Public limited company (société anonyme) with a share capital of €5,019,319,328
Registered office: 30 avenue Pierre Mendès France, 75013 Paris
542 044 524 Paris Trade Registry

UPDATE TO THE 2015 REGISTRATION DOCUMENT AND HALF-YEAR FINANCIAL REPORT

Update of the 2015 Registration Document and annual financial report filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on March 10, 2016 under number D.16-0127.
This update was filed with the French Financial Supervisory Authority on August 4, 2016 under number D.16-0127-A01.

The English version of this report is a free translation from the original which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, the original language version of the document in French prevails over the translation.

This update of the 2015 Registration Document was filed with the French Financial Markets Authority on August 4, 2016, in accordance with Article 212-13 of the general regulations of the French Financial Markets Authority. It may be used in connection with a financial transaction only if accompanied by a transaction note approved by the Financial Markets Authority. The document has been prepared by the issuer and its signatories incur liability in this regard.

CONTENTS

UPDATE BY CHAPTER OF THE
2015 REGISTRATION DOCUMENT

I SECTION 1: PRESENTATION OF NATIXIS

1.1 Press Releases subsequent to the submission of the registration document

1.1.1 Press release dated June 9, 2016

Natixis completes acquisition of a majority stake in Peter J. Solomon Company

Peter J. Solomon Company (PJSC) is a US investment banking advisory firm based in New York specialized in furnishing strategic independent advice to listed and unlisted companies on mergers, acquisitions, capital structure and restructuring transactions. It has a 50–strong team of bankers and has advised on over 500 transactions since its creation in 1989.

By acquiring 51% of PJSC, Natixis has achieved a significant milestone in its New Frontier plan which is predominantly focused on building up strategic dialogue with clients, increasing the international reach of its core businesses at a faster pace and developing asset-light activities.

With the transaction, Natixis is broadening its M&A activity in the US after the acquisitions of Leonardo & Co. in France, which is now named Natixis Partners, and of 360 Corporate in Espagne, now named Natixis Partners España.

1.1.2 Press release dated July 4, 2016 - COFACE

Noting a higher than expected increase in claims in emerging countries, Coface continues to adapt its risk management policy and foresees a net loss ratio of 63% to 66% for full year 2016

The Board of Directors of Coface SA met on 4 July 2016 and examined non-audited preliminary financial information. This information shows a net loss ratio of the order of 67% for the second quarter of 2016, reflecting:

- the development of claims in emerging countries at a higher level than expected, affecting the level of claims of exporting companies located in mature markets;
- an increased average cost of claim combined with longer collection times in these emerging regions.

Coface has decided to take into account this situation in its risk management and accounting reserving policies and foresees a net loss ratio of 63% to 66% for the full year compared with 52.5% in 2015.

Xavier Durand, CEO of Coface, said:

"*We are faced with a greater than anticipated increase of risk in emerging countries. In this context, the Group has already taken strong measures to adjust its risk management policies in these regions and continues to strengthen its teams accordingly. This observation coincides with the work currently underway on the strategic plan which will aim to adapt the Group's growth strategy and cost structure to this more difficult environment. As already announced, the main themes of the plan will be communicated at the end of July.* "

Financial statements for the first half of 2016 will be published on 27 July 2016.

1.1.3 Press release dated July 26, 2016

Completion of the capital increase for Natixis employees participating in the "Mauve 2016" employee savings plans

For the fourth consecutive year, Natixis carried out an employee shareholding operation called "Mauve 2016" from April 8 to May 4, 2016 included.

The operation has been reserved for employees in 8 countries (France, Germany, Hong Kong, Italy, Luxembourg, Spain, United Arab Emirates and the United Kingdom).

"Mauve 2016" attracted close to 4,700 employees, i.e. a global subscription rate of 32.4%. The amount subscribed reached €26 million* and resulted in the issue of 7,989,447 new shares, for a price of €3.276 per share.

The main features of Mauve 2016 were described in a press release dated March 10, 2016.

* Capital increase of €26,173,428.38 breaks down between €12,783,115.20 nominal amount and €13,390,313.18 issue premium.

1.1.4 Press release dated July 28, 2016

Free share allocation for the Chief Executive Officer of Natixis Board of Directors' decision of July 28, 2016

On July 28, 2016, based on the positive opinion of the Compensation Committee, and as authorized by Natixis' General Shareholders' Meeting held on May 24, 2016 in its 19th resolution, Natixis' Board of Directors granted performance shares to the members of the Senior Management Committee, out of which 47 463 performance shares to the Chief Executive Officer.

