

Latest trends in Structured Products for Russian and international private wealth managers

Lior ABEHASSERA
Natixis CIB
Saint Petersburg
December 6, 2013





	Page
Disclaimer.....	3
Natixis Profile.....	4
4 Main Categories of Structured Products.....	5
The Best Seller: Autocall Phoenix Memory Worst-Of (WO).....	6
Autocall Phoenix Memory Worst-Of with Star Effect : The Next Best Seller ?.....	8
Lock-In Delta 1 Certificate.....	10
Negative Basis Note.....	11
Contact details.....	13

Disclaimer



This document is for discussion and information purposes only. It is highly confidential and it is the property of Natixis. It should not be transmitted to any person other than the original addressee(s) without the prior written consent of Natixis. This document is a marketing presentation. It does not constitute an independent investment research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. Accordingly there are no prohibitions on dealing ahead of its dissemination. The distribution, possession or delivery of this document in, to or from certain jurisdictions may be restricted or prohibited by law. Recipients of this document are therefore required to ensure that they are aware of, and comply with, such restrictions or prohibitions. Neither Natixis, nor any of its affiliates, directors, employees, agents or advisers nor any other person accept any liability to anyone in relation to the distribution, possession or delivery of this document in, to or from any jurisdiction. This Document is only addressed to Investment Professionals as set out in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 or to persons regarded as professional investors under equivalent legislation under a jurisdiction of the European Economic Area. This document is not for distribution to retail client. This document is communicated to each recipient for information purposes only and does not constitute a personalised recommendation. It is intended for general distribution and the products or services described herein do not take into account any specific investment objective, financial situation or particular need of any recipient. It should not be construed as an offer or solicitation with respect to the purchase, sale or subscription of any interest or security or as an undertaking by Natixis to complete a transaction subject to the terms and conditions described in this document or any other terms and conditions. Any guarantee, funding, interest or currency swap, underwriting or more generally any undertaking provided for in this document should be treated as preliminary only and is subject to a formal approval and written confirmation in accordance with Natixis' current internal procedures. Natixis has neither verified nor independently analysed the information contained in this document. Accordingly, no representation, warranty or undertaking, express or implied, is made to recipients as to or in relation to the accuracy or completeness or otherwise of this document or as to the reasonableness of any assumption contained in this document. The information contained in this document does not take into account specific tax rules or accounting methods applicable to counterparties, clients or potential clients of Natixis. Therefore, Natixis shall not be liable for differences, if any, between its own valuations and those valuations provided by third parties; as such differences may arise as a result of the application and implementation of alternative accounting methods, tax rules or valuation models. Prices and margins are deemed to be indicative only and are subject to changes at any time depending on, inter alia, market conditions. Past performance and simulations of past performance are not a reliable indicator and therefore do not predict future results. The information contained in this document may include results of analyses from a quantitative model, which represent potential future events that may or may not be realised, and is not a complete analysis of every material fact representing any product. Information may be changed or withdrawn by Natixis at any time without notice. More generally, no responsibility is accepted by Natixis, nor by any of its holding companies, subsidiaries, associated undertakings or controlling persons, or any of their respective directors, officers, partners, employees, agents, representatives or advisors as to or in relation to the characteristics of this information. The statements, assumptions and opinions contained in this document may be forward-looking and are therefore subject to risks and uncertainties. Actual results and developments may differ materially from those expressed or implied, depending on a variety of factors and accordingly there can be no guarantee of the projected results, projections or developments. Natixis makes no representation or warranty, expressed or implied, as to the accomplishment of or reasonableness of, nor should any reliance be placed on any projections, targets, estimates or forecasts, or on the statements, assumptions and opinions expressed in this document. Nothing in this document should be relied on as a promise or guarantee as to the future. It should not be assumed that the information contained in this document will have been updated subsequent to the date stated on the front page of this document. In addition, the delivery of this document does not imply in any way an obligation on anyone to update the information contained herein at any time. Natixis shall not be liable for any financial loss or any decision taken on the basis of the information contained in this document and Natixis does not hold itself out as providing any advice, particularly in relation to investment services. In any event, you should request any internal and/or external advice that you consider necessary or desirable to obtain, including any financial, legal, tax or accounting advice, or any other specialist advice, in order to verify in particular that the investment(s) described in this document meets your investment objectives and constraints, and to obtain an independent valuation of such investment(s), and the risk factors and rewards. Natixis is authorised in France by the Autorité de contrôle prudentiel et de résolution (ACPR) as a Bank – Investment Services Provider and subject to its supervision. Natixis is regulated by the AMF in respect of its investment services activities. In the UK: Natixis is authorised by the Autorité de Contrôle Prudentiel et de résolution (ACPR) and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request. Natixis is authorised by the ACPR and regulated by the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) for the conduct of its business under the right of establishment in Germany. Natixis is authorised by the ACPR and regulated by Bank of Spain and the CNMV for the conduct of its business under the right of establishment in Spain. Natixis is authorised by the ACPR and regulated by Bank of Italy and the CONSOB (Commissione Nazionale per le Società e la Borsa) for the conduct of its business under the right of establishment in Italy. Natixis is authorised by the ACPR and regulated by the Dubai Financial Services Authority (DFSA) for the conduct of its business in and from the Dubai International Financial Centre (DIFC). The document is being made available to the recipient with the understanding that it meets the DFSA definition of a Professional Client; the recipient is otherwise required to inform Natixis if this is not the case and return the document. The recipient also acknowledges and understands that neither the document nor its contents have been approved, licensed by or registered with any regulatory body or governmental agency in the GCC or Lebanon. This document is not intended for distribution in the United States, or to any US person, or in Canada, Australia, the Republic of South Africa or Japan.

