



Natixis 2Q20 & 1H20 results

August 3, 2020





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1H20 results

Solid capital position and positive earnings capacity preserved through high cost flexibility

Figures excluding exceptional items⁽¹⁾

**NET
REVENUES**

€3.3bn

**OPERATING
EXPENSES**

€2.9bn

CET1 FL⁽²⁾

11.2%

~290bps above current CET1 requirements
~100bps above 2020-2021 target

**EARNINGS
CAPACITY⁽²⁾**

+€17m

Solid capital position

11.2% CET1 FL⁽²⁾ ratio

~290bps above current regulatory requirements and
~100bps above 2020-2021 target

Positive earnings capacity⁽²⁾ and strong cost flexibility

Positive net income of €4m in 2Q20

following an already positive 1Q20 excl. IFRIC 21

Operating expenses down -11% YoY in 2Q20 and **-5% YoY** in 1H20

Solid businesses with activity normalizing

Market rebound and end of lockdown supportive for all four businesses,
with notably the **best quarter since 1Q15 for AM net inflows**
and with **no more 2019 dividend cancellation risk** in 2H20 for Equity

Enhancing value creation

Cost savings identified incl. ~€100m in Asset management

Project to adjust EQD positioning towards key strategic clients

(1) See page 6 (2) See note on methodology

COVID-19

Main observable impacts⁽¹⁾ from the COVID-19 context and developments

Excluding exceptional items⁽²⁾

€m		1Q20	2Q20	1H20
Net revenues		(290)	(106)	(396)
Seed money portfolio mark-downs	AWM	(34)	(17)	(51)
- Listed		(33)	25	(7)
- Unlisted		(2)	(42)	(44)
Dividend mark-downs on equity products	CIB	(130)	(143)	(273)
CVA/DVA impact	CIB	(55)	1	(54)
FVA impact	Corporate Center	(71)	53	(18)
Cost of risk	CIB	(115)	(210)	(325)
Total pre-tax profit impact		(405)	(316)	(721)
CET1 capital		(507)	342	(165)
OCI		(389)	299	(90)
PVA		(118)	43	(75)
Risk-weighted assets (€bn)		3.2	6.7	9.9
Credit RWA		1.7	0.9	2.6
- RCF drawdowns & new money ⁽³⁾		1.7	0.4	2.1
- State-guaranteed loans ⁽³⁾		0.0	0.5	0.5
Market RWA		1.0	6.0	7.0
CVA RWA		0.5	(0.2)	0.3
Total CET1 ratio impact (bps)		(90)bps	(40)bps	(135)bps

~€125m
recoverable net revenues
 upon **market conditions**
 seed money, XvA

~105bps
recoverable CET1 ratio
 upon **market conditions** and over **time**
 OCI, PVA, Market and CVA RWA, state guarantees
 o/w ~40bps could materialize as soon as in 3Q20 - see slide 12

(1) Not exhaustive (2) See page 6 (3) Management data, gross. ~€0.5bn RWA impact from state-guaranteed loans in 2Q20 o/w ~€0.3bn related to the guarantee not being effective yet as at 30/06/20

Natixis consolidated

2Q20 & 1H20 results



2Q20 & 1H20 results

Exceptional items

Disposal of retail banking activities (1Q19)

€697m capital gain

(-) €78m income tax

(-) €33m minority interests

€m		2Q20	2Q19	1H20	1H19
Contribution to the Insurance solidarity fund (<i>Net revenues</i>)	<i>Insurance</i>	(7)	0	(14)	0
Exchange rate fluctuations on DSN in currencies (<i>Net revenues</i>)	<i>Corporate center</i>	(25)	(15)	(1)	4
Real estate management strategy (<i>Expenses</i>)	<i>Business lines & Corporate center</i>	(3)	0	(5)	0
Transformation & Business Efficiency Investment costs (<i>Expenses</i>)	<i>Business lines & Corporate center</i>	(12)	(10)	(12)	(26)
Impact of Liban default on ADIR Insurance (<i>Associates</i>)	<i>Insurance</i>	0	0	(14)	0
Disposal of subsidiary in Brazil (<i>Gain or loss on other assets</i>)	<i>CIB</i>	0	0	0	(15)
Capital gain - Disposal retail banking (<i>Gain or loss on other assets</i>)	<i>Corporate center</i>	0	0	0	697
Coface Fit to win (<i>Coface net contribution</i>) ⁽¹⁾	<i>Coface</i>	0	(1)	0	(1)
Coface capital loss (<i>Coface net contribution</i>) ⁽¹⁾	<i>Coface</i>	0	0	(112)	0
Coface residual stake impairment (<i>Coface net contribution</i>) ⁽¹⁾	<i>Coface</i>	(29)	0	(36)	0
Total impact on income tax		14	8	9	(71)
Total impact on minority interests		0	0	0	(33)
Total impact on net income (gs)		(61)	(17)	(184)	555

(1) For financial communication purposes, all impacts related to Coface are shown in a separate P&L line "Coface net contribution". From an accounting standpoint the 1H20 Coface capital loss is classified in "Gain or loss on other assets" and the 1H20 Coface residual stake impairment in "Associates". See page 26 for the reconciliation with the accounting view

2Q20 results

Positive net income despite the COVID-19 context

€m	2Q20 restated	2Q19 restated	2Q20 o/w underlying	2Q19 o/w underlying	2Q20 vs. 2Q19 restated	2Q20 vs. 2Q19 underlying
Net revenues	1,564	2,100	1,596	2,115	(26)%	(25)%
<i>o/w businesses excl. CVA/DVA</i>	1,536	2,094	1,543	2,094	(27)%	(26)%
Expenses	(1,292)	(1,448)	(1,278)	(1,438)	(11)%	(11)%
Gross operating income	272	653	318	677	(58)%	(53)%
Provision for credit losses	(289)	(109)	(289)	(109)		
Net operating income	(17)	543	29	568	(103)%	(95)%
Associates and other items	4	1	4	1		
Pre-tax profit	(13)	545	33	569	(102)%	(94)%
Income tax	(5)	(149)	(19)	(156)		
Minority interests	(12)	(68)	(12)	(68)		
Net income - group share excl. Coface net contribution	(30)	328	2	345	(109)%	(99)%
Coface net contribution	(27)	18	2	18		
Net income - group share incl. Coface net contribution	(57)	346	4	363	(116)%	(99)%

(1) See note on methodology

Figures restated as communicated on April 20, 2020 following the announced sale of a 29.5% stake in Coface. See page 26 for the reconciliation of the restated figures with the accounting view

1H20 results

Positive earnings capacity despite the COVID-19 context

€m	1H20 restated	1H19 restated	1H20 o/w underlying	1H19 o/w underlying	1H20 vs. 1H19 restated	1H20 vs. 1H19 underlying
Net revenues	3,314	4,057	3,328	4,053	(18)%	(18)%
o/w businesses excl. CVA/DVA	3,386	4,004	3,400	4,004	(15)%	(15)%
Expenses	(2,874)	(3,044)	(2,857)	(3,018)	(6)%	(5)%
Gross operating income	439	1,013	471	1,035	(57)%	(55)%
Provision for credit losses	(482)	(140)	(482)	(140)		
Net operating income	(43)	873	(11)	895	(105)%	(101)%
Associates and other items	(4)	686	11	4		
Pre-tax profit	(47)	1,559	(1)	899	(103)%	(100)%
Income tax	(19)	(349)	(28)	(278)		
Minority interests	(51)	(133)	(51)	(100)		
Net income - group share excl. Coface net contribution	(116)	1,077	(80)	521	(111)%	(115)%
Coface net contribution	(145)	33	3	34		
Net income - group share incl. Coface net contribution	(261)	1,110	(77)	555	(124)%	(114)%

Positive earnings capacity⁽¹⁾ of €17m - €(94)m IFRIC 21 impact in 1H20

(1) See note on methodology

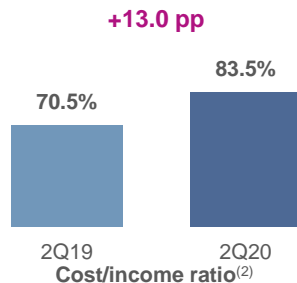
Figures restated as communicated on April 20, 2020 following the announced sale of a 29.5% stake in Coface. See page 26 for the reconciliation of the restated figures with the accounting view

2Q20 results

Cost flexibility a strong shock absorber...

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	2Q20 vs. 2Q19 constant FX
Net revenues	1,596	2,115	(25)%	(25)%
<i>a/w businesses excl. CVA/DVA</i>	<i>1,543</i>	<i>2,094</i>	<i>(26)%</i>	<i>(27)%</i>
Expenses	(1,278)	(1,438)	(11)%	(12)%
Gross operating income	318	677	(53)%	(53)%
Provision for credit losses	(289)	(109)		
Associates and other items	4	1		
Pre-tax profit	33	569	(94)%	
Income tax	(19)	(156)		
Minority interests	(12)	(68)		
Net income (gs) - underlying excl. Coface net contribution	2	345	(99)%	
Coface net contribution	2	18		
Net income (gs) - underlying incl. Coface net contribution	4	363	(99)%	



(1) See page 6 (2) See note on methodology and excluding IFRIC 21

Net revenues impacted by the full effect of the late 1Q market dislocation (mainly Asset management) and lockdown measures (mainly Payments) as well as continued dividend cancellations and uncertainty regarding the shape of the economic recovery (mainly CIB). Market bounce-back during 2Q allowing for some reversal of the 1Q COVID-19 related impacts that were reflecting a snapshot view as at March 30. Overall, 2Q20 was thus notably impacted by the following lumpy items for a total amount of **~€(106)m**:

- **AWM: €(17)m** mark-down impact on the seed money portfolio (post overlay) with €25m of mark-ups on its listed part, recovering from end-March levels, offset by €(42)m of mark-downs on its unlisted part (real estate, private equity)
- **CIB: €(143)m** impact from dividend mark-downs across Equity following a second leg of corporates' 2019 dividend cancellation. Limited impact from CVA/DVA (Credit/Debit Value Adjustment): **€1m**
- **Corporate Center: €53m** FVA (Funding Value Adjustment) impact, largely reversing from 1Q

Expenses are down -11% YoY demonstrating the cost flexibility embedded in the Asset management multiboutique model (-14% YoY) as well as ongoing cost discipline across the board, notably reflected through the CIB and the Corporate Center cost bases (-8% YoY and more than -40% YoY respectively)

Cost of risk reflecting higher impairments mainly across energy exposures as well as some IFRS 9 provisioning following the latest SSM macroeconomic update (see page 11 for cost of risk details and page 28 for exposures to "sensitive" sectors)

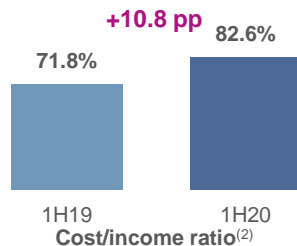
Coface net contribution based on a ~13% residual stake (vs. ~42% in 2Q19)

1H20 results

...allowing for positive earnings capacity amidst unprecedented conditions

Figures excluding exceptional items⁽¹⁾

€m	1H20	1H19	1H20 vs. 1H19	1H20 vs. 1H19 constant FX
Net revenues	3,328	4,053	(18)%	(19)%
<i>a/w businesses excl. CVA/DVA</i>	3,400	4,004	(15)%	(16)%
Expenses	(2,857)	(3,018)	(5)%	(6)%
Gross operating income	471	1,035	(55)%	(55)%
Provision for credit losses	(482)	(140)		
Associates and other items	11	4		
Pre-tax profit	(1)	899	(100)%	
Income tax	(28)	(278)		
Minority interests	(51)	(100)		
Net income (gs) - underlying excl. Coface net contribution	(80)	521	(115)%	
Coface net contribution	3	34		
Net income (gs) - underlying incl. Coface net contribution	(77)	555	(114)%	
Restatement of IFRIC 21	94	95		
Net income (gs) excl. IFRIC 21 - underlying incl. Coface	17	650	(97)%	



