertise in financial engineering and wealth management for CEOs and company directors, Banque Populaire Private Banking provides a tailored offering for this client base. Assets under management came to €73.4 billion in 2017. Gross inflows in Natixis investment products totaled €1.1 billion in 2017, boosted sharply by the success of the new range of Sélectiz, Sélectiz Plus and Sélectiz PEA funds managed by Natixis Investment Managers.

New life insurance inflows totaled €2.5 billion, with 33.9% consisting of unit-linked assets.

376,400 clients,
+6.5%

€73.4 bn in assets under management,
+7.9%

PROFESSIONAL CUSTOMERS

The Banque Populaire banks have earned over one million professional customers by taking a business partner approach that combines financing with digital services and tools to provide this customer base with the best possible support on a daily basis. A new à la carte account agreement, Rythméo Pro, was launched in 2017.

Financing

New medium and long-term loans picked up 15.9% to €8.4 billion. The Banque Populaire banks, the Fédération Nationale des Socama(1) and the European Investment Fund (EIF) entered into a new loan guarantee agreement of €1 billion for 2017-2018. Under the agreement, they can offer loans without personal collateral, or with reduced collateral. A new fast, simple, no-collateral and single-rate loan (regardless of term), Pro digital, was launched this year.

New services

The new Direct & Proche offer for small retailers, craftsmen and farmers combines the creation of showcase or retail websites, Google Adworks marketing solutions and coordination of sales events. AVIZ&Plus, an online economic and financial information service, helps professional customers and VSEs secure the development of their business by keeping track of their sales partners. Meanwhile, the implementation of employee share ownership plans has been made much easier with the full-digital solution, Easiris.

CASDEN Banque Populaire

A cooperative bank serving all public-sector workers, CASDEN Banque Populaire boasted more than 1.6 million cooperative shareholders at end-2017. It optimized its offer through partnerships with public-sector organizations and initiatives to acquire and retain public-sector employees as customers. With new online simulation and application services available at casden.fr, plus the donation-based project financing platform for associations, Ma Belle Tribu, it accelerated its digital transformation to become the preferred bank of civil servants. 325,000 new cooperative shareholders have joined in the last two years, including 30% working in National Education and 70% in other Civil Servant departments.

1.6 million cooperative shareholders

(1) Mutual guarantee companies for the small business sector, having Banque Populaire as an exclusive partner.
CORPORATE AND INSTITUTIONAL CUSTOMERS

As the leading bank for SMEs(1), the Banque Populaire banks provide these customers with nearly one thousand specially-trained staff. The banks offer services designed to make life easier for CEOs, such as Suite Entreprise.com: a unique, competitive tool optimized for all screen sizes, used to easily manage banking flows for multiple companies, accounts, banks and currencies. They also offer the necessary support and expertise to further the development of their corporate customers.

Innovation

The Innov&Plus medium-term loan promotes innovation under attractive conditions thanks to the EIF. Banque Populaire is not only the first commercial bank to launch this offer in 2014, it also leads the pack in terms of the amount of innovation loans granted. NEXT Innov, launched in late 2016, is one of the top banking networks to support startups and innovative companies, with over 50 certified business centers, over 100 specially trained advisors and several partnerships in the French regions.

Internationalization

Launched in 2017, NEXT International is a particularly comprehensive program that provides daily support to businesses through a team of around 60 business managers specializing in international trade and Connector, an alliance of 16 banks covering 46 countries.

Partnerships and promotion

Banque Populaire has established a partnership with national startup network BGE to help support project owners. It has also entered into partnership agreements with the association of corporate legal advisors, and with Lawyers Without Borders France, which receives a donation with each new account opened. It also conducted a digital campaign highlighting the nursing profession and the dedication of its customers working in the profession.