Natixis Profile



Good
2012 results

Net income¹

€1.141_{bn}

Pre-tax income²

€1.614_{bn}

Net revenues²

€6.452_{bn}

Breakdown of net revenues
by core business

46.5%
WHOLESALE
BANKING



34%
INVESTMENT
SOLUTIONS



19.5%
SPECIALIZED
FINANCIAL
SERVICES



Wholesale Banking advises companies, institutional investors and public-sector organizations, offers a diverse range of financing solutions and provides access to capital markets. Natixis leverages the expertise and highly technical skills of its team as well as its industry-recognized research to build innovative and customized solutions, supported by three platforms: Americas, Asia-Pacific and EMEA (Europe, Middle East, Africa)

WHOLESALE
BANKING



A solid
financial structure

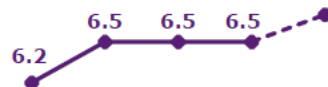
Core Tier 1 Ratio³ (Basel 3)

9.2%

Groupe BPCE

With its two flagship brands – Banque Populaire and Caisse d'Epargne – and its specialized subsidiaries such as Natixis, Crédit Foncier, Banque Palatine, BPCE International et Outre-mer, etc., Groupe BPCE offers its clients a full range of products and services: investment, placement, asset management, financing, insurance, investment solutions, etc.

Net revenues⁽²⁾
in €bn



Long-term
ratings

Standard & Poor's

A

Moody's

A2

Fitch Ratings

A

2nd-largest banking player in France¹

36 million clients
117,000 employees
8,000 branches

Net revenues
€21.9 billion

Net income, group share
€2.15 billion

Figures as at December 31, 2012

2009 2010 2011 2012 2013

■ 17 successive quarters
with positive net income;
~€6bn cumulative
net income since 3Q09