(1) See page 6 (2) See note on methodology and excluding IFRIC 21 (3) See note on methodology

Net revenues impacted by the following lumpy items, all directly or indirectly linked to the COVID-19 context for a total amount of ~€(396)m:

- **AWM: €(51)m** mark-down impact on the seed money portfolio (post overlay) including both listed and private assets
- **CIB: €(54)m** CVA/DVA (Credit/Debit Value Adjustment) impact due to spreads widening on the back of perceived counterparty credit risk deterioration as at June 30, 2020 vs. December 31, 2019. **€(273)m** impact from dividend mark-downs across Equity following corporates' 2019 dividend cancellation and the related sharp moves of dividend future curves
- **Corporate Center: €(18)m** FVA (Funding Value Adjustment) impact due to the YTD increase in funding costs on the market

Expenses are down -5% YoY and -6% YoY at constant exchange rate, demonstrating Natixis' ability to adjust to its environment and with further cost saves to be realized, notably in Asset management (see page 16)

Cost of risk reflecting the COVID-19 context mainly through some IFRS 9 provisioning as well as cases of fraud, essentially across energy exposures and increasing non-performing loans (see page 11)

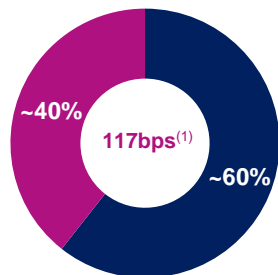
Coface net contribution based on a ~13% residual stake (vs. ~42% in 1H19)

Earnings capacity⁽³⁾ positive at €17m despite the context, adjusting for the front-loading of mandatory expenses recognized every 1Q due to IFRIC 21

Cost of risk

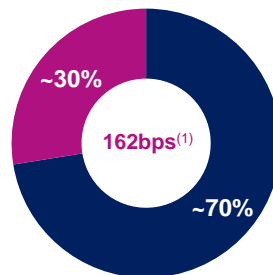
Cost of risk sensitivity for 2020 remains unchanged despite a higher 2Q

Breakdown of 1Q20 cost of risk



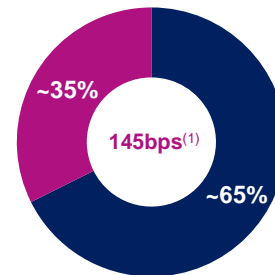
~45bps

Breakdown of 2Q20 cost of risk



~45bps

Breakdown of 1H20 cost of risk



~45bps

■ COVID-19 related impacts ■ Cost of risk excl. COVID-19

Cost of risk⁽¹⁾ excl.
main COVID-19 related impacts
(e.g. IFRS 9, fraudulent credit counterparties, airlines)

2020 cost of risk sensitivity

Sensitivity analysis re-run based on end-June data

Conclusions similar to the ones disclosed at 1Q20 results regarding the FY20 cost of risk, despite 2Q20 being at a higher level

with the following assumptions:

~(10)%
2020 French GDP
~5%
2021 French GDP

~\$40
Oil price

~15%
Haircut to
real estate prices

~45%
Haircut to
aircraft prices

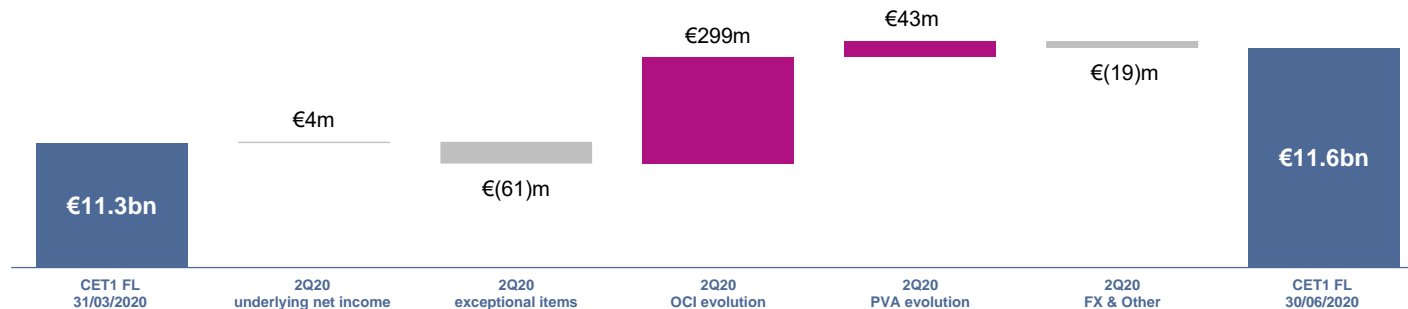
Announced exit of shale O&G to have a structural positive impact on the through-the-cycle cost of risk of ~€20m per annum (based on average Stage 3 provisioning on the portfolio over 2014-2019)

(1) Cost of risk excluding credit institutions. Cost of risk in bps of total amount of loans outstanding, beginning of period

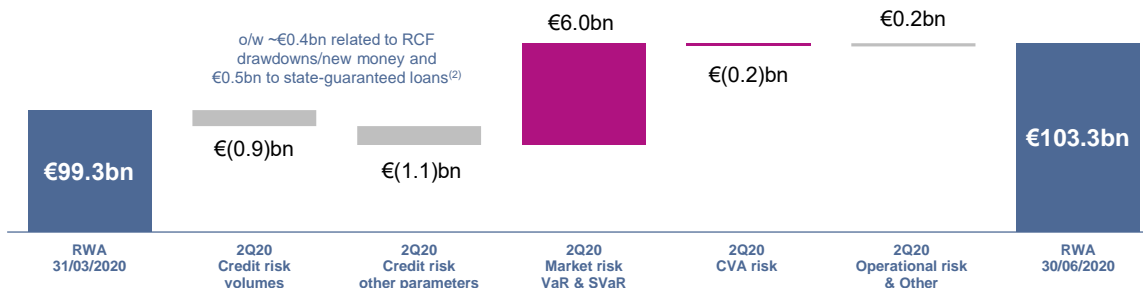
Financial structure

Strong CET1 FL⁽¹⁾ ratio at 11.2% at end-June and 11.6% proforma “60-day forward”

CET1 FL⁽¹⁾ capital



Basel 3 RWA



11.6%
CET1 FL⁽¹⁾ ratio proforma “60-day forward”
with >€3bn of RWA decline expected coming from:

Market RWA
VaR 60-day trailing calculation (see next slide)
State-guaranteed loans
Guarantees effective 60 days after origination

(1) See note on methodology (2) Management data, gross. ~€0.5bn RWA impact from state-guaranteed loans in 2Q20 o/w ~€0.3bn related to the guarantee not being effective yet as at 30/06/20

Financial structure

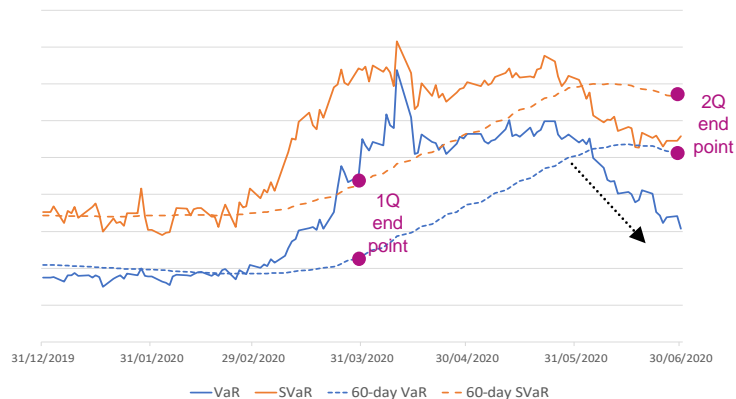
Solid capital position above requirements/target, Market RWA to come down

Focus on Market RWA

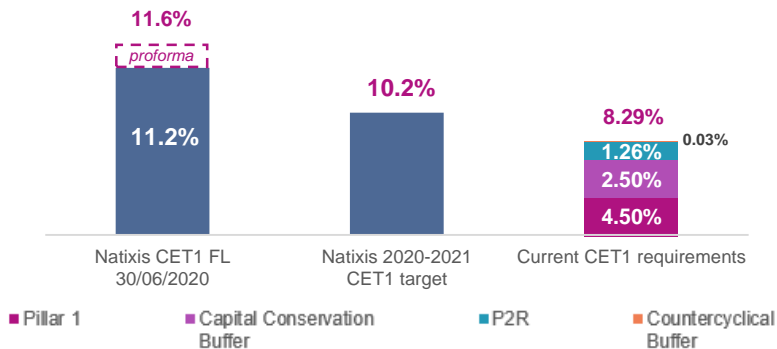
Main drivers of 2Q Market RWA increase:

- Internal model calculation based on a 60-day trailing regulatory VaR/SVaR, thus creating a **lag effect**;
- Reg. VaR based on a “worst-of” 3-month or 12-month econometry, thus creating a **short-term bias** in the calculation given 1Q market dislocation;
- XvA hedges part of the reg. VaR/SVaR but not the underlying risks, thus virtually creating a directional position that **amplifies the moves** for reg. VaR/SVaR calculation

Should market conditions prevailing at end-June remain stable, **Market RWA are expected to come down by ~€3bn as soon as the end of 3Q20**. Further release from XvA hedge normalization could also materialize over time



~€3.1bn solid CET1 buffer above current regulatory requirements and ~€1.1bn above 2020-2021 target. Proforma “60-day forward” adds ~€0.3bn



Summary of key moving parts that could impact the ratio in 2H20

beyond earnings, ‘organic’ growth and capital return (to be announced in February 2021)



Timing and exact magnitude of some of these impacts uncertain yet

Business lines

2Q20 & 1H20 results



Asset & Wealth Management

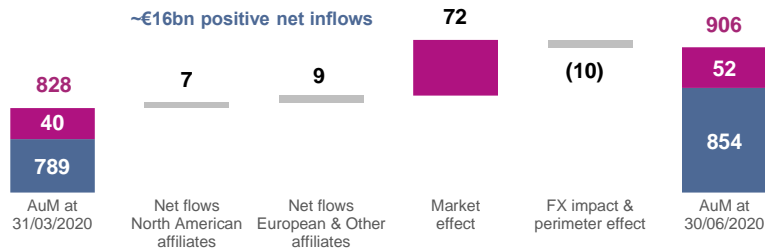
Strong cost flexibility and AuM back above €900bn, higher than at end-June 2019

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	1H20	1H19	1H20 vs. 1H19	1H20 vs. 1H19 constant FX
Net revenues	704	932	(24)%	1,478	1,705	(13)%	(14)%
o/w Asset Management ⁽²⁾	668	900	(26)%	1,401	1,642	(15)%	(16)%
o/w Wealth management	36	32	12%	77	63	22%	22%
Expenses	(530)	(605)	(12)%	(1,109)	(1,158)	(4)%	(6)%
Gross operating income	174	327	(47)%	369	547	(33)%	(33)%
Provision for credit losses	(11)	(2)		(10)	(1)		
Associates and other items	(3)	(2)		(5)	(4)		
Pre-tax profit	160	323	(50)%	354	542	(35)%	

Assets under Management⁽³⁾ ■ Controlled affiliates ■ WCM IM

in €bn



(1) See page 6 (2) Including Private equity and Employee savings plan (3) Europe including Dynamic Solutions and Vega IM AuM, US including WCM IM