The purpose of this allocation is to strengthen the alignment over time between shareholders' interests and those of senior management.

The shares will only be vested at the end of a four-year period and subject to performance and presence conditions. The performance conditions have been defined based on the relative performance (Total Shareholder Return) of Natixis' share against that of other banking institutions making up the Euro Stoxx Banks index.

Furthermore, 30% of the shares delivered to the Chief Executive Officer at the end of the Vesting Period will be subject to a lock-in period ending upon the termination of his office as Chief Executive Officer of Natixis.

In addition, and as authorized by Natixis' General Shareholders' Meeting held on May 24, 2016 in its 20th resolution, Natixis' Board of Directors granted free shares to certain categories of employees as a payment of the annual variable remuneration awarded for the 2015 financial year, out of which 86 265 shares to the Chief Executive Officer, whose 28 755 shares will only be vested in March 2018 and 57 510 shares in March 2019, and subject to a 6 month lock- in period as well as to performance and presence conditions. Furthermore, 30% of the shares delivered to the Chief Executive officer at the end of the vesting periods will be subject to a lock-in period ending upon the termination of his office as Chief Executive Officer of Natixis.

1.1.5 Press release dated July 29, 2016

Natixis and La Banque Postale announce the signing of an agreement to merge AEW Europe and Ciloger

The discussions that started in early 2016 between the two institutions have been completed and the agreements were signed on 21 July.

The implementation of this merger will strengthen the position of the new actor as one of the leaders in real estate asset management in Europe, and its combined assets under management will exceed €24 billion. The new group will also become the third largest actor in the French retail market.

The combined French platform for the management of real estate funds aimed at retail clients will benefit from a European investment capacity to serve the entire retail banking and insurance networks of the BPCE Group and La Banque Postale as well as external clients, particularly independent financial advisors.

For Natixis Global Asset Management, this strategic partnership with La Banque Postale will strengthen AEW Europe and its range of expertise in real assets and is fully in line with its multi-affiliate strategy.

As part of this transaction, Natixis Global Asset Management has acquired CDC's 40% stake in AEW Europe and therefore holds 100% of the share capital and voting rights of AEW Europe.

Completion of the transaction is subject to obtaining regulatory approvals.
The objective is to finalize it before 31 December 2016.

Following the transaction, Natixis Global Asset Management will hold 60% of AEW Europe's share capital and La Banque Postale will hold 40%.

1.2 Results as at June 30, 2016: Press release dated July 28, 2016

Second-Quarter 2016 and First-Half 2016 Results

REVENUES UP 2% IN 2Q16 DRIVEN BY GOOD CORE-BUSINESS MOMENTUM
Reported NET INCOME of €381m in 2Q16

CORE-BUSINESSES : STRONG MOMENTUM IN CORPORATE & INVESTMENT BANKING IN 2Q16

- **Investment Solutions: resilience of Asset Management and continued rollout of Insurance offering in the Caisses d'Epargne network**

  Asset Management: €787bn of assets under management at June 30, 2016, €10bn higher than at end-March 2016 with limited outflow of €2bn in 2Q16

  Insurance: momentum from all segments lifted overall turnover to €1.7bn in 2Q16, up 12% yoy, excluding reinsurance agreement with CNP

- **Corporate & Investment Banking: marked rebound in Capital Markets activities**

  Capital Markets: FIC-T posted excellent performances in 2Q16, soaring 35% vs. 2Q15, while Equities continued to grow (up 4% vs. 2Q15 in revenues)

  Structured Financing: increased contribution of fees in revenues to 39% in 2Q16 vs. 37% in 2015

- **Specialized Financial Services: robust performances in Specialized Financing**

  Brisk production in the **Leasing** segment (+7% vs. 2Q15), and 22% yoy growth in **factored turnover**

SHARP IMPROVEMENT IN ROTE[1,2] TO 11.7% IN 2Q16 (+70BPS YOY)

- **Natixis' revenues over €2.2bn in 2Q16, up 2% yoy and up 7% qoq.** Expense growth (excluding IFRIC 21) restricted to 3% vs. 1Q16
- **Core-business revenues of nearly €2.1bn in 2Q16, up 2% yoy and 6% qoq**
- **Restated net income (group share and excluding the IFRIC 21 impact) up 5% to €400m. Reported net income (group share) of €381m** in 2Q16, including a €31m negative impact from a goodwill writedown on Coface
- **Restated net income (group share and excluding the IFRIC 21 impact) almost stable to €711m in 1H16, showing the strong resilience of the business model in a difficult environment**

REINFORCED SOLVENCY AND DIVIDEND POLICY CONFIRMED

- **CET1 ratio of 11.3%(3) at end-June 2016,** before factoring in the dividend
- **Leverage ratio(1) kept above 4% at end-June 2016**
- **65bps of CET1 ratio generated so far in 2016, equivalent to €730m (€0.24 per share), of which €440m above the minimum payout of 50%,** distributable in the absence of acquisitions

(1) See note on methodology (2) Excluding IFRIC 21 (3) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445

The Board of Directors examined Natixis' second-quarter 2016 accounts.