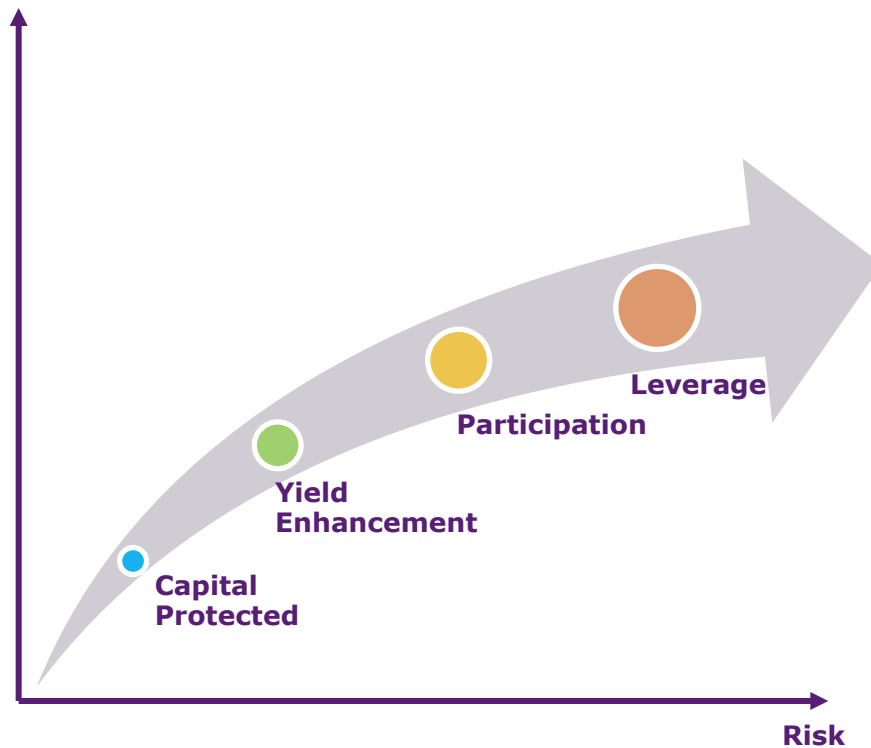
1. Figures as at December 31, 2012 – Results excluding non-operating items

2. Figures as at December 31, 2012 excluding GAPC, discontinued operations and restructuring costs and excluding non-operating items

3. Figures as at December 31, 2012 - Impact will depend on the final Basel 3 rules – fully loaded except on DTAs

4 Main Categories of Structured Products

Expected
Return



CAPITAL PROTECTED

These products offer partial or total capital protection to investors with low risk tolerance.



YIELD ENHANCEMENT

These products enhance returns in stable markets and are suitable for investors with moderate to high risk tolerance.



PARTICIPATION

These products offer exposure to the underlying and are suitable for investors with moderate to high risk tolerance.



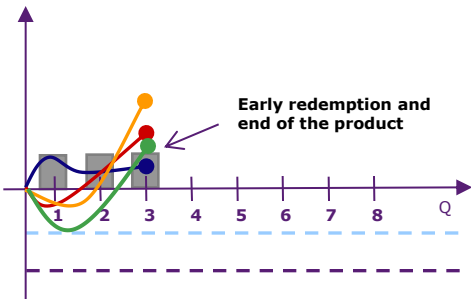
LEVERAGE

These products offer leveraged exposure to an underlying with low initial capital investment. They are suitable for experienced investors with high risk tolerance.

The Best Seller : Autocall Phoenix Memory Worst-Of (WO)

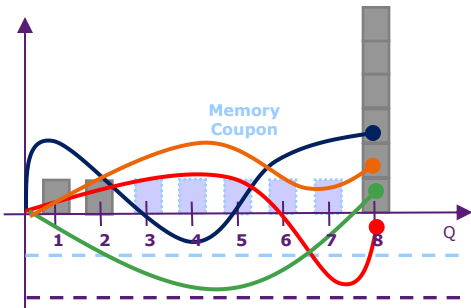


Favorable Scenario



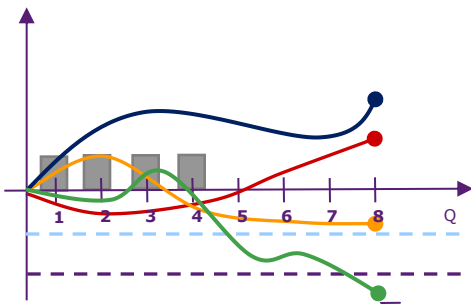
Sum of coupons : $3 \times 4.91\% = 14.73\%$
 Capital Redeemed on Q3 = 100%
 Payoff : 100% + 14.73% = **114.73%**

Median Scenario



Sum of coupons : $8 \times 4.91\% = 39.28\%$
 Capital Redeemed on Q8 = 100%
 Payoff : 100% + 39.28% = **139.28%**

Unfavorable Scenario



Sum of coupons : $4 \times 4.91\% = 19\%$
 Capital Redeemed on Q8: 58%
 Payoff : 58% + 20.60% = **78.60%**