2Q20 highlights

AM net revenues

- Gross base fees down -12% YoY with expenses down -14% YoY, demonstrating the **strong cost flexibility** embedded in the multiboutique model (see next slide)
- Performance fees: €22m in 2Q20 vs. €138m in 2Q19
- €(42)m mark-downs on the unlisted seed money portfolio**, partly offset by recoveries of €25m on the listed one post 1Q20 impacts (vs. overall contribution of €27m in 2Q19)

AM net inflows⁽³⁾ reached ~€16bn, best quarter since 1Q15. ~€7bn net inflows coming towards North American affiliates (notably through good traction with Asian clients: ~€5bn of net inflows) essentially across *fixed income* and *growth equity* strategies. Strong momentum for Loomis and WCM. Vast majority of European affiliates experiencing positive net inflows with continued strong success e.g. for Mirova

AM fee rate: Overall fee rate at ~28bps in June with some improvement throughout the quarter thanks to the equity market rebound flowing through the average AuM:

European affiliates: >15bps (>27bps excl. Life Insurance General Accounts)

North American affiliates: ~35bps - lower share of average AuM at Harris

Assets under Management bounced back to €906bn, up +9% QoQ and above their end-June 2019 level

2020 outlook

3Q20 starting with a level of AuM largely in line with its 3Q19 average level

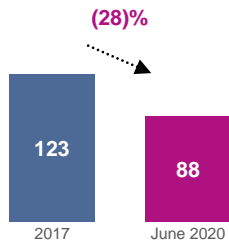
New cost initiatives to enhance value creation (see next slide)

Asset Management

Core to Natixis IM: Diversification across strategies and operational flexibility

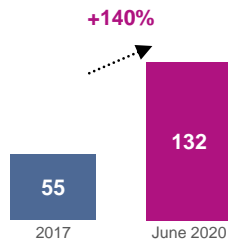
Equity value AuM

in €bn



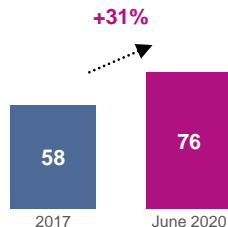
Equity growth AuM

in €bn



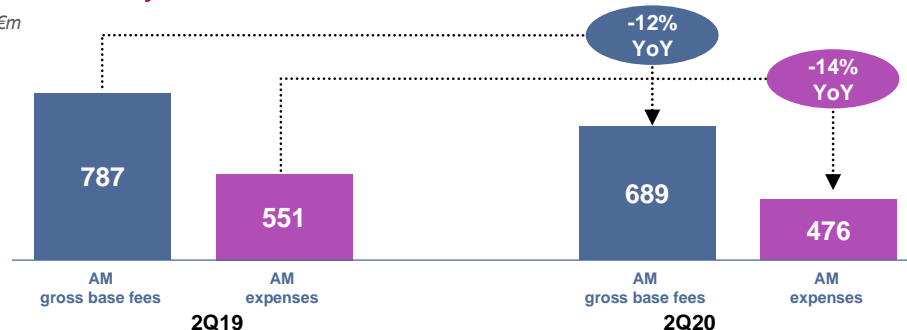
Private assets AuM

in €bn



Cost flexibility

in €m



Reminder: AM net revenues (excl. Employee savings plan) are mainly made of base fees, performance fees, transactions/advisory fees, net distribution fees as well as other net financial income (incl. seed money)

+ Right-sizing the cost base

~€100m

cost savings identified i.e. ~8% of the non-variable compensation cost base
both at Corporate and Affiliates level (Ostrum AM/LBPAM merger, affiliate rationalization, IT...)

Cost savings of ~€50m by end-2020 (majority 2H20), ~€80m by 2021, ~€100m by 2022
Restructuring costs of ~€45m in 2H20 and ~€25m in 2021

Equity single strategy only for Harris+DNCA+Vaughan Nelson (value) and Loomis+WCM+Mirova+Thematics+DNCA (growth)

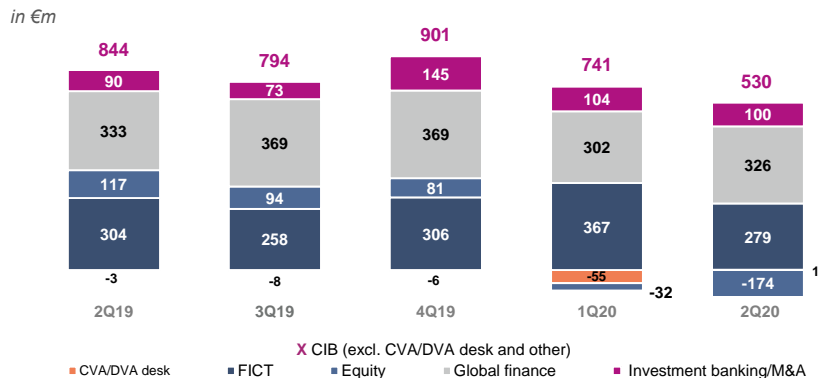
Corporate & Investment Banking

Strong cost flexibility and dividend cancellation risk now fully accounted for

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	1H20	1H19	1H20 vs. 1H19	1H20 vs. 1H19 constant FX
Net revenues	519	847	(39)%	1,207	1,654	(27)%	(28)%
Net revenues excl. CVA/DVA/Other	530	844	(37)%	1,271	1,644	(23)%	(27)%
Expenses	(477)	(520)	(8)%	(1,034)	(1,099)	(6)%	(7)%
Gross operating income	43	327	(87)%	173	554	(69)%	(69)%
Provision for credit losses	(275)	(104)		(469)	(134)		
Associates and other items	2	3		5	6		
Pre-tax profit	(230)	225	(202)%	(291)	426	(168)%	

Net revenues



(1) See page 6

Equity

- €(174)m revenues in 2Q20 due to €(143)m of dividend mark-downs, together with low client activity during lockdown and higher hedging costs
- **No more dividend cancellation risk for 2H20**
- **Project to adjust EQD positioning** to focus on Groupe BPCE retail networks and Natixis' key strategic clients. **Run-rate for Equity revenues could reach ~€300m** per annum post review implementation, also leading to **significant cost saves** coming through

2Q20 highlights

Global markets: FICT revenues at €279m, slightly down vs. a good 2Q19 with overall resilient client activity despite a less favourable environment vs. 1Q20, notably for FX

Global finance: Net revenues up +8% QoQ and largely stable YoY with high levels of new production driven by the support brought to the French economy and higher portfolio revenues offsetting lower syndication fees. Robust dynamics across Infrastructure and Europe Real Estate vs. lower contributions from Aviation & US RE

Investment banking/M&A: Net revenues up +11% YoY driven by IB and DCM more specifically with **strong footprint development** across SSA and FIG together with continued support to French corporates (active in ~80% of CAC 40 issuances). Resilient contribution from M&A boutiques, although lower than in 2Q19, with good revenue generation e.g. from PJ Solomon and Natixis Partners

Continued strong discipline on costs, down -8% YoY in 2Q20 and -6% YoY in 1H20. Ongoing efforts to be pursued

Market RWA are expected to come down following the 2Q20 technical spike

Insurance

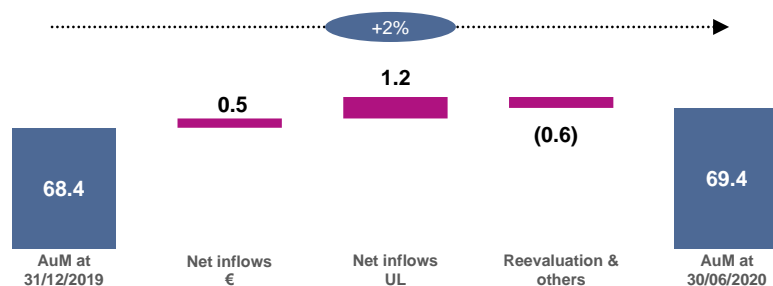
Strong growth profile with 2020 financial targets on track

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	1H20	1H19	1H20 vs. 1H19
Net revenues	235	207	14%	463	425	9%
Expenses	(117)	(114)	3%	(250)	(239)	5%
Gross operating income	119	93	27%	213	186	14%
Provision for credit losses	0	0		0	0	
Associates and other items	(2)	5		2	5	
Pre-tax profit	117	98	19%	214	192	12%

Life insurance AuM⁽³⁾

in €bn



(1) See page 6 (2) See note on methodology and excluding IFRIC 21 (3) Excluding reinsurance agreement with CNP (4) Excluding exceptional items

2Q20 highlights

Exceptional items identified on page 6: €(7)m impact from the **contribution to the insurance solidarity fund** in 2Q20 (*Net revenues*)

Efficient hedging strategy against a drop in equity markets supportive of solid revenue growth of +9% YoY in 1H20 together with low levels of claims for P&C notably

Cost/income ratio⁽²⁾ at 51.7% in 2Q20 and 51.9% in 1H20, improving vs. prior year periods. **Positive jaw effect** of +11pp in 2Q20 and +4pp in 1H20

RoE⁽²⁾ at 34.9% in 2Q20 and 33.9% in 1H20, up from 27.7% in 2Q19 and 30.4% in 1H19

Commercial indicators (*more details on page 38*): **€3.9bn gross inflows⁽³⁾** and **€1.7bn net inflows⁽³⁾** for Life insurance in 1H20. **Share of unit-linked products** in the gross inflows⁽³⁾ increasing sharply to ~36% across the two Groupe BPCE networks vs. ~29% in 1H19

2020 outlook

Overall commercial activity back to pre-lockdown levels as of mid-June

Under market conditions prevailing as at end-June 2020, **New Dimension 2020 financial targets all expected to be delivered or exceeded⁽⁴⁾** - See 1Q20 financial communication for sensitivities across Life/Personal protection and P&C

Reminder on New Dimension 2020 financial targets:

Net revenues: ~7% CAGR i.e. net revenues of ~€900m in 2020

Cost/income ratio: ~54%

RoE: ~30%

Payments

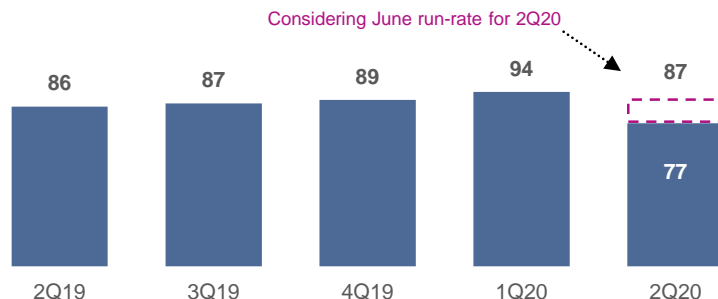
A growth engine that returned close to full-speed in June

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	1H20	1H19	1H20 vs. 1H19
Net revenues	86	105	(18)%	198	208	(5)%
Expenses	(93)	(94)	(1)%	(187)	(181)	3%
Gross operating income	(7)	11	(164)%	12	27	(56)%
Provision for credit losses	0	(1)		2	(1)	
Associates and other items	0	0		0	0	
Pre-tax profit	(7)	10	(164)%	14	26	(48)%

EBITDA - 12-month trailing period⁽²⁾

in €m



(1) See page 6 (2) Standalone view. See page 41

2Q20 highlights

Net revenues impacted by lockdown measures in France in April/May and with a **commercial activity back to normalized levels across most business lines in June:**

Payment Processing & Services: Number of card transactions processed significantly impacted by the lockdown period (volumes down ~50% YoY in April and ~30% YoY in May) with activity levels back to normal in June (volumes flat YoY)