For Natixis, the main features of 2Q16 were [(1)]:

- 2% increase in **Natixis' net revenues and core-business revenues to €2.224bn and €2.060bn, respectively, relative to 2Q15.**

  Within the Investment Solutions core business, Asset Management recorded limited outflow of €2bn and €10bn growth in AuM relative to end-March 2016, thanks notably to a positive exchange-rate effect.
  Insurance continued to enjoy sustained momentum in all segments and the life insurance offering was rolled out in half of Caisses d'Epargne network at end-June 2016. Overall Insurance turnover (excluding the reinsurance treaty with CNP) climbed 12% vs. 2Q15.

  In Corporate & Investment Banking, new Structured Financing production amounted to €7.5bn, largely thanks to Real Estate Finance Europe, Acquisitions & Strategic Finance and GEC Trade (Global Energy & Commodities). In the Capital Markets segment, the quarter featured significant year-on-year growth in Rates & Forex and further development in M&A.

  In Specialized Financial Services, solid performances in Leasing and Factoring showed up in a 4% rise in net revenues from Specialized Financing.

- a 4% increase in **expenses** relative to a year earlier, excluding the €35m additional contribution to the Single Resolution Fund during the quarter,

- an €88m **provision for credit loss** reflecting the end of provisioning efforts in the Oil and Gas sector,

- **restated net income (group share)** and excluding the IFRIC 21 impact of €400m, up 5% relative to 2Q15,

- **reported net income (group share)** of €381m, including a goodwill impairment on Coface, with a negative impact of €31m,

- a **leverage ratio[(1)] of 4.1%** at end-June 2016,

- a **CET1 ratio[(2)] of 11.0%** at end-June 2016.

Laurent Mignon, Natixis Chief Executive Officer, said: "Thanks to our balanced business model and the unrelenting efforts of our teams, our three core businesses continue to expand in a manner perfectly consistent with our strategic objectives. This enables us to confirm our ability to attain the profitability targets enshrined in the New Frontier strategic plan. To accelerate the transformation of Natixis' business, we intend to continue to develop the business of Investment Solutions, to deepen revenue synergies with Group BPCE retail networks and to adapt our asset-light model in Corporate & Investment Banking by adopting a more cross-cutting organization geared to expanding our origination capacity. In addition, in recognition of the structural changes being driven by new technologies in all of our business lines and processes, we are currently working on a transformation and operational excellence project due to be presented this November."

(1) See note on methodology
(2) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445

1 - NATIXIS 2Q16 AND 1H16 RESULTS

1.1 EXCEPTIONAL ITEMS[(1)]

In €m	**2Q16**	**2Q15**	**1H16**	**1H15**
FV adjustment on own senior debt *Corporate Center (Net revenues)*	(20)	125	(26)	130
Restatement for exchange rate fluctuations on DSN in currencies *Corporate Center (Net revenues)*	8	(11)	(7)	24
Goodwill impairment on Coface *Financial Investments (Change in value of goodwill)*	(75)		(75)	
Disposal of Corporate Data Solutions entity (Kompass International) *Financial Investments* (Gain or loss on other assets*)*		(30)		(30)
Tax impact	4	(39)	11	(53)
Minority interest impact	44		44	
Impact in net income	**(39)**	**45**	**(53)**	**72**

(1) See note on methodology

1.2 2Q16 RESULTS

Pro forma[(1)] *and excluding exceptional items in €m*	2Q16	2Q15	2Q16 vs. 2Q15
Net revenues	**2,224**	**2,187**	**2%**
of which core businesses	*2,060*	*2,023*	*2%*
Expenses	(1,522)	(1,431)	6%
Gross operating income	**702**	**756**	**(7)%**
Provision for credit losses	(88)	(64)	38%
Pre-tax profit	**651**	**705**	**(8)%**
Income tax	(215)	(273)	(21)%
Minority interest	(16)	(27)	(41)%
Restated net income (gs)	**420**	**405**	**4%**