Characteristics (Indicative Levels)	
Issuer	Natixis Structured Products Ltd.
Underlyings	<div> — Norilsk Nickel (MNOD LI) — Rosneft (ROSN LI) — Sberbank (SBER LI) — Severstal (SVST LI) </div>
Currency	USD
Maturity	2 Years
Autocall Trigger	100% of the WO
Observations	Quarterly
Coupon Barrier	75% of the WO - - - - -
Protection Barrier	70% of the WO - - - - - Monitoring at maturity

MEMORY EFFECT



The Best Seller : Autocall Phoenix Memory Worst-Of (WO)



Characteristics (Indicative Levels)

Issuer	Natixis Structured Products Ltd.
Underlyings	<i>See Below</i>
Currency	<i>See Below</i>
Maturity	2 Years
Autocall Trigger	100% of the WO
Observations	Quarterly
Coupon Barrier	75% of the WO
Protection Barrier	70% of the WO <i>Monitoring at maturity</i>
Star Barrier	<i>See Below</i>

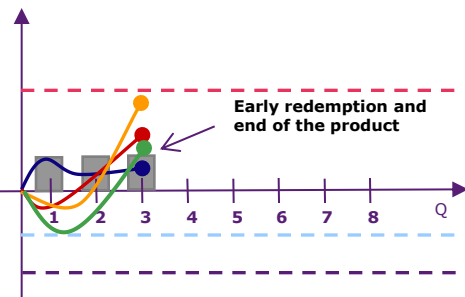
Basket of Underlyings	Coupon p.a. (USD)	Coupon p.a. (RUB)
Norilsk Nickel / Rosneft / Sberbank / Severstal	19.64%	22.36%
Sistema / Surgutneftegas / VimpelCom / VTB Bank	18.36%	21.16%
Apple Inc / Anglo American PLC / Carrefour / Sony Corp	25.16%	28.60%

Autocall Phoenix Memory WO with Star Effect ★★★

The Next Best Seller ?

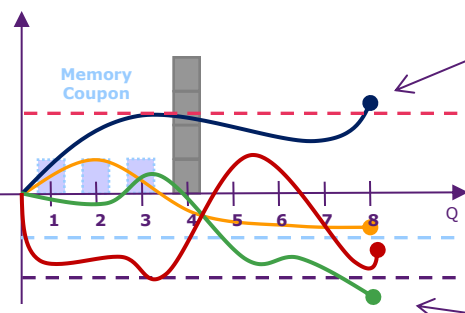


Favorable Scenario



Sum of coupons : $3 * 4.48\% = 13.44\%$
 Capital Redeemed on Q3 = 100%
 Payoff : $100\% + 13.44\% = \mathbf{113.44\%}$

Median Scenario

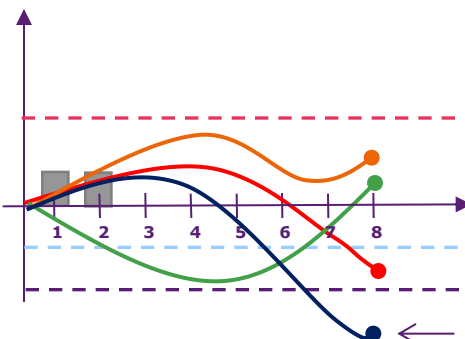


Final price = 117%

Sum of coupons : $4 * 4.48\% = 17.92\%$
 Capital Redeemed on Q8: 100%
 Payoff : $100\% + 17.92\% = \mathbf{117.92\%}$

Final price = 58%

Unfavorable Scenario



Final price = 49%

Sum of coupons : $2 * 4.48\% = 8.96\%$
 Capital Redeemed on Q8 = 49%
 Payoff : $49\% + 8.96\% = \mathbf{57.96\%}$

Characteristics (Indicative Levels)

Issuer	Natixis Structured Products Ltd.
Underlyings	<ul style="list-style-type: none"> Norilsk Nickel (MNOD LI) Rosneft (ROSN LI) Sberbank (SBER LI) Severstal (SVST LI)
Currency	USD
Maturity	2 Years
Autocall Trigger	100% of the WO
Observations	Quarterly
Coupon Barrier	75% of the WO -----
Protection Barrier	70% of the WO ----- Monitoring at maturity
Star Barrier	115% of the Best Of -----



STAR EFFECT

Autocall Phoenix Memory WO with Star Effect ★★ ★

The Next Best Seller ?