1.1 million professional customers
405,800 craftsmen and small retailers
148,000 self-employed professionals
66,150 farmers
€50.4 bn in loan outstandings, +4.5%

Crédit Maritime

Established in 1906, Crédit Maritime has maintained its position as a major creditor of the fishing and fish farming industries. Backed by the Banque Populaire banks located along the coast, Crédit Maritime serves all the “blue” segments of the maritime economy.
NEXT International offers access to the Stratexio program developed by Medef to accelerate the international development of SMEs and ISEs. It also facilitates the establishment of their business abroad with Pramex International\(^{[2]}\), the leading French consultant to SMEs and ISEs looking to establish international operations and transactions, and the top manager of SME foreign subsidiaries. BRED Banque Populaire, which serves a substantial customer base of international companies, is also pursuing dynamic growth outside France.

**External growth**

Backing up the bank’s advisors, Banque Populaire Financial Engineering draws on specialist areas of expertise spanning the Banque Populaire network and its subsidiaries, as well as Natixis, to assist companies with mergers and acquisitions, strengthening their capital and structured financing.

- **139,400** corporate customers
- **263,800** associations and institutional customers

**No. 1** bank for SMEs, with a **41%** penetration rate\(^{[1]}\)

- **€26.7bn** in medium- and long-term loan outstandings, **+11%**

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**Crédit Coopératif**

Banks and customers can work together to build an economy rooted in stronger social values: this is the conviction held by Crédit Coopératif, the bank for the social and solidarity-based economy and socially engaged citizens. Crédit Coopératif is the leader in solidarity-based savings and financial products, distributing total donations of €3 million to 53 associations in 2017 and voluntarily contributing a portion of each foreign exchange transaction to the Fondation Simplon’s Refugeeks program.

In terms of new services and financing solutions, Crédit Coopératif launched the *Prêt Agir pour l’Efficacité Énergétique* loan to allow businesses, local public enterprises (LPEs) and associations to carry out energy efficiency renovations at a subsidized rate. Understanding that organizations in the social and solidarity-based economy need capital to expand, Crédit Coopératif issued €2 million in charitable bonds for Alima, a humanitarian medical aid association. The bank also continued its network modernization efforts by renovating 10 business centers and creating a second e-branch in Bordeaux. It also created the online hub *Agir & Co* to present news on current events in the social and solidarity-based economy and to provide a forum for stakeholders to exchange information.

- **105,200** cooperative shareholders
- **342,200** customers

- **€3 m** in donations to **53** associations, raised from solidarity-based products

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\(^{[1]}\) Kantar TNS 2017 survey, +3.3 points in two years.

\(^{[2]}\) Pramex International, a subsidiary of BPCE International, operates in around 15 different countries in Europe, North & South America and Asia.
Caisse d’Epargne celebrates its 200th anniversary in 2018. From the very beginning, its mission has been to serve each and every customer without ever losing sight of its collective purpose. The Caisse d’Epargne slogan, “Vous être utile” (To be helpful), underscores this ongoing commitment today. Drawing on this rich history, it is constantly innovating to ensure that its customers – individuals, professionals, businesses and all players in the regional economy established counting Caisse d’Epargne as a key partner – receive the very best support in realizing their personal and professional goals, from start to finish.

IN 2017

A new major regional bank was established from the merger of Caisse d’Epargne Picardie and Caisse d’Epargne Nord France Europe: Caisse d’Epargne Hauts de France, serving 2.5 million customers including 450,000 cooperative shareholders.

The Caisses d’Epargne are thus successfully pursuing their customer acquisition strategy in banking and insurance, consolidating their positions in all markets and ramping up their digital transformation. Loan outstandings rose 7.3% and deposits and savings 3.2% in 2017.
INDIVIDUAL CUSTOMERS

In 2017, Caisse d’Epargne became the primary bank for more than 135,000 new individual customers over age 25, up 2.5% compared to 2016. Home loans, consumer loans and insurance posted substantial gains in 2017. Over 1 million non-life, provident and health insurance policies were taken out. Inflows also maintained strong momentum, particularly in terms of demand deposits, up 13.8%.

New services included a digital recognition feature added to mobile app Banxo. Paylib extended mobile payments to Android smartphone users, while the Communauté by Caisse d’Epargne platform created a forum for customers to exchange information and learn about money issues in a hassle-free setting.