Merchant Solutions: PayPlug strongly benefited from its positioning across small and medium-sized merchants with new and existing clients seeking to diversify their distribution channels towards online during lockdown (business volumes x2.8 YoY in 2Q20). Despite a slowdown in activity levels across a few sectors (e.g travel, entertainment), **Dalenys** continued to exhibit business volume growth, at +10% YoY in 2Q20

Prepaid & Issuing Solutions: Impact from **technical unemployment** and the **closure of some acceptance venues** such as restaurants for meal vouchers leading to volumes down ~60% YoY in April/May. Activity normalizing in June although still below June 2019 levels

2020 outlook

2020 net revenues are expected to continue to exhibit positive momentum vs. 2019 and with a positive jaw effect in 2H20

2020 EBITDA expected to be largely stable vs. 2019

Corporate Center

Cost saving efforts paying off and FVA normalizing

Figures excluding exceptional items⁽¹⁾

€m	2Q20	2Q19	2Q20 vs. 2Q19	1H20	1H19	1H20 vs. 1H19
Net revenues	51	24		(18)	61	
Expenses	(62)	(105)	(41)%	(277)	(340)	(19)%
SRF	(2)	0		(165)	(170)	(3)%
Other	(60)	(105)	(43)%	(112)	(171)	(34)%
Gross operating income	(11)	(81)	(87)%	(295)	(279)	6%
Provision for credit losses	(4)	(3)		(5)	(4)	
Associates and other items	7	(5)		9	(3)	
Pre-tax profit	(7)	(88)	(92)%	(291)	(286)	2%

Net revenues impacted by a positive €53m FVA impact in 2Q20, recovering from the €(71)m adjustment taken in 1Q20. As a reminder **Funding Value Adjustments** materialize through the P&L due to the change in the cost of funding above the risk-free rate for uncollateralized derivative transactions. Such adjustments can be quite volatile and tend to **normalize over time**

Expenses down more than -40% YoY in 2Q20 and more than -30% YoY in 1H20 (excl. SRF), notably reflecting **cost saving efforts** being carried out across the organization

(1) See page 6

Conclusion

2Q20 & 1H20 results



Conclusion

Leveraging on Natixis' solid businesses and agility

Activity bouncing back across all Natixis businesses

AWM

Assets under management back above €900bn
Strong net inflow dynamics

CIB

No more 2019 dividend cancellation risk for EQD in 2H20
2020 cost of risk sensitivity unchanged

Insurance

All 2020 financial targets to be met or exceeded

Payments

Processing volumes back to normalized levels as soon as in June

Positive earnings capacity⁽¹⁾ through high cost flexibility

Solid capital position

CET1 FL⁽¹⁾ ratio +290bps above current requirements and +100bps above target

2021 targets and outlook to be released on **November 5, 2020** together with Natixis 3Q20 results
New strategic plan to be unveiled in **June 2021**

(1) See note on methodology

Appendix I

Financial Statements & Business indicators

2Q20 & 1H20 results



Natixis commitment to sustainability

Combining financial performance with environmental/social responsibility across the organization

Putting biodiversity at the heart of Natixis' sustainability strategy

1st bank involved in the **act4nature international** initiative to make SMART (Specific, Measurable, Achievable, Relevant and Time-bound) commitments to safeguard biodiversity and natural capital across its various business lines recognized by environmental NGOs

Responsible lending & arranging

1st bank to build a
Green Weighting Factor
Implemented since 3Q19

Strengthening

fossil fuel exclusion policies:

Exit shale Oil&Gas exploration and production activities
Exit all thermal coal activities by 2030 for OECD countries
Exit all thermal coal activities for the ROW by 2040



Development of

Sustainable bonds and loans

14 sustainable bonds arranged in 2Q20 (€4bn share)
7 sustainable loans closed in 2Q20 (€370m underwriting)

Financing renewable energy projects

4 new projects representing 1772MW installed capacity
and €355m arranged amount financed in 2Q20

Corporate action

Engaging our teams for our communities

Natixis has set up a donation platform so that employees can make a financial and personal commitment to the fight against COVID-19

Committed to diversity & gender equality

Selection in the Bloomberg Gender Equality Index

Natixis is the first bank in the SBF 120 ranking of women in senior management



Responsible investing

~93% of Natixis IM AuM

under UN-Principles for Responsible Investment
representing ~€843bn AuM as of 30/06/2020

Our affiliates

Thematics AM

obtained SRI label certification for 4 funds,
2 of which are included in the Water Strategy

Mirova

mandated to manage new exclusive and closed
L'Oréal Fund for Nature Regeneration
(initial investment €50m)

Natixis Assurances investment policy
to achieve 2°C trajectory by 2030
**Commitment to 10% of investments in green
assets each year to reach 10% target in total
AuM by 2030**

€220m (~8%) of 2Q20 investments were green
(bonds and equities)

€2.3bn (~4%) of green investments in portfolio to date

Natixis - Consolidated P&L (restated)

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	1,957	2,100	2,102	2,326	1,750	1,564	(26)%	4,057	3,314	(18)%
Expenses	(1,597)	(1,448)	(1,465)	(1,606)	(1,582)	(1,292)	(11)%	(3,044)	(2,874)	(6)%
Gross operating income	360	653	637	719	167	272	(58)%	1,013	439	(57)%
Provision for credit losses	(31)	(109)	(70)	(119)	(193)	(289)		(140)	(482)	
Associates	3	8	3	6	(8)	1		11	(7)	
Gain or loss on other assets	682	(7)	9	1	(0)	4		675	3	
Change in value of goodwill	0	0	0	0	0	0		0	0	
Pre-tax profit	1,015	545	579	607	(34)	(13)	(102)%	1,559	(47)	(103)%
Tax	(201)	(149)	(114)	(153)	(13)	(5)		(349)	(19)	
Minority interests	(65)	(68)	(66)	(96)	(39)	(12)		(133)	(51)	
Net income - group share excl. Coface net contribution	749	328	399	358	(87)	(30)	(109)%	1,077	(116)	(111)%
Coface net contribution	15	18	16	12	(118)	(27)		33	(145)	
Net income - group share incl. Coface net contribution	764	346	415	371	(204)	(57)	(116)%	1,110	(261)	(124)%

Figures restated as communicated on April 20, 2020 following the announced sale of a 29.5% stake in Coface. See page 26 for the reconciliation of the restated figures with the accounting view

Natixis - Reconciliation between management and accounting figures

1H19

€m	1H19 underlying	Exceptional items	1H19 restated	Coface restatement	Residual contribution from perimeter sold (ex SFS)	1H19 reported
Net revenues	4,053	4	4,057	356	22	4,436
Expenses	(3,018)	(26)	(3,044)	(252)	(22)	(3,319)
Gross operating income	1,035	(22)	1,013	104	(0)	1,117
Provision for credit losses	(140)	0	(140)	(1)	(0)	(141)
Associates	11	0	11	0	0	11
Gain or loss on other assets	(7)	682	675	5	0	681
Pre-tax profit	899	660	1,559	108	(0)	1,668
Tax	(278)	(71)	(349)	(30)	0	(379)
Minority interests	(100)	(33)	(133)	(45)	0	(178)
Net income - group share excl. Coface net contribution	521	556	1,077			
Coface net contribution	34	(0)	33			
Net income - group share incl. Coface net contribution	555	555	1,110			1,110

1H20

	1H20 underlying	Exceptional items	1H20 restated	Coface restatement	1H20 reported
	3,328	(15)	3,314	0	3,314
	(2,857)	(17)	(2,874)	0	(2,874)
	471	(32)	439	0	439
	(482)	0	(482)	0	(482)
	7	(14)	(7)	(33)	(40)
	3	0	3	(112)	(109)
	(1)	(46)	(47)	(145)	(192)
	(28)	9	(19)	0	(19)
	(51)	0	(51)	0	(51)
	(80)	(36)	(116)		
	3	(148)	(145)		
	(77)	(184)	(261)		(261)

See April 20, 2020 press release "Preparation of the 1Q20 Financial Communication" as well as April 11, 2019 press release "Preparation of the 1Q19 Financial Communication"

Natixis - IFRS 9 Balance sheet

Assets (€bn)	30/06/2020	31/03/2020
Cash and balances with central banks	20.9	15.3
Financial assets at fair value through profit and loss ⁽¹⁾	212.0	223.4
Financial assets at fair value through Equity	13.0	12.3
Loans and receivables ⁽¹⁾	126.8	126.1
Debt instruments at amortized cost	1.6	1.5
Insurance assets	107.0	103.2
Non-current assets held for sale	0.5	0.5
Accruals and other assets	15.5	15.8
Investments in associates	0.9	0.9
Tangible and intangible assets	2.0	2.0
Goodwill	3.6	3.6
Total	503.8	504.7

Liabilities and equity (€bn)	30/06/2020	31/03/2020
Due to central banks	0.0	0.0
Financial liabilities at fair value through profit and loss ⁽¹⁾	206.4	216.9
Customer deposits and deposits from financial institutions ⁽¹⁾	112.5	104.9
Debt securities	44.7	45.3
Liabilities associated with non-current assets held for sale	0.0	0.0
Accruals and other liabilities	16.8	17.3
Insurance liabilities	99.1	95.3
Contingency reserves	1.5	1.4
Subordinated debt	3.6	3.6
Equity attributable to equity holders of the parent	19.1	19.7
Minority interests	0.2	0.3
Total	503.8	504.7

(1) Including deposit and margin call

Natixis - Exposures at Default

Focus on selected sectors across Natixis' well diversified portfolio

Oil & Gas⁽¹⁾: >75% of exposures with no/limited sensitivity to oil prices

€10.2bn Net EaD: ~60% Investment Grade

Trade finance	Trade financing is inherently very short term (< 90 days). Traders are <u>generally</u> hedged against price variation risk. Natixis is not exposed to the oil price variation risk	€4.7bn	Not exposed to oil price risk
Midstream	Transportation (pipeline), storage and wholesale marketing of crude oil, petroleum products and gas. Most resilient segment as revenues are generally based on carried volume and not linked to oil price	€0.2bn	
Refining / Petrochemicals	Mainly secured transactions (Asset Back Facilities) to US refiners which enjoy a favorable refining margin environment	€1.0bn	Not directly exposed to oil price risk or with a low sensitivity to oil price risk
Liquefied Natural Gas	Mainly long term contracts with Majors in a <i>take or pay</i> or <i>tolling</i> basis	€0.3bn	
Majors & National Oil Companies	Majors / integrated oil companies with strong balance sheet and national oil companies of strategic importance for oil producing countries	€1.2bn	
Offshore Infrastructure	Mainly operational offshore platforms with Majors/NOCs & investment grade companies in <u>secured lending basis only</u>	€0.2bn	Absorption capacity of lower oil price
Independent producers & service companies	<p>Independent producers risk mitigants include:</p> <ul style="list-style-type: none"> senior secured lending position among creditors (RBL security package); borrower's hedging policy is part of credit decision making; IP are prompt in adjusting Capex and Opex to market environment; semi-annual borrowing base redeterminations include revised price assumptions <p>Companies involved in drilling rigs, in assistance to production, pipe laying, heavy lifting, etc. → Exposure in and out of the US market has been almost exited over the past 10 years</p>	€1.6bn EMEA/ Other €0.9bn US	More limited absorption capacity of lower oil price

May 18, 2020 announcement: Exit from shale O&G



€9.3bn proforma Net EaD: ~85% with no/limited sensitivity to oil prices

(1) Energy & Natural Resources + Real Asset perimeters

Aviation⁽¹⁾: ~75% of secured exposures

€4.5bn Net EaD: well-diversified portfolio across ~30 countries (no country accounting for >25% of Net EaD), ~75% of exposures secured and majority Investment Grade. Majority of aircrafts aged < 10 years and narrow-body type i.e. less sensitive to asset price variation in a stressed scenario. Various government's measures for the industry also likely to limit potential jumps to default (~€0.2bn of "sensitive" exposures for 2020)