In €m	2Q16	2Q15	2Q16 vs. 2Q15
Restatement of IFRIC 21 impact	(20)	(26)	
Restated net income (gs) – excl. IFRIC 21 impact	**400**	**379**	**5%**
ROTE excluding IFRIC 21 impact	11.7%	11.0%	

In €m	2Q16	2Q15	2Q16 vs. 2Q15
Exceptional items	(39)	45	
Reinstatement of IFRIC 21 impact	20	26	
Net income (gs) - reported	**381**	**450**	**(15)%**

(1) See note on methodology

Unless stated otherwise, the commentary that follows refers to pro forma results excluding exceptional items (see detail p3).

Natixis' **net revenues amounted to €2.224bn in 2Q16, up 2%** vs. 2Q15. **Core-business revenues also progressed by 2%** during the same period.

Net revenues from **Investment Solutions** amounted to €832m, including a modest 2% decline in Asset Management revenues and stable Insurance revenues compared to 2Q15. Fueled by excellent momentum in Capital Markets, **Corporate & Investment Banking** grew revenues 5% year-on-year to €887m (+1% excluding the CVA/DVA desk).

Revenues from **Specialized Financial Services** progressed by 2%, driven by good performances in Specialized Financing, which increased net revenues by 4% during the period.

Revenues from **Financial Investments** were down 21% vs. 2Q15, with net revenues contracting 17% for Coface and 54% for the non-core Corporate Data Solutions activity.

Operating expenses rose 6% year-on-year to reach €1.522bn in 2Q16. After adjusting for the €35m additional contribution to the Single Resolution Fund during 2Q16, operating expenses were up 4% compared to a year earlier.
Gross operating income came out at €702m vs. €756m in 2Q15.

The **provision for credit loss** rose 38% year-on-year to €88m.

Pre-tax profit of €651m was 8% lower than a year earlier, primarily due to the deterioration in Coface's accounts (booked under Financial Investments), which were affected by rising losses in emerging markets, and also to the additional contribution to the Single Resolution Fund booked under the Corporate Center.

Core-business pre-tax profit rose 2% during the same period.

Restated net income excluding exceptional items and IFRIC 21 amounted to €400m in 2Q16, up 5% on a year earlier.
Including exceptional items (-€39m net of tax in 2Q16 vs. +€45m in 2Q15) and IFRIC 21 (+€20m in 2Q16 vs. +€26m in 2Q15), **reported net income (group share)** worked out to €381m vs. €450m in 2Q15.

1.3 1H16 RESULTS

Pro forma[(1)] *and excluding exceptional items In €m*	1H16	1H15	1H16 vs. 1H15
Net revenues	**4,307**	**4,336**	**(1)%**
of which core businesses	*4,009*	*3,976*	*1%*
Expenses	(3,127)	(2,984)	5%
Gross operating income	**1,180**	**1,352**	**(13)%**
Provision for credit losses	(176)	(141)	25%
Pre-tax profit	**1,078**	**1,232**	**(13)%**
Income tax	(395)	(498)	(21)%
Minority interest	(50)	(69)	(27)%
Restated net income (gs)	**633**	**665**	**(5)%**

In €m	1H16	1H15	1H16 vs. 1H15
Restatement of IFRIC 21 impact	78	52	51%
Restated net income (gs) – excl. IFRIC 21 impact	**711**	**717**	**(1)%**
ROTE excluding IFRIC 21 impact	10.4%	10.4%	

In €m	1H16	1S15	1S16 vs. 1H15
Exceptional items	(53)	72	
Reinstatement of IFRIC 21 impact	(78)	(52)	51%
Net income (gs) - reported	**581**	**737**	**(21)%**

(1) See note on methodology

Unless stated otherwise, the commentary that follows refers to pro forma results excluding exceptional items (see detail p3).

During 1H16 and despite a difficult start to 2016, **core-business revenues** progressed 1% year-on-year to €4.009bn, fueled primarily by Capital Markets, Insurance and Specialized Financing.
Natixis' revenues amounted to €4.307bn, down slightly vs. 1H15.

The **Investment Solutions** core business posted €1.656bn in revenues, including a moderate 2% decrease in Asset Management and 9% growth in Insurance.
Net revenues from **Corporate & Investment Banking** totaled €1.668bn and were fueled by strong levels of Fixed Income business and a widely-diversified portfolio of activities.