- **€147.1 bn** in loan outstandings, +8%
- **€33.8 bn** in new home loans, +21%
- **€8 bn** in new personal loans, +11.8%
- **€332.1 bn** in deposits and savings, +1.3%
- **€11.7 bn** in life insurance inflows

A portfolio of 5 million non-life insurance policies

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(1) The Caisse d’Epargne Ile-de-France is also present in Saint-Pierre-et-Miquelon.
(2) La Caisse d’Epargne CEPAC is also present in Martinique, Guadeloupe, Saint-Martin, Saint-Barthélemy, Saint-Pierre-et-Miquelon, Réunion Island and Mayotte.
PROFESSIONAL CUSTOMERS

The number of active professional customers rose 5.7% year-on-year, driven by solid sales momentum. 2017 was a good year for financing activities, up 18.5% compared to 2016. 10,000 new pro non-life insurance policies were taken out. Investment loans, employee savings plans, and financing of company cars via operating leases all became available online.

In support of entrepreneurs, Caisse d’Epargne launched the interest-free loan Prêt décollage pro for project owners and entered into a framework agreement with French Ministry for Gender Equality with the goal of seeing women make up at least 40% of business creators by 2020.

367,000 professional customers
€3.1 bn in new MLT loans, +18.5%⁽¹⁾
€11.1 bn in loan outstandings, +7.7%

PRIVATE BANKING

Caisse d’Epargne has developed a range of products and services tailored to the diverse profiles and expectations of private banking clients. 1,550 wealth management advisors work at the branches and 700 specially trained business managers operate across the country. 60 private bankers, 35 wealth management engineers and 20 portfolio managers oversee relations with the most affluent clients.

The range is continuously expanding: the new Sélectiz funds recorded assets under management of €1.7 billion, and unit-linked life insurance inflows doubled in 2017. Digital and interactive communication also expanded, with the first Web conference on the government’s tax policy proving to be a great success.

No. 2 in France⁽²⁾
1.2 million wealth management clients, +3.5%, o/w 430,000 private banking clients, +4.7%
€119 bn in assets under management, +8.2%

⁽¹⁾ Including leases.
⁽²⁾ Xerfi/Precepta survey, June 2017.
Caisse d’Epargne

CORPORATE CUSTOMERS
The Caisse d’Epargne support and finance an ever-growing number of corporate customers, totaling 26,500 at end-2017, up 15.5% year-on-year. Caisse d’Epargne teamed up with Arts et Métiers Accélération to encourage future French champions of industry in the regions. Just one year after it was launched, the Néo Business program was rolled out nationwide, with a target of supporting 1,000 innovative companies and startups in two years. New loans increased 31% and the Caisses d’Epargne continued to invest in financial engineering this year: advisory services on business disposals and transmission, structured financing with over 100 arrangement mandates signed in 2017, private equity with 15 regional private equity entities, private equity company Caisse d’Epargne Développement (€20 million invested in 2017) and Seventure Partners fund Digital Opportunities.

+3,550 new corporate customers
16 private equity entities
+19.7% in loan outstandings
+12.9% in payment processing flows

REAL ESTATE PROFESSIONALS
The Caisse d’Epargne offer financing and signed agreements for all types of projects. They also work alongside regional real estate developers to invest capital through special-purpose entities. 2017 proved to be a banner year, with short-term loan outstandings climbing 10.5% to €2.2 billion and MLT loan outstandings 11.7% to €5.4 billion.

€3.2 bn in new short-term loans, +15.1%
€1.8 bn in new MLT loans, +23%

PUBLIC SECTOR
Caisse d’Epargne is a major steadfast partner to local authorities and public healthcare institutions, continuously providing a complete range of financing solutions (short-term credit facilities, bridging loans, investment loans) and covering all government authority segments: from major clients to small communities. It receives funds from the EIB(1) to finance projects supported by Europe at subsidized rates, and relies on Natixis to provide payment, leasing, financial engineering and public-private partnership solutions. In today’s hesitant environment, not at all ideal for investments, efforts are predominantly focused on supporting new entities established under the NOTRe(2) Act and on improving digital information and simulation tools to aid decision-makers.