- €2.2bn Net EaD to airlines
- €2.3bn Net EaD to lessors

Leisure, Hotels & Restaurants

€1.9bn Net EaD: 92% EMEA, geared towards industry leaders and with limited non-performing assets (~2%)

No more exposure to Shipping

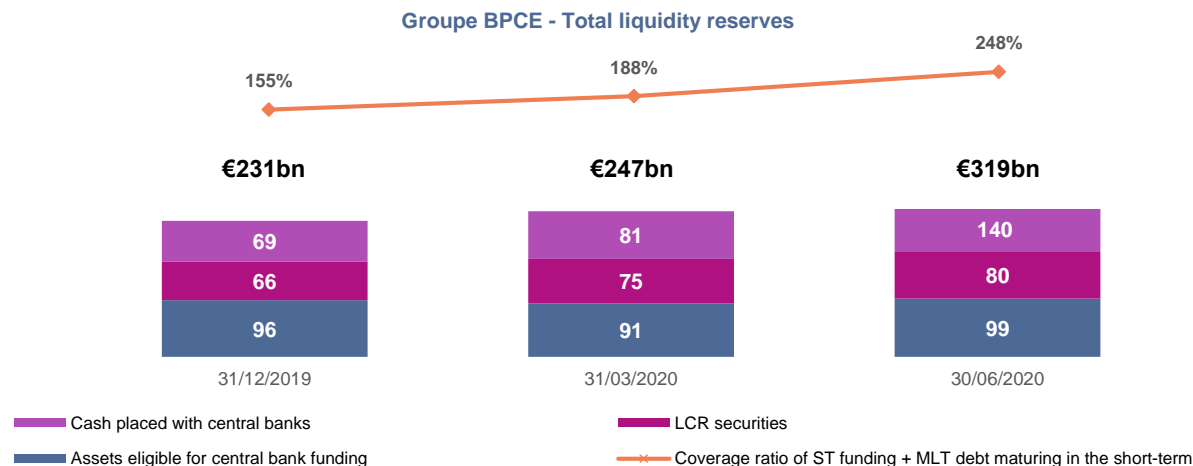
Limited exposure to SMEs

Natixis - Funding and liquidity

Liquidity Coverage Ratio >100% at end-June 2020 both at Groupe BPCE and Natixis level

Reminder on Natixis' funding principles and structure

Natixis' funding structure relies on a **Joint Refinancing Pool shared by Natixis and BPCE**. Placed under the authority of the Group ALM Committee, this platform was implemented in order to secure the Group's financing and optimize the management and allocation of liquidity within the Group in accordance with predefined rules, with the aim of limiting the use of market financing and reducing funding costs



Natixis - P&L by Business line

€m	AWM	CIB	Insurance	Payments	Corporate Center	2Q20 reported
Net revenues	704	519	228	86	27	1,564
Expenses	(537)	(477)	(117)	(96)	(66)	(1,292)
Gross operating income	167	42	112	(10)	(39)	272
Provision for credit losses	(11)	(275)	0	0	(4)	(289)
Net operating income	156	(232)	112	(10)	(43)	(17)
Associates and other items	(3)	2	(2)	0	7	4
Pre-tax profit	153	(230)	110	(10)	(36)	(13)
					Tax	(5)
					Minority interests	(12)
					Net income (gs) excl. Coface net contribution	(30)
					Coface net contribution	(27)
					Net income (gs) incl. Coface net contribution	(57)

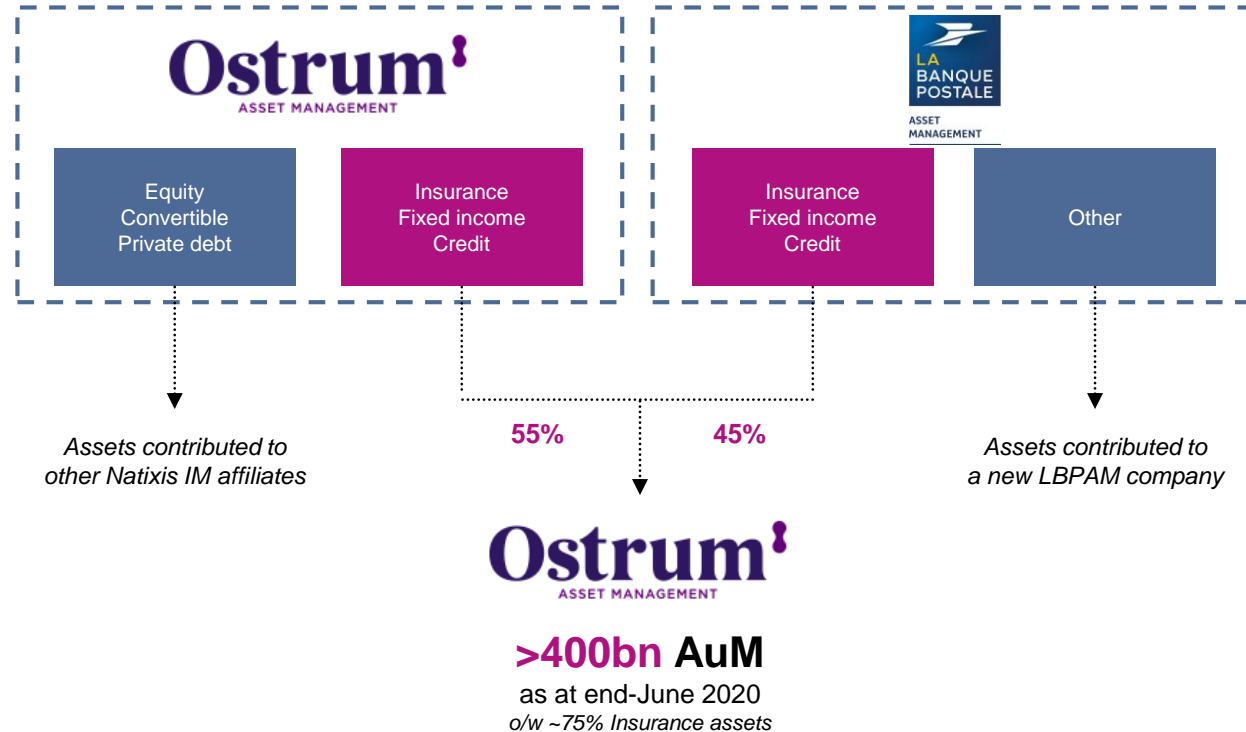
Natixis - Asset & Wealth Management

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	773	932	945	1,109	774	704	(24)%	1,705	1,478	(13)%
<i>Asset Management</i> ⁽¹⁾	742	900	908	1,061	733	668	(26)%	1,642	1,401	(15)%
<i>Wealth management</i>	31	32	37	48	41	36	12%	63	77	22%
Expenses	(558)	(605)	(648)	(681)	(579)	(537)	(11)%	(1,163)	(1,116)	(4)%
Gross operating income	216	327	297	428	195	167	(49)%	542	362	(33)%
Provision for credit losses	1	(2)	(8)	2	1	(11)		(1)	(10)	
Net operating income	216	325	289	430	195	156	(52)%	541	352	(35)%
Associates	0	0	0	0	0	0		0	1	
Other items	(2)	(2)	8	1	(2)	(3)		(4)	(6)	
Pre-tax profit	214	323	297	432	194	153	(53)%	537	347	(35)%
Cost/Income ratio	72.1%	64.9%	68.5%	61.4%	74.8%	76.3%		68.2%	75.5%	
Cost/Income ratio excl. IFRIC 21	71.6%	65.1%	68.7%	61.5%	74.3%	76.4%		68.0%	75.3%	
RWA (Basel 3 - in €bn)	12.5	13.7	13.4	14.0	14.0	14.1	3%	13.7	14.1	3%
Normative capital allocation (Basel 3)	4,364	4,407	4,555	4,581	4,604	4,623	5%	4,385	4,613	5%
RoE after tax (Basel 3) ⁽²⁾	11.5%	15.1%	13.3%	19.0%	9.0%	8.6%		13.3%	8.8%	
RoE after tax (Basel 3) excl. IFRIC 21 ⁽²⁾	11.8%	15.0%	13.3%	19.0%	9.2%	8.5%		13.4%	8.9%	

(1) Asset management including Private equity and Employee savings plan (2) Normative capital allocation methodology based on 10.5% of average RWA - including goodwill and intangibles

Natixis - Asset & Wealth Management

Asset Management - Ostrum AM / LBPAM transaction overview



Creating a European leader
for large **institutional** clients
across **fixed-income** and **insurance** products

Dual offering

- **100% SRI investment management**
- Competitive technological & operational **services**

**Ambition to be a key player of
the European market consolidation**

Transaction expected to close in 4Q20

The transaction in a few figures:

~€150bn additional AuM⁽¹⁾

~€160m net revenues for the combined entity⁽²⁾

~15pp C/I ratio improvement in the short-term
through operating model optimization

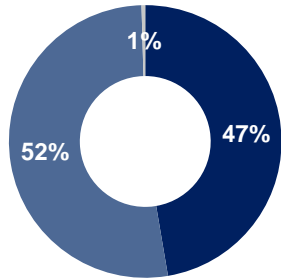
Further C/I ratio and profitability improvement
expected in the medium-term through
strong **volume growth** and **economies of scale**

(1) Estimates as at end-June 2020 (2) FY2020 estimated business data

Natixis - Asset & Wealth Management

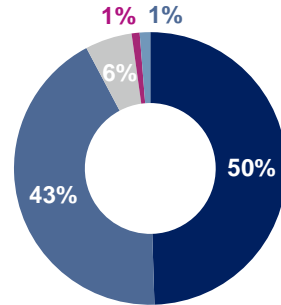
Asset Management - AuM breakdown as at 30/06/2020

BY GEOGRAPHY⁽¹⁾



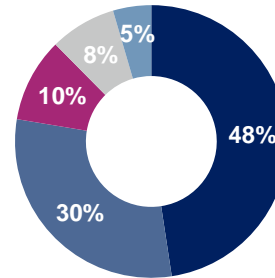
■ Europe
■ North America
■ APAC

BY CLIENT LOCATION



■ Europe
■ North America
■ APAC
■ Middle East
■ Other

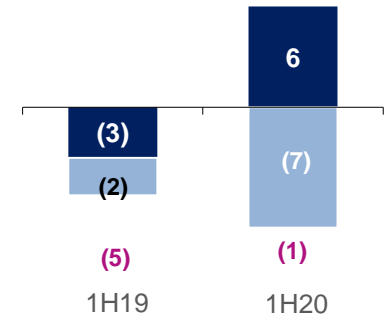
BY ASSET CLASS



■ Fixed Income
■ Equities
■ Alternative (incl. RE)
■ Multi-asset
■ Money Market

FLOWS BY CLIENT TYPE

in €bn



■ Institutional
■ Retail & others

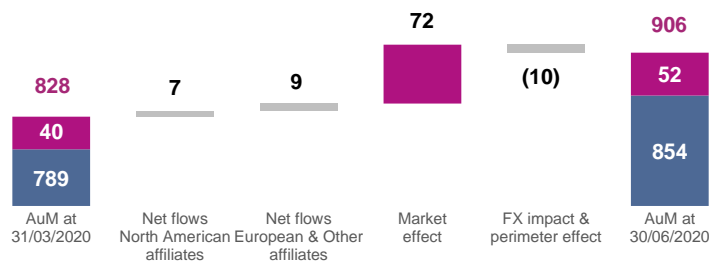
Including Vega IM (1) Based on affiliate manager location