Characteristics (Indicative Levels)

Issuer	Natixis Structured Products Ltd.
Underlyings	<i>See Below</i>
Currency	<i>See Below</i>
Maturity	2 Years
Autocall Trigger	100% of the WO
Observations	Quarterly
Coupon Barrier	75% of the WO
Protection Barrier	70% of the WO <i>Monitoring at maturity</i>
Star Barrier	<i>See Below</i>

Basket of Underlyings	Star Barrier	Coupon p.a. (USD)	Coupon p.a. (RUB)
Norilsk Nickel / Rosneft / Sberbank / Severstal	115%	17.92%	20.84%
	NO	19.64%	22.36%
Sistema / Surgutneftegas / VimpelCom / VTB Bank	115%	15.60%	18.64%
	NO	18.36%	21.16%
Apple Inc / Anglo American PLC / Carrefour / Sony Corp	115%	16.84%	21.36%
	NO	25.16%	28.60%

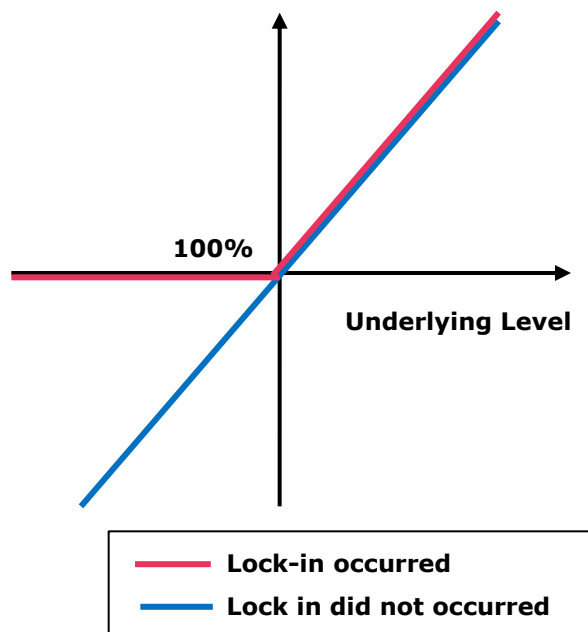
Lock-In Delta 1 Certificate



Lock-In Event

If on any quarterly Observation Date, the level of the Underlying is equal to or greater than its Lock-In Barrier then, **the capital becomes entirely guaranteed in at maturity.**