€48.2 bn in loan outstandings
€3.3 bn in new loans

(1) European Investment Bank.
(2) Nouvelle organisation territoriale de la République (French regional organization reform).
SOCIAL HOUSING AND SEMI-PUBLIC ENTITIES

As longstanding partners of social housing organizations, having established relations with 87% of social housing operators(3), the Caisses d’Epargne are well-versed in meeting the needs of this segment, from everyday banking, to financing and investment solutions. They are also operators themselves: Groupe Habitat en Région and its ten social housing companies manage 163,000 housing units, and the Habitat en Région economic interest group (21 members) is No. 2 in social housing in France with 256,000 housing units. Caisse d’Epargne is the primary bank for 62% of local public-sector enterprises(4), investing alongside local authorities in renewable energy, water and waste treatment, transportation, digital infrastructures and major tourism projects.

€4.3 bn in new loans, +13%
€9.6 bn in loan outstandings, +7%
€6.3 bn in Livret A passbook savings account deposits

PROTECTED PERSONS

More than one out of three protected persons has named Caisse d’Epargne as their bank for its dedication to helping them achieve banking independence: a longstanding commitment highlighted in a TV commercial.

Caisse d’Epargne offers in-depth support to persons under legal guardianship or supervision, providing family representatives, legal guardians and guardians’ associations with the expertise of 150 specially trained advisors.

No. 1 bank for persons under legal guardianship or supervision(5)

€8.7 bn in managed deposits and savings
325,500 protected persons are Caisse d’Epargne customers

SOCIAL AND SOLIDARITY-BASED ECONOMY

The Caisses d’Epargne support nearly 20,000 companies and institutions in the social and solidarity-based economy. New MLT loans grew 272% and payment processing flows climbed over 21% in 2017.

The social entrepreneur segment is attracting a new generation of talented individuals, often proposing highly innovative projects. Caisse d’Epargne has strengthened its ties with movements and incubators focused on providing stronger support to businesses with a positive social impact.

No. 1 lender in the social and solidarity-based economy, with 18.4% market share(6)

€983 m in new MLT loans

(3) Internal analysis, 2016.
(4) Fédération des EPL, 2016.
(6) Banque de France/ISBLM scope, September 2017.
Natixis successfully completed its strategic plan for 2014-2017, New Frontier. Revenues were up across the board in 2017, underscoring the excellent sales momentum recorded in all business lines around the world and sector-leading performances. With a Basel 3 CET1 ratio of 10.65%\(^{(1)}\) at December 31, 2017, Natixis boasts a solid, enhanced balance sheet.

In the Corporate & Investment Banking division, Natixis developed an approach geared towards creating high value-added solutions for the exclusive benefit of its customers. An example of this strategy is the active implementation of O2D, a fee-driven originate-to-distribute model that uses up few scarce resources, and the development of its Global Markets business lines.

Natixis ramped up its international development, where it now generates nearly 50% of its business. It expanded its expertise by making acquisitions in the asset management, payments and insurance sectors. Natixis also developed multiple synergies with the Groupe BPCE networks.

Lastly, it implemented its new strategic plan for the 2018-2020 period: New Dimension, targeting sustainable value creation. This new development plan is based on taking the business model successfully rolled out under the New Frontier plan even further, ramping up digital conversion and differentiation efforts focused on making Natixis a leading player in fields where its teams have developed strong, renowned expertise, and accelerating synergies with the Groupe BPCE networks and between the different Natixis business lines.

\(^{(1)}\) Without phase-in measures.
ASSET & WEALTH MANAGEMENT

The Asset & Wealth Management division provides solutions tailored to the individual, private banking and institutional customers of Natixis and the Groupe BPCE networks. Its ambition: to confirm its position as a world leader in active investment strategies thanks to its size, profitability and capacity for innovation.