Natixis - Asset & Wealth Management

Asset Management - Additional figures

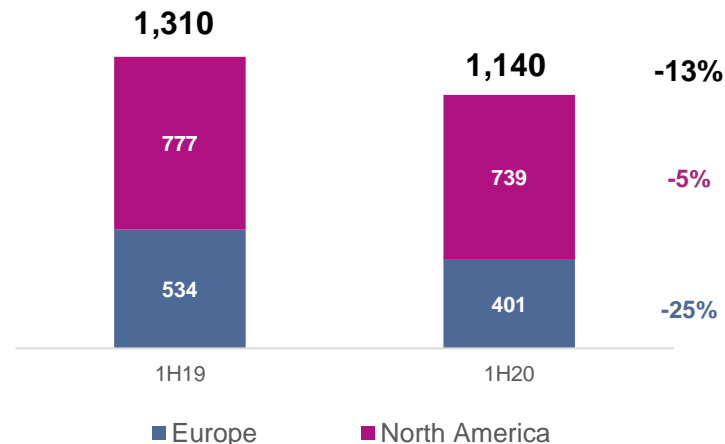
ASSETS UNDER MANAGEMENT⁽¹⁾ €bn

■ Controlled affiliates ■ WCM IM



o/w Europe	391	18	417
o/w North America	420	54	471

REVENUE BREAKDOWN⁽²⁾



(1) Europe including Dynamic Solutions and Vega IM AuM, US including WCM IM (2) Per asset manager (incl. WCM IM dividend income), excluding Distribution, Holding and Private Equity

Natixis - Corporate & Investment Banking

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	807	847	784	899	688	519	(39)%	1,654	1,207	(27)%
Global markets	366	419	344	381	279	106	(75)%	785	386	(51)%
FIC-T	251	304	258	306	367	279	(8)%	554	646	16%
Equity	125	117	94	81	(32)	(174)	(248)%	242	(206)	(185)%
CVA/DVA desk	(9)	(3)	(8)	(6)	(55)	1		(12)	(54)	
Global finance⁽¹⁾	337	333	369	369	302	326	(2)%	670	628	(6)%
Investment banking⁽²⁾	87	90	73	145	104	100	11%	177	204	15%
Other	16	6	(2)	5	2	(12)		22	(11)	
Expenses	(582)	(523)	(527)	(602)	(557)	(477)	(9)%	(1,105)	(1,034)	(6)%
Gross operating income	225	324	256	297	130	42	(87)%	549	173	(69)%
Provision for credit losses	(30)	(104)	(59)	(118)	(194)	(275)		(134)	(469)	
Net operating income	195	219	197	179	(64)	(232)	(206)%	414	(296)	(171)%
Associates	2	3	2	2	2	2		6	5	
Other items	(15)	0	(0)	(0)	0	0		(15)	(0)	
Pre-tax profit	183	222	200	181	(61)	(230)	(203)%	405	(291)	(172)%
Cost/Income ratio	72.2%	61.8%	67.3%	67.0%	81.1%	91.8%		66.8%	85.7%	
Cost/Income ratio excl. IFRIC 21	69.1%	62.7%	68.3%	67.9%	76.9%	93.6%		65.9%	84.1%	
RWA (Basel 3 - in €bn)	62.0	61.1	62.3	62.2	65.4	69.2	13%	61.1	69.2	13%
Normative capital allocation (Basel 3)	6,634	6,740	6,734	6,768	6,757	7,120	6%	6,687	6,939	4%
RoE after tax (Basel 3) ⁽³⁾	7.6%	9.6%	8.5%	7.8%	(2.8)%	(9.5)%		8.6%	(6.2)%	
RoE after tax (Basel 3) excl. IFRIC 21 ⁽³⁾	8.6%	9.2%	8.2%	7.5%	(1.6)%	(9.9)%		8.9%	(5.8)%	

(1) Including Film industry financing (2) Including M&A (3) Normative capital allocation methodology based on 10.5% of average RWA - including goodwill and intangibles

Green Weighting Factor

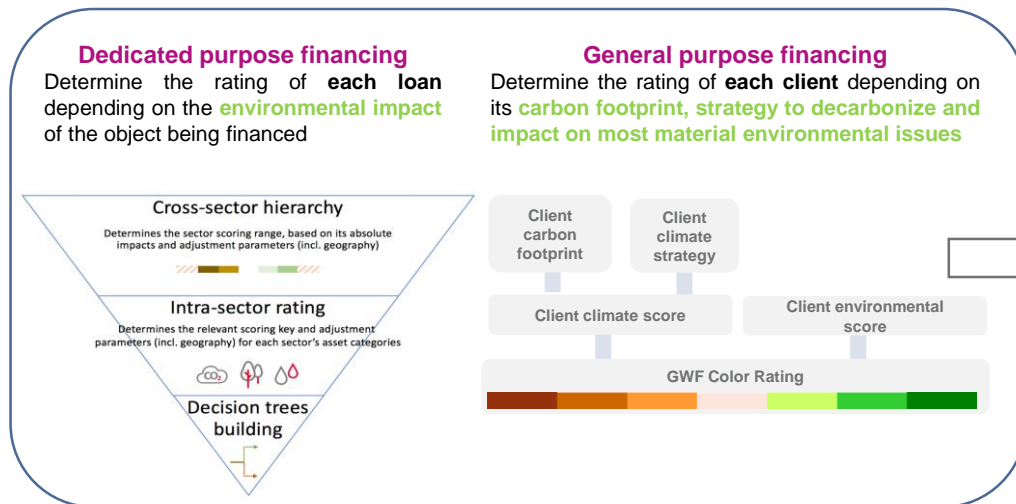
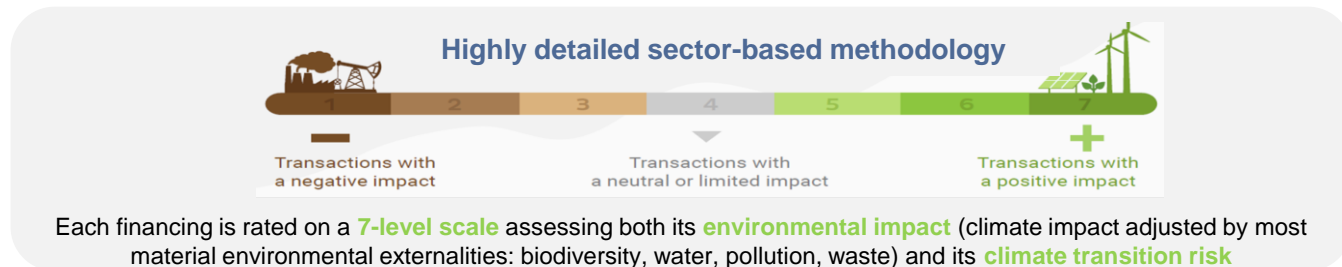
An innovative tool to actively manage the climate impact our balance sheet



In-house mechanism that links analytical capital allocation to the degree of sustainability of each financing

Used as a tool to **monitor Natixis' climate strategy** at both bank and business lines' levels

Support our **clients' transition** and align our loan book with the objectives of the **Paris Agreement** on climate (*below 2°C trajectory*)



RWA are **reduced by up to -50%** for Green deals and **increased by up to +24%** for Brown deals...

...resulting in an **adjustment of the expected profitability** of each transaction

Natixis is committed to **set short and medium targets** before end 2020 in order to achieve the **Green Weighting Factor's** long term Paris Agreement alignment objective

Natixis - Insurance

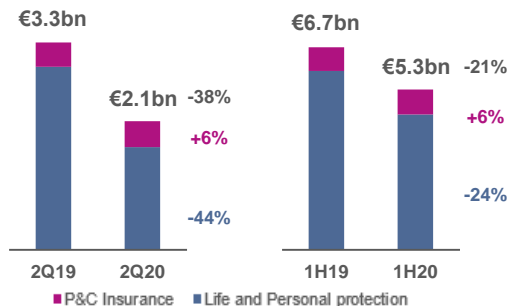
€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	218	207	205	216	221	228	10%	425	449	6%
Expenses	(125)	(116)	(112)	(125)	(134)	(117)	1%	(241)	(250)	4%
Gross operating income	93	92	93	90	87	112	22%	184	199	8%
Provision for credit losses	0	0	0	0	0	0		0	0	
Net operating income	93	92	93	90	87	112	22%	184	199	8%
Associates	0	5	1	4	(11)	(2)		5	(13)	
Other items	0	(0)	0	0	0	(0)		0	0	
Pre-tax profit	93	96	94	94	76	110	14%	189	186	(2)%
Cost/Income ratio	57.5%	55.8%	54.6%	58.1%	60.6%	51.1%		56.7%	55.7%	
Cost/Income ratio excl. IFRIC 21	51.7%	57.8%	56.6%	60.1%	53.9%	53.2%		54.7%	53.6%	
RWA (Basel 3 - in €bn)	8.0	7.9	8.4	8.3	7.6	7.6	(4)%	7.9	7.6	(4)%
Normative capital allocation (Basel 3)	858	942	926	978	965	896	(5)%	900	930	3%
RoE after tax (Basel 3) ⁽¹⁾	29.4%	28.4%	27.7%	26.4%	20.7%	34.2%		28.8%	27.2%	
RoE after tax (Basel 3) excl. IFRIC 21 ⁽¹⁾	33.3%	27.2%	26.4%	25.2%	25.0%	32.7%		30.1%	28.7%	

(1) Normative capital allocation methodology based on 10.5% of average RWA - including goodwill and intangibles

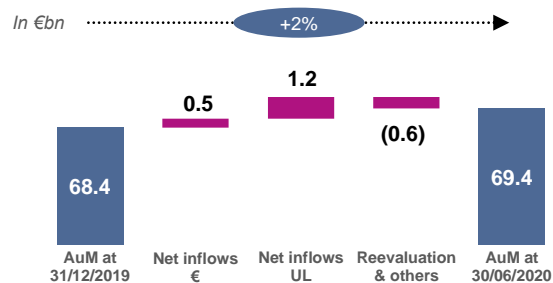
Insurance

Sustained commercial activity and growth drivers

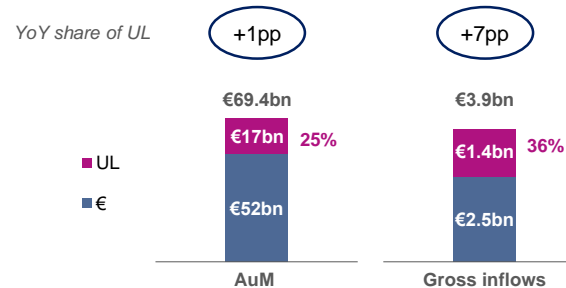
Premiums growth



Life insurance AuM



Share of UL products - 1H20



P&C combined ratio



Non-life equipment rate - 1H20

P&C and Personal Protection



Natixis Assurances becoming a fully-fledged insurer for Groupe BPCE networks

BPCE Assurances, subsidiary 100% owned by Natixis Assurances since 2017, taking over the Auto and Household new business for the Banques Populaires' private customers from BPCE IARD, entity co-owned by Natixis Assurances and Groupe Covéa (through MAAF)

Progressive roll-out starting in 2020 with revenue accretion as soon as year 1, paving the way for future growth beyond 2020

All figures excluding reinsurance agreement with CNP

Natixis Assurances

P&L reconciliation (1H20)