Redemption at maturity

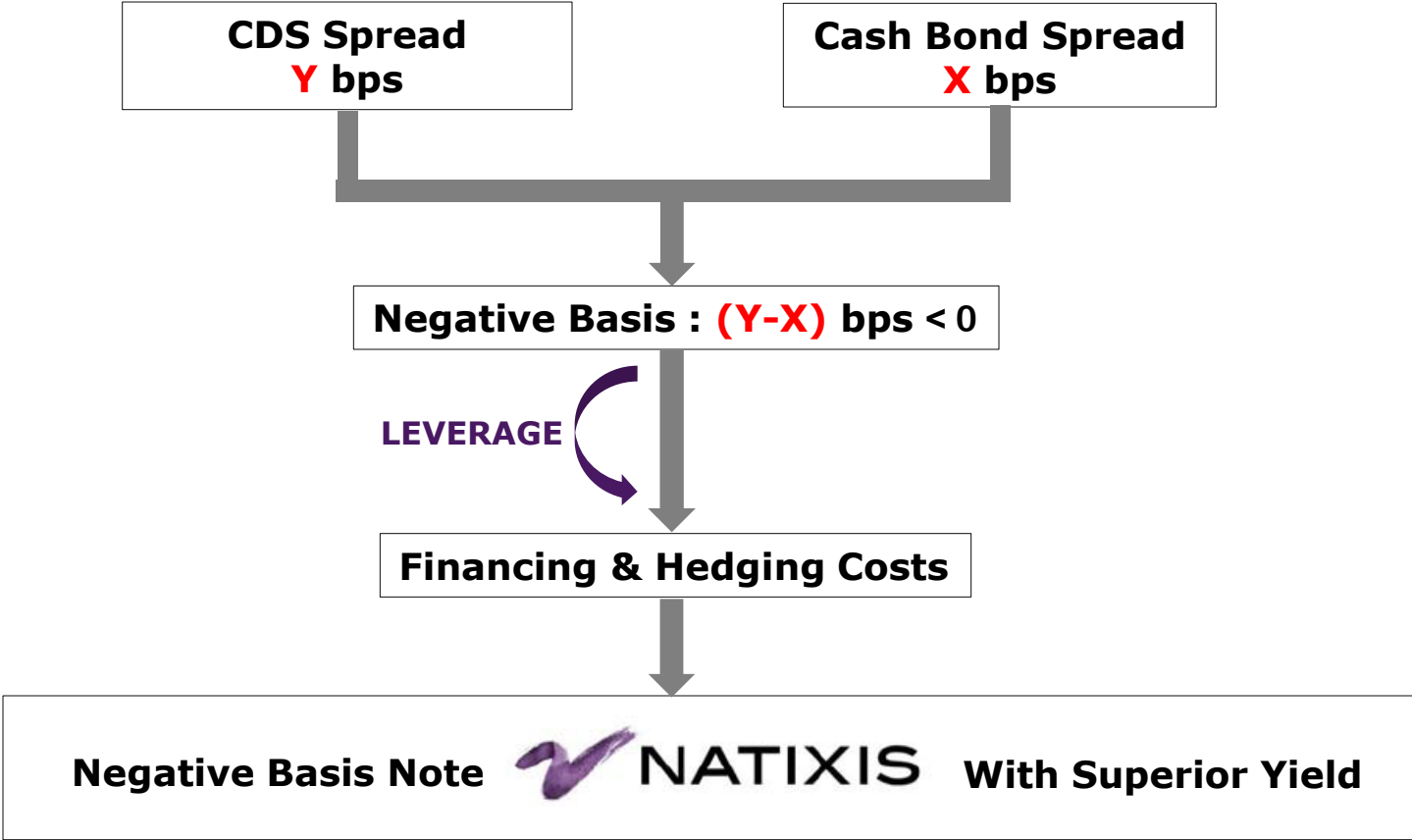


Tenor : 2 Years - Currency : USD – Issuer : Natixis SP

Bloomberg Ticker	Name	Sector	Lock-In Barrier
RDXUSD	Russian Depositary Index	Index	112%
OGZD LI	Gazprom	Energy	111%
SBER LI	Sberbank	Financial	127%
VTBR LI	VTB Bank	Financial	128%
ROSN LI	Rosneft	Energy	114%
LKOD LI	Lukoil	Energy	107%
URKA LI	Uralkali	Basic Materials	124%
MNOD LI	Norilsk Nickel	Basic Materials	113%
SVST LI	Severstal	Basic Materials	134%
SSA LI	Sistema	Communications	135%
SGGD LI	Surgutneftgas	Energy	126%
TMKS LI	TMK	Industrial	132%
VIP US	VimpelCom Ltd	Communications	103%
MFON LI	MegaFon	Communications	111%



Negative Basis Note









Pros

- Superior Yield than a Vanilla Bond from an A/A2 Issuer
- Capital Protected Note even in case of ISDA Credit Event of the Reference Entity
- Arbitrage with Leverage financed by Natixis

Cons

- Coupons at risk in case of ISDA Credit Event of the Reference Entity
- No Accrued Coupons paid in case of ISDA Credit Event of the Reference Entity

Examples of deals done in 2012 & 2013:

						
Entity	Iceland	Lithuania	Turkey	Ukraine	Icici / India	Venezuela
Tenor	3Y	8Y	4Y	5Y	4Y	5Y
Currency	USD	EUR	USD	EUR	EUR	USD
Coupon (p.a.)	3.75%	4%	4.25%	4%	3.75%	4%



Thank you for your attention

Any questions ?

Lior ABEHASSERA

Tel: +33 (0)1 58 55 80 01

Cell: +33 (0)6 11 33 42 09

Mail: lior.abehassera@natixis.com