Asset Management

Natixis Investment Managers (IM) is the 15th largest asset manager in the world in terms of assets under management\(^1\). It comprises over twenty affiliated asset management companies that implement their own investment strategy in all the main asset classes, and a global distribution platform. Its operations are evenly distributed between France and the United States, with substantial development prospects in Asia. Business continued to rebound in 2017 on both sides of the Atlantic, including positive net inflows buoyed by increased sales of high value-added long-dated products. Natixis IM further expanded its sustainable portfolio building platform to help investors optimally manage market risk and volatility while diversifying their portfolios. Its presence in the Asia-Pacific region was also expanded, with the acquisition of Investors Mutual Ltd in Australia, totaling more than AUD9 billion in assets under management. It expects to generate distribution synergies with the Natixis IM sales force in Sydney.

No. 15 asset manager in the world\(^1\)

\$831bn in assets under management

French subsidiary Ostrum Asset Management\(^2\) successfully tested the FundsDLT platform, providing blockchain technology to portfolio managers and investors: the funds are securely distributed at lower cost and with shorter deadlines. Ostrum Asset Management is the first asset manager to use this technology. Responsible investment subsidiary Mirova purchased a 51% stake in Althelia Ecosphere with the goal of becoming the European leader in natural capital investment by offering investment solutions with strong positive ecological impacts.

Wealth Management

Serving a proprietary French and international customer base as well as the Groupe BPCE networks, Natixis Wealth Management offers wealth management and financial solutions tailored to major private-sector investors, entrepreneurs and their families. The financial management range relies on Vega Investment Managers, whose business covers collective investment undertakings, discretionary portfolio management, advisory services and fund selection. Natixis Wealth Management recorded net inflows of more than €1.4 billion in 2017.

€31.6bn in assets under management, +9%
The three international platforms (EMEA, North & South America, Asia-Pacific) continued to grow, expanding their offers and geographic coverage (new branch opened in Taipei) and heightening their visibility, while stepping up inter-platform cooperation for the benefit of their clients. Lastly, Corporate & Investment Banking increased synergies with the Groupe BPCE networks by further developing the offer designed for the Banque Populaire banks and the Caisses d’Epargne, including fixed income and foreign exchange products, creating proprietary indices and investment solutions (equity derivatives) and participating in loan syndications.

Most Innovative Investment Bank in Equity Derivatives – 2017(3)

Asia-Pacific Structured Products House of the Year – 2017(4)

Commodity Research House of the Year – 2017(5)

Best equity research in France(6) and best credit research in four categories (Covered Bonds – Retail and Consumer Products – Supranationals & Agencies – Utilities) in 2017(7)

M&A Advisory
Natixis advised on its first M&A deal in Asia for Fintrax (which acquired a 49% stake in Korean firm Cub Refund).
In the US, PJ SOLOMON assisted Kenneth Cole in optimizing its outstanding loans and real estate holdings.
In France, Natixis Partners advised PAI on the sale of Cerba Healthcare to Partners Group PSP.
In Spain, Natixis Partners Spain advised CVC Capital on the acquisition of a 25% stake in Compania Logistica de hidrocarburos (CLH).

Investment Banking
In France, Natixis arranged financing for the restructuring plans of LVMH-Christian Dior Group (€8.9bn takeover bid and €4.5bn bond issue) and the acquisition of Safway by Brand Energy & Infrastructure Service ($4bn) in the United States.

Financing
The real estate and infrastructure financing activities did excellent business in 2017. For example, Natixis financed the largest solar PV park in the world in Abu Dhabi and consolidated its position as the No. 1 European creditor in EMEA real estate financing(8).

Capital Markets
Natixis continued to grow on the capital markets, highlighting a range of innovative and tailor-made solutions for its clients, as underscored by the numerous awards received. It expanded its business abroad by building up its Fixed Income teams and focusing on diversifying its range of equity derivatives solutions: for example, it formed two partnerships in South Korea and the US (creation of the Kospi 3 index, in partnership with Korea Exchange, and the Nasdaq-100 Target 25 Excess Return index).
2017 was a banner year for green, responsible financing with the first sovereign green bond issued for Agence France Trésor (€7bn, 22-year maturity), the first EUR-denominated green bond issued for an Asian company, China Three Gorges (€650m, 5-year maturity), and for BPCE, the first JPY-denominated social-impact Sarmouari bond issued on the Japanese market (JPY58.1bn).