€m			
	NATIXIS ASSURANCES P&L	1H 2020	Split
			Net revenues Expenses
Earned premiums		5,139	100% 0%
Investment income and other income		(382)	100% 0%
Net result from reinsurance cessions		148	100% 0%
Claims and change in insurance provisions		(3,887)	99% 1%
Policy acquisition costs		(358)	82% 18%
Administrative costs		(324)	81% 19%
Other operating income/expenses		(97)	38% 62%
Operating income		239	
Financing costs		(19)	100% 0%
Gross operating income - Natixis Assurances standalone		221	
Analytical & exceptional items		(8)	-81% 181%
Gross operating income - Natixis reported excl. exceptional items		213	

Insurance net revenues =
Life + Personal protection + P&C

Life insurance

Gross acquisition margin

(+) Gross asset margin

(-) Fees paid to the networks (premium and asset based)

(+) Financial margin = Financial result (-) Benefits to shareholders

Personal protection and P&C

Gross margin

(-) Fees paid to the networks

€m		
	NATIXIS ASSURANCES P&L	1H 2020
Net revenues		463
Expenses		(250)
Gross operating income - Natixis reported excl. exceptional items		213

Expenses
by nature

Activity Based Costing
(ABC) method

Allocation key based on the nature of the costs
Example: Prorata allocation of personnel expenses
to processes (product engineering, distribution,
etc.) by FTE

5 Expense categories

- Acquisition costs
- Administration costs
- Claim management costs
- Investment portfolio management costs
- Other technical charges

Natixis - Payments

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	103	105	103	111	113	86	(18)%	208	198	(5)%
Expenses	(88)	(94)	(93)	(96)	(94)	(96)	2%	(181)	(190)	5%
Gross operating income	16	11	10	15	18	(10)	(192)%	27	8	(69)%
Provision for credit losses	(0)	(1)	(1)	(0)	2	0		(1)	2	
Net operating income	16	10	9	15	20	(10)	(194)%	26	10	(61)%
Associates	0	0	0	0	0	0		0	0	
Other items	0	0	0	(0)	0	0		0	0	
Pre-tax profit	16	10	9	15	20	(10)	(194)%	26	10	(61)%
Cost/Income ratio	84.8%	89.6%	90.1%	86.1%	83.8%	111.7%		87.2%	95.8%	
Cost/Income ratio excl. IFRIC21	84.1%	89.8%	90.3%	86.3%	83.2%	111.9%		87.0%	95.6%	
RWA (Basel 3 - in €bn)	1.1	1.2	1.1	1.1	1.1	1.2	0%	1.2	1.2	0%
Normative capital allocation (Basel 3)	356	373	385	384	391	403	8%	365	397	9%
RoE after tax (Basel 3) ⁽¹⁾	12.0%	7.3%	6.5%	10.9%	14.3%	(6.6)%		9.6%	3.7%	
RoE after tax (Basel 3) excl. IFRIC 21 ⁽¹⁾	12.5%	7.1%	6.3%	10.7%	14.7%	(6.7)%		9.7%	3.8%	

(1) Normative capital allocation methodology based on 10.5% of average RWA - including goodwill and intangibles

Natixis - Payments

Standalone EBITDA calculation

Figures excluding exceptional items⁽¹⁾

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Net revenues	103	105	103	111	113	86
Expenses	(88)	(94)	(91)	(93)	(94)	(93)
Gross operating income - Natixis reported excl. exceptional items	16	11	13	18	19	(7)
Analytical adjustments to net revenues	(1)	(1)	(1)	(1)	(1)	(1)
Structure charge adjustments to expenses	6	5	5	5	6	6
Gross operating income - standalone view	20	15	17	22	24	(2)
Depreciation, amortization and impairment on property, plant and equipment and intangible assets	4	4	3	4	4	4
EBITDA - standalone view	24	19	20	26	28	2

EBITDA = Net revenues (-) Operating expenses. Standalone view excluding analytical items and structure charges (1) See page 6

Natixis - Corporate Center & Coface RWA

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20 vs. 2Q19	1H19	1H20	1H20 vs. 1H19
Net revenues	55	10	64	(10)	(46)	27		65	(19)	
Expenses	(244)	(110)	(84)	(102)	(217)	(66)	(40)%	(354)	(284)	(20)%
<i>SRF</i>	(170)	0	0	(0)	(163)	(2)		(170)	(165)	(3)%
<i>Other</i>	(74)	(110)	(84)	(102)	(54)	(64)	(42)%	(184)	(118)	(36)%
Gross operating income	(188)	(100)	(20)	(112)	(263)	(39)	(61)%	(289)	(302)	
Provision for credit losses	(1)	(3)	(2)	(2)	(2)	(4)		(4)	(5)	
Net operating income	(190)	(103)	(22)	(114)	(265)	(43)	(58)%	(293)	(308)	
Associates	(0)	0	(0)	(0)	0	(0)		0	(0)	
Other items	699	(5)	1	(0)	2	7		694	9	
Pre-tax profit	509	(108)	(21)	(114)	(263)	(36)	(66)%	402	(299)	
RWA (Basel 3 - in €bn)	8.8	9.2	9.8	9.4	9.1	9.3	2%	9.2	9.3	2%

€bn	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Coface RWA (Basel 3)	3.9	3.8	3.8	4.0	1.9	1.9

€697m capital gain coming from the disposal of the retail banking activities in 1Q19

Appendix II

Additional information

2Q20 & 1H20 results



2Q20 results: from data excluding non-operating items to reported data

€m	2Q20 underlying	Contribution to the Insurance solidarity fund	Exchange rate fluctuations on DSN in currencies	Real estate management strategy	Transformation & Business Efficiency Investment costs	Coface residual stake impairment	2Q20 restated
Net revenues	1,596	(7)	(25)				1,564
Expenses	(1,278)			(3)	(12)		(1,292)
Gross operating income	318	(7)	(25)	(3)	(12)	0	272
Provision for credit losses	(289)						(289)
Associates	1						1
Gain or loss on other assets	4						4
Pre-tax profit	33	(7)	(25)	(3)	(12)	0	(13)
Tax	(19)	2	7	1	3		(5)
Minority interests	(12)				0		(12)
Net income - group share excl. Coface net contribution	2	(5)	(17)	(2)	(8)	0	(30)
Coface net contribution	2					(29)	(27)
Net income - group share incl. Coface net contribution	4	(5)	(17)	(2)	(8)	(29)	(57)

1H20 results: from data excluding non-operating items to reported data

€m	1H20 underlying	Contribution to the Insurance solidarity fund	Exchange rate fluctuations on DSN in currencies	Real estate management strategy	Transformation & Business Efficiency Investment costs	Impact of Liban default on ADIR Insurance	Coface capital loss	Coface residual stake impairment	1H20 restated
Net revenues	3,328	(14)	(1)						3,314
Expenses	(2,857)			(5)	(12)				(2,874)
Gross operating income	471	(14)	(1)	(5)	(12)	0	0	0	439
Provision for credit losses	(482)								(482)
Associates	7					(14)			(7)
Gain or loss on other assets	3								3
Pre-tax profit	(1)	(14)	(1)	(5)	(12)	(14)	0	0	(47)
Tax	(28)	4	0	2	3				(19)
Minority interests	(51)				0				(51)
Net income - group share excl. Coface net contribution	(80)	(10)	(1)	(4)	(8)	(14)	0	0	(116)
Coface net contribution	3						(112)	(36)	(145)
Net income - group share incl. Coface net contribution	(77)	(10)	(1)	(4)	(8)	(14)	(112)	(36)	(261)

Natixis - 2Q20 capital & Basel 3 financial structure⁽¹⁾

Fully-loaded

€bn	30/06/2020
Shareholder's Equity	19.1
Hybrid securities ⁽²⁾	(2.1)
Goodwill & intangibles	(3.7)
Deferred tax assets	(0.8)
Dividend provision	0.0
Other deductions	(0.8)
CET1 capital	11.6
CET1 ratio	11.2%
Additional Tier 1 capital	1.8
Tier 1 capital	13.4
Tier 1 ratio	13.0%
Tier 2 capital	2.2
Total capital	15.6
Total capital ratio	15.1%
Risk-weighted assets	103.3

Phased-in incl. current financial year's earnings and dividends

€bn	30/06/2020
CET1 capital	11.6
CET1 ratio	11.2%
Additional Tier 1 capital	2.1
Tier 1 capital	13.7
Tier 1 ratio	13.3%
Tier 2 capital	2.2
Total capital	16.0
Total capital ratio	15.5%
Risk-weighted assets	103.3

Irrevocable Payment Commitment (IPC) deduction disclosed as part of the ratio since 2Q19 (1) See note on methodology (2) Including capital gain following reclassification of hybrids as equity instruments

Natixis - IFRIC 21 effects by business line

Effect in Expenses

€m	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	1H19	1H20
AWM	(4)	1	1	1	(4)	1	(3)	(3)
CIB	(24)	8	8	8	(28)	9	(16)	(19)
Insurance	(13)	4	4	4	(15)	5	(8)	(10)
Payments	(1)	0	0	0	(1)	0	(0)	(0)
Corporate center	(119)	40	40	40	(113)	38	(80)	(76)
Total Natixis	(161)	54	54	54	(161)	54	(107)	(107)

Historical figures restated for the disposal of the retail banking activities

Natixis - Normative capital allocation and RWA breakdown

30/06/2020

€bn	RWA EoP	% of total	Goodwill & intangibles 1H20	Capital allocation 1H20	RoE after tax 1H20
AWM	14.1	15%	3.1	4.6	8.8%
CIB	69.2	75%	0.2	6.9	(6.2)%
Insurance	7.6	8%	0.1	0.9	27.2%
Payments	1.2	1%	0.3	0.4	3.7%
Total (excl. Corp. Center & Coface)	92.1	100%	3.7	12.9	

RWA breakdown (€bn)	30/06/2020
Credit risk	63.0
<i>Internal approach</i>	52.6
<i>Standard approach</i>	10.4
Counterparty risk	6.6
<i>Internal approach</i>	5.8
<i>Standard approach</i>	0.8
Market risk	18.2
<i>Internal approach</i>	12.3
<i>Standard approach</i>	5.9
CVA	1.7
Operational risk - Standard approach	13.7
Total RWA	103.2

Natixis - Fully-loaded leverage ratio⁽¹⁾

According to the rules of the Delegated Act published by the European Commission on October 10, 2014, including the effect of intragroup cancelation - pending ECB authorization

€bn	30/06/2020
Tier 1 capital⁽¹⁾	13.7
Total prudential balance sheet	396.0
Adjustment on derivatives	(51.6)
Adjustment on repos ⁽²⁾	(17.1)
Other exposures to affiliates	(53.0)
Off balance sheet commitments	43.2
Regulatory adjustments	(5.4)
Total leverage exposure	312.1
Leverage ratio	4.4%

(1) See note on methodology. Without phase-in and supposing replacement of existing subordinated issuances when they become ineligible

(2) Repos with clearing houses cleared according to IAS32 standard, without maturity or currency criteria

Natixis - Book value and Earnings per share

Net book value as at June 30, 2020

€bn	30/06/2020
Shareholders' equity (group share)	19.1
Deduction of hybrid capital instruments	(2.0)
Deduction of gain on hybrid instruments	(0.1)
Distribution	0.0
Net book value	17.0
Restated intangible assets ⁽¹⁾	(0.7)
Restated goodwill ⁽¹⁾	(3.3)
Net tangible book value⁽²⁾	13.1
€	
Net book value per share	5.39
Net tangible book value per share	4.15

Earnings per share (1H20)

€m	30/06/2020
Net income (gs)	(261)
DSN interest expenses on preferred shares adjustment	(64)
Net income attributable to shareholders	(325)
Earnings per share (€)	(0.10)