Transaction Banking
Natixis once again innovated by creating the first commodity trading blockchain to process crude oil transactions in the US, together with its client Trafigura and IBM. This advancement in the field of transparency and efficiency may subsequently be extended to all commodity trading.

(3) The Banker Investment Banking Awards 2017 for the second year in a row.
(4) Asia Risk.
(8) At June 30, 2017 – Dealogic.
INSURANCE

Natixis Assurances designs and manages a comprehensive range of personal insurance products (life insurance, death benefits, dependency, pension funds, payment protection insurance) and non-life insurance products (automotive, multi-risk home, multimedia devices, supplementary health insurance, legal protection, non-banking insurance, professional insurance) for the group networks and their customers. Its ambition: to consolidate its position as a top-tier insurer in France. Online purchasing of insurance policies, electronic signature, mobile apps... Natixis Assurances develops offers tailored to new consumer preferences and stresses quality of service in everything it does. In 2017, auto, multi-risk home, legal protection and individual health insurance policies, in addition to private banking life insurance, were recognized with the awarding of the “Label d’Excellence” certification by Les Dossiers de l’Epargne. Total premium income¹ improved by 46% year-on-year, driven by robust business in both life and non-life insurance, coupled with the successful launch of personal insurance across the Caisse d’Epargne network.

No. 3 bancassureur in France(2)

95% customer satisfaction rate (in non-life insurance)

Non-life Insurance

A new à la carte auto insurance offer was launched on the Caisse d’Epargne network and a new provident insurance policy for professional customers and farmers on the Banque Populaire network. Work was begun to overhaul the claim management tool in 2017. A third customer reception and relations site was opened in Dijon and a new collaborative working method is being tested at call centers. These initiatives are slated to further improve customer satisfaction. Natixis Assurances became the sole shareholder of BPCE Assurances by purchasing the 40% stake held by Macif and MAIF(3). BPCE Assurances distributes non-life insurance policies on the Caisse d’Epargne network and health insurance policies on the Caisse d’Epargne and Banque Populaire networks.

Personal Insurance

Premium income on personal insurance policies doubled in 2017 with the roll-out of the offer on the Caisse d’Epargne network. Unit-linked vehicles made up 49% of net inflows (direct business), +16 points compared to 2016. Assets under management amounted to €55 billion, +15% year-on-year (direct business). Natixis Assurances applies a targeted responsible investment approach, addressed in a special report for the first time this year. It has initiated a project to build a group succession management platform. The layout of Paris offices was redesigned to create a modern workplace aimed at promoting teamwork and agility.

SPECIALIZED FINANCIAL SERVICES

The Specialized Financial Services division ramped up synergies with the Group networks and furthered a strategy of innovation and digital transformation aimed at improving operational efficiency and customer satisfaction. Its ambition: to become an all-digital business by 2020 and a pure player in the payments sector in Europe.

Payments

All Groupe BPCE payment activities have been reorganized around Natixis Payment Solutions: Natixis Intertitres (service vouchers), S-money, Le Pot Commun (online money pot), E-Cotiz (online fee management solution for non-profits), Depopass (secure peer-to-peer payments). Contactless payments took off this year, driven by the Groupe BPCE mobile payment offer (Apple Pay, Paylib/Android).

¹ Excluding the reinsurance treaty with CNP Assurances.  
² Based on 2016 revenue, Argus de l’Assurance.  
³ Transaction subject to ACPR approval.
Services for small retailers were expanded with the launch of next-generation payment solution SmartPOS, and two new acquisitions: PayPlug provides small retailers and VSEs with an online and mobile debit card payment system without requiring a special payment terminal; Dalenys offers online and cross-border payment solutions to major retailers and e-retailers.

**No. 3 on the Payments market in France**

7.4 bn mass transactions processed

4.6 bn card clearing transactions

**Financial Services**

Natixis Interépargne manages nearly 3 million employee savings accounts in France, totaling €27.2 billion in off-balance sheet savings and deposits. Amplus, a digital tool developed in 2017, rounded out the service offer with a personalized pension fund strategy to help employees of client companies build up long-term savings. EuroTitres is a custodian responsible for almost 3.3 million securities accounts in France belonging to retail and private banking institutions. In 2017, Caisse des Dépôts and the DGFIP tax authorities renewed their partnership for another ten years, and HSBC France chose Natixis Interépargne to assist its retail banking network.

**No. 1 in employee savings account administration in France**

**No. 1 custody service provider for retail and private banking institutions in France**

**Specialized Financing**

Natixis Financement develops revolving loan solutions and manages consumer loans. New loans amounted to €11.3 billion, up +9% year-on-year, while loan outstandings totaled €22.7 billion. Natixis Lease provides a full range of non-real estate and real estate leases, operating leases (with or without the option to buy), IT leases and renewable energy financing solutions through its subsidiary Natixis Energeco. Crédit Coopératif leasing companies Bati Lease and Inter-Coop were sold to Natixis Lease. Combined, they represent over 133,000 leases and outstandings of €12.9 billion. Natixis Factor develops factoring solutions for companies of all sizes. Factored receivables stood at €53 billion, up 18% year-on-year. The Activ’Téso digital service was launched in 2017 and offers SMEs a real-time, personalized diagnostic review of their credit management solutions as well as recommendations to optimize their cash flow. Compagnie Européenne de Garanties et Cautions (CEGC) secures €147.3 billion in home loans for individuals, up +15% compared to 2016, and issues guarantees totaling €7.1 billion for real estate managers (+11%). It issued over 90,000 guarantees in 2017. CEGC obtained the necessary approvals in 2017 to issue guarantees in 11 European countries. Natixis Coficiné finances the full range of audio-visual professions. It granted new loans totaling €580 million in 2017. Operating in 17 countries, it notably financed TV series and films produced in Canada and the US this year. It is No. 1 in Europe.

**No. 1 in real estate leasing in France**

**No. 2 in home loan guarantees in France**

**No. 1 in film and audiovisual financing in Europe**

(4) Internal analysis.

(5) AFG (French Asset Management Association) at June 30, 2017
In a fast-growing real estate market, Crédit Foncier delivered robust sales performances across all business lines: individual customers, investors, real estate professionals and local authorities.

INDIVIDUAL CUSTOMERS
Business was strong across the board in this year’s buoyant environment: subsidized loans, loans for commonhold properties, investor loans, etc. 2017 also saw the launch of the new Prêt Viager Hypothécaire, a reverse mortgage for seniors offered exclusively by Crédit Foncier in the French financial center.

€8.8 bn in new loans, +25%
€45.7 bn in loan outstandings

REAL ESTATE SERVICES
Crédit Foncier Immobilier, the real estate services subsidiary of Crédit Foncier, delivered respectable results in all business lines: advisory and audit, sales of residential homes and bulk sales and, of course, valuations. As a leader in real estate valuations in France, Crédit Foncier Immobilier launched Valeur Spot +, a quick and cost-effective estimate solution used in cases of disputes, in addition to two new offers aimed at real estate professionals: Sécur’financement and Sécur’achèvement.

FINANCIAL TRANSACTIONS
Crédit Foncier Group secured funding through the issuance of €6.1bn in covered bonds by Compagnie de Financement Foncier. The issues were carried under very favorable conditions, in public and private-sector formats. At December 31, 2017, Compagnie de Financement Foncier outstanding covered bond issues amounted to €63.4bn (including related payables).