Number of shares

	30/06/2020
Average number of shares over the period, excluding treasury shares	3,151,380,328
Number of shares, excluding treasury shares, EoP	3,151,102,683
Number of treasury shares, EoP	4,743,812

(1) See note on methodology (2) Net tangible book value = Book value - goodwill - intangible assets. Tangible book value positively impacted in 1Q20 by (a) the reintegration of the 2019 dividend (see press release dated 31/03/2020) for an amount of €977m and (b) the revaluation of own senior debt instruments for an amount of €862m (see note on methodology)

Natixis - RoE & RoTE Natixis⁽¹⁾

Net income attributable to shareholders

€m	2Q20	1H20
Net income (gs)	(57)	(261)
DSN interest expenses on preferred shares adjustment	(31)	(64)
RoE & RoTE numerator	(88)	(325)

See note on methodology

RoTE

€m	30/06/2020
Shareholders' equity (group share)	19,116
DSN deduction	(2,122)
Dividend provision	0
Intangible assets	(651)
Goodwill	(3,256)
RoTE Equity end of period	13,088
Average RoTE equity (2Q20)	13,359
2Q20 RoTE annualized with no IFRIC 21 adjustment	(2.6)%
IFRIC 21 impact	(47)
2Q20 RoTE annualized excl. IFRIC 21	(4.0)%
Average RoTE equity (1H20)	13,495
1H20 RoTE annualized excl. IFRIC 21	(2.6)%

RoE

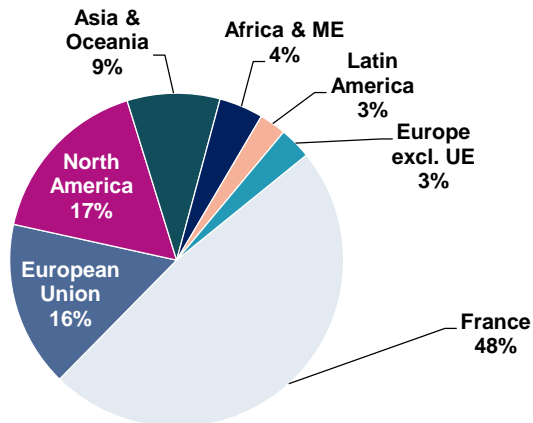
€m	30/06/2020
Shareholders' equity (group share)	19,116
DSN deduction	(2,122)
Dividend provision	0
Unrealized/deferred gains and losses in equity (OCI)	(357)
RoE Equity end of period	16,637
Average RoE equity (2Q20)	17,024
2Q20 RoE annualized with no IFRIC 21 adjustment	(2.1)%
IFRIC 21 impact	(47)
2Q20 RoE annualized excl. IFRIC 21	(3.2)%
Average RoE equity (1H20)	17,217
1H20 RoE annualized excl. IFRIC 21	(2.0)%

(1) See note on methodology. Returns based on quarter-end balance sheet in 1Q20 to reflect the announced disposal of a 29.5% stake in Coface. The €112m net capital loss is not annualized

Natixis - EAD (Exposure at Default) and doubtful loans

As at June 30, 2020

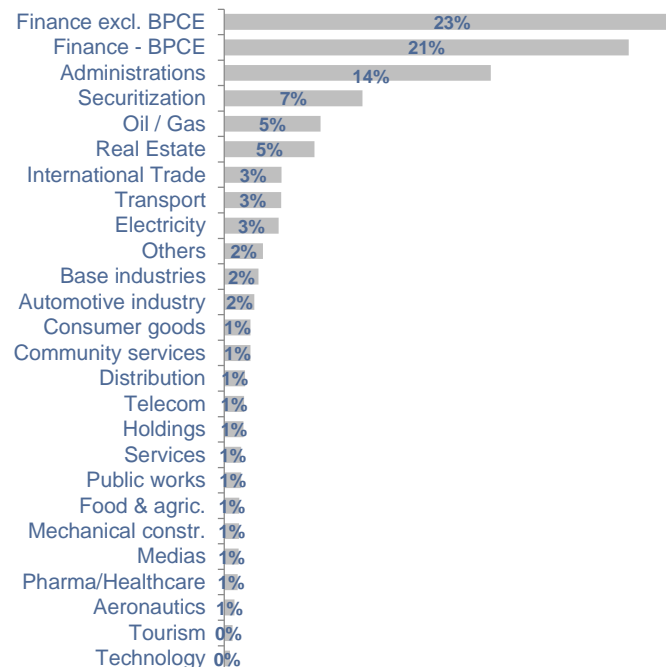
EAD - Regional breakdown⁽¹⁾



Doubtful loans⁽²⁾

€bn	31/03/2020	30/06/2020
Provisionable commitments ⁽³⁾	2.1	2.4
Provisionable commitments / Gross debt	1.7%	1.9%
Stock of provisions ⁽⁴⁾	1.5	1.7
Stock of provisions / Provisionable commitments	73%	73%

EAD - Sector breakdown⁽¹⁾



(1) Outstandings: €277bn (2) On-balance sheet, excluding repos, net of collateral (3) Net commitments (4) Specific and portfolio-based provisions

Natixis - Value at Risk



► 2Q20 average VaR of €18.1m

Note on methodology (1/3)

The results at 30/06/2020 were examined by the board of directors at their meeting on 03/08/2020.

Figures at 30/06/2020 are presented in accordance with IAS/IFRS accounting standards and IFRS Interpretation Committee (IFRIC) rulings as adopted in the European Union and applicable at this date

Press release dated 20/04/2020 “Preparation of the 1Q20 Financial Communication”

The 2019 quarterly series have been updated following the February 25, 2020 announcement regarding the sale by Natixis of a 29.5% stake in Coface to Arch Capital Group. This announcement notably translates into the following:

- Natixis losing exclusive control over Coface in the first quarter of 2020 and the recognition of a capital loss at the date of such a loss of control. It is estimated at €112m based on the 2020 sale price;
- Application of the IAS 28 standard “Investments in associates and joint ventures” to the residual stake held by Natixis in Coface. For financial communication purposes, the contribution of Coface to Natixis' income statement is isolated on a line “Coface net contribution” (based on a ~42% ownership over 2019 and of ~13% as of the first quarter of 2020) and the Financial investments division no longer exists;
- In addition, the value of the retained stake (accounted for under the equity method) will be impacted by a €7m impairment due to the drop in the value of Coface related to the context prevailing at March 31, 2020. For financial communication purposes, these two items – capital loss and residual stake impairment – will be classified as exceptional items in the first quarter of 2020 and both presented within the line “Coface net contribution” (**see page 26 for the reconciliation of the restated figures with the accounting view**);
- The prudential treatment applied to Natixis' stake in Coface resulted in a ~€2bn risk-weighted asset release in the first quarter 2020. Upon closing of the transaction, ~€1.4bn of additional risk-weighted assets should be released i.e. ~€3.5bn in total;
- The remaining Financial investments, namely Natixis Algeria as well as the private equity activities managed in run-off, are no longer isolated and are reallocated to the Corporate center, which, as a reminder, gathers the holding and the centralized balance sheet management functions of Natixis.

The equity method value of Coface will be re-assessed every quarter depending, among other, on the evolution of the economic context and any change in such a value will be reflected in the P&L line “Coface net contribution”

Press release of April 20, 2020

Note on methodology (2/3)

Business line performances using Basel 3 standards:

- The performances of Natixis business lines are presented using Basel 3 standards. Basel 3 risk-weighted assets are based on CRR-CRD4 rules as published on June 26th, 2013 (including the Danish compromise treatment for qualified entities)
- **Natixis' RoTE** is calculated by taking as the numerator net income (group share) excluding DSN interest expenses (the associated tax benefit being already accounted for in the net income following the adoption of IAS 12 amendment). Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends⁽¹⁾, excluding average hybrid debt, average intangible assets and average goodwill
- **Natixis' RoE**: Results used for calculations are net income (group share), deducting DSN interest expenses (the associated tax benefit being already accounted for in the net income following the adoption of IAS 12 amendment). Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends⁽¹⁾, excluding average hybrid debt, and excluding unrealized or deferred gains and losses recognized in equity (OCI)
- **RoE for business lines** is calculated based on normative capital to which are added goodwill and intangible assets for the business line. Normative capital allocation to Natixis' business lines is carried out on the basis of 10.5% of their average Basel 3 risk-weighted assets. Business lines benefit from remuneration of normative capital allocated to them. By convention, the remuneration rate on normative capital is maintained at 2%

Note on Natixis' RoE and RoTE calculation: Returns based on quarter-end balance sheet in 1Q20 to reflect the announced disposal of a 29.5% stake in Coface. The €112m net capital loss is not annualized.

Net book value: calculated by taking shareholders' equity group share (minus distribution of dividends proposed by the Board of Directors but not yet approved by the General Shareholders' Meeting⁽¹⁾), restated for hybrids and capital gains on reclassification of hybrids as equity instruments. Net tangible book value is adjusted for goodwill relating to equity affiliates, restated goodwill and intangible assets as follows:

€m	30/06/2020
Goodwill	3,602
Restatement for AWM deferred tax liability & others	(348)
Restated goodwill	3,255

€m	30/06/2020
Intangible assets	659
Restatement for AWM deferred tax liability & others	(8)
Restated intangible assets	651

(1) In line with ECB recommendations, the 2019 dividend has been reintegrated into Natixis' capital and no dividend accrual will be carried out throughout 2020 - see press release dated 31/03/2020

Note on methodology (3/3)

Own senior debt fair-value adjustment: calculated using a discounted cash-flow model, contract by contract, including parameters such as swap curves and revaluation spread (based on the BPCE reoffer curve). Adoption of IFRS 9 standards, on November 22, 2016, authorizing the early application of provisions relating to own credit risk as of FY16 closing

Phased-in capital and ratios incl. current financial year's earnings and dividends: based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - phased in. **Presentation including current financial year's earnings and accrued dividend⁽¹⁾**

Fully-loaded capital and ratios: based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in. **Presentation including current financial year's earnings and accrued dividend⁽¹⁾**

Leverage ratio: based on delegated act rules, without phase-in (presentation including current financial year's earnings and accrued dividend⁽¹⁾) and with the hypothesis of a roll-out for non-eligible subordinated notes under Basel 3 by eligible notes. Repo transactions with central counterparties are offset in accordance with IAS 32 rules without maturity or currency criteria. Leverage ratio disclosed including the effect of intragroup cancellation - pending ECB authorization

Exceptional items: figures and comments in this presentation are based on Natixis and its businesses' income statements excluding non-operating and/or exceptional items detailed page 6. Figures and comments that are referred to as '**underlying**' exclude such exceptional items. Natixis and its businesses' income statements including these items are available in the appendix of this presentation

Restatement for IFRIC 21 impact: the cost/income ratio, the RoE and the RoTE excluding IFRIC 21 impact calculation in 1H20 takes into account ½ of the annual duties and levies concerned by this accounting rule

Earnings capacity: net income (group share) restated for exceptional items and the IFRIC 21 impact

Expenses: sum of operating expenses and depreciation, amortization and impairment on property, plant and equipment and intangible assets

IAS 12: As of 3Q19, according to the adoption of IAS 12 (income taxes) amendment, the tax benefit on DSN interest expenses previously recorded in the consolidated reserves is now being accounted for in the income statement (income tax line). Previous periods have not been restated with a positive impact of €47.5m in 2019, of which €35.9m recognized in 3Q19 (€23.8m related to 1H19)

(1) In line with ECB recommendations, the 2019 dividend has been reintegrated into Natixis' capital and no dividend accrual will be carried out throughout 2020 - see press release dated 31/03/2020