(1) Gross securities and receivables – Management data at yearend under IFRS 7.
Banque Palatine finalized its 3-year strategic plan, Impulsions 2014-2017 (Driven to Achieve in 2014-2017). Of the 49 projects undertaken, 36 were finalized and 10 are currently under way. It continued the process of digitally converting its offers, rolled out an internal social network and created a Chief Data Officer position. A new intra-group synergy was developed with the migration of securities management to the Natixis EuroTitres platform. The life insurance process and documentary credit sales were partially digitized. Banque Palatine obtained the Professional Gender Equality certification awarded by Afnor and renewed its support for the Sciences Po “conventions d’éducation prioritaire” program and for NQT, an association set up to promote the entry into employment of recent graduates from modest-income social backgrounds or priority areas.

CORPORATE CUSTOMERS
Banque Palatine has expanded its business with corporate customers generating over €15 million in revenue by 4 points in as many years, achieving a penetration rate of 10.7%, driven by a highly targeted communication campaign. New medium-and long-term loans, and the arrangement and distribution of financing solutions made strong gains in 2017, buoyed by the creation of a Structured Financing Department tasked with providing ISEs with appropriate development solutions. The digital offer was expanded to include a mobile app for corporate customers, ePalatine mobile entreprises. Corporations operating internationally were pleased with the new ePalatine Trade app. Banque Palatine has risen in the ranks to become a leading bank for real estate managers and is consolidating its positions in the film and television sector.

PRIVATE BANKING CLIENTS
The bank stepped up the pace of client acquisition in the private banking segment, particularly among CEOs also using Banque Palatine as their personal bank. 2017 recorded a substantial gain in off-balance sheet deposits and savings inflows, new home loans and synergies across Groupe BPCE.

ASSET MANAGEMENT
Palatine Asset Management applies a conviction-based portfolio management approach regularly acknowledged for its performance. In 2017, L’Agefi recognized Palatine Immobilier for its balanced risk/reward over a five-year period and three of its funds received SRI certification for three years: Palatine Actions Défensives Euro, Palatine Or Bleu and the new fund Palatine Entreprises Familiales ISR.

(1) Intermediate-sized enterprises.
IN 2017

BPCE International conducted a strategic review of international retail banking operations for Groupe BPCE. The BPCE Supervisory Board subsequently began looking for a partner for the five banks in the BPCE International network in Africa and the Indian Ocean.

Groupwide tools were used across the entire network to develop a more targeted approach to the bank’s mid/high-end individual customers and local large corporate customers or subsidiarieds of international groups.

In New Caledonia, Banque de Nouvelle-Calédonie and BPCE International teamed up to finance the construction and operation of two solar PV power plants. They also funded a wind power plant with the help of Banque de Tahiti.

PRAMEX INTERNATIONAL

Pramex International is the French leader in the establishment of international operations and acquisitions among medium-and intermediated-sized enterprises, assisting approximately 1,000 French companies each year. In 2017, it joined forces with the Banque Populaire banks and NEXT International to launch a support program specially designed for innovative companies.

INGÉPAR

Ingépar, specializing in structured financing, had a very strong year in the transportation and real estate sectors, while expanding its operations in the Pacific. It established commercial partnerships with Banque de Nouvelle-Calédonie and Banque de Tahiti, and opened an office in Papeete.
Have you read *20 Future Street*, volume 1 of Groupe BPCE’s Review of Operations?

You will discover in this short story how, thanks to the teams from Banque Populaire, Caisse d’Epargne, Natixis, Crédit Foncier, Banque Palatine and BPCE International, the lives of the people in this building have been completely transformed.
20 Future Street is overshadowed by a sense of disquiet.

The residents have noticed the comings and goings of strange visitors, and worry they will soon be receiving bad news about their building. Thanks to their solidarity, motivation, and imagination, they will unravel the mysteries and solve the riddles and, most importantly, they will successfully reinvent their own lives and that of their neighborhood. To accompany them in this adventure, they rely on the expertise provided by the banks and companies of Groupe BPCE: advice and financing solutions, flexibility and responsiveness, innovation and active listening...

Discover in this volume all the services and solutions provided by Groupe BPCE in 2017 that have allowed the residents of 20 Future Street to be audacious and to change with the times.

Because, when you’re inventing the future, it’s better to be given the right support.