Specialized Financial Services grew revenues 4% to €684m, buoyed by an 8% expansion in Specialized Financing revenues during the same period.

Revenues from **Financial Investments** worked out to €338m and included year-on-year contractions of 17% for Coface and 40% for the non-core Corporate Data Solutions activity.

Operating expenses totaled €3.127bn vs. €2.984bn in 1H15. After adjusting for the contribution to the Single Resolution Fund (€114m in 1H16 vs. €48m in 1H15), operating expenses increased by 3% compared to a year earlier. **Gross operating income** contracted 13% year-on-year to €1.180bn.

The **provision for credit loss** rose to €176m, primarily due to €72m provisioning in Oil & Gas sector.

Pre-tax profit declined 13% on a year earlier to €1.078bn. Core-business pre-tax profit was €1.308bn, virtually unchanged from 1H15.

Restated net income excluding exceptional items and IFRIC 21 impact amounted to €711m in 1H16, almost stable on a year earlier despite strong increase of Single Resolution Fund contribution.
Including exceptional items (-€53m net of tax in 1H16 vs. +€72m in 1H15) and IFRIC 21 (-€78m in 1H16 vs. -€52m in 1H15), **reported net income (group share)** worked out to €581m vs. €737m in 1H15.

2 – FINANCIAL STRUCTURE

Natixis' Basel 3 CET1 ratio [1] worked out to 11.0% at June 30, 2016.

Based on a Basel 3 CET1 ratio [1] of 10.8% at March 31, 2016, the respective impacts in the second quarter of 2016 were as follows:

- effect of allocating net income (group share) to retained earnings in 2Q16, excluding the dividend: +34bps,
- ordinary dividend planned for 2Q16: -17bps,
- RWA, FX and other effects: +2bps.

Basel 3 capital and risk-weighted assets [1] amounted to €12.4bn and €112.9bn, respectively, at June 30, 2016.

EQUITY CAPITAL – TIER ONE CAPITAL – BOOK VALUE PER SHARE

Equity capital (group share) totaled €18.8bn at June 30, 2016, of which €1.68bn was in the form of hybrid securities (DSNs) recognized in equity capital at fair value.

Core tier 1 capital (Basel 3 – phase-in) stood at €12.5bn, and **tier 1 capital (Basel 3 – phase-in)** at €14.3bn.

Natixis' **risk-weighted assets** totaled €112.9bn at June 30, 2016 (Basel 3 – phase-in), breakdown as following:

- Credit risk: €75.8bn
- Counterparty risk: €8.7bn
- CVA risk: €3.7bn
- Market risk: €12.0bn
- Operational risk: €12.7bn

Under Basel 3 (phase-in), the **CET1 ratio** amounted to 11.1%, the **Tier 1 ratio** to 12.6% and the **total ratio** to 15.0% at June 30, 2016.

Book value per share was €5.40 at June 30, 2016 based on 3,126,429,212 shares excluding treasury stock (the total number of shares stands at 3,129,085,133). **Net tangible book value per share** (after deducting goodwill and intangible fixed assets) was €4.25.

LEVERAGE RATIO[2]

The leverage ratio worked out to 4.1% at June 30, 2016.

OVERALL CAPITAL ADEQUACY RATIO

As at June 30, 2016, the financial conglomerate's capital excess was estimated at around €6bn.

(1) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445
(2) See note on methodology

3 – RESULTS BY BUSINESS LINE

Investment Solutions

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15	1H16 vs. 1H15 *constant exchange rates*
Net revenues	**832**	**846**	***(2)%***	**1,656**	***(1)%***	**(1)%**
o/w Asset management	*623*	*633*	*(2)%*	*1,249*	*(2)%*	*(2)%*
o/w Insurance	*156*	*156*	*stable*	*322*	*9%*	
o/w Private banking	*33*	*36*	*(8)%*	*67*	*(3)%*	
Expenses	(579)	(576)	*1%*	(1,169)	*1%*	1%
Gross operating income	**253**	**270**	***(6)%***	**487**	***(4)%***	**(5)%**
Provision for credit losses	0	0		0		
Gain or loss on other assets	(1)	0		19		
Pre-tax profit	**253**	**275**	***(8)%***	**509**	***(2)%***	**(2)%**

Cost/Income ratio(1)	70.0%	68.5%	*+1.5pp*	70.1%	*+1.1pp*
ROE after tax(1)	13.8%	17.0%	*(3.2)pp*	14.2%	*(2.2)pp*

(1) See note on methodology and excluding IFRIC 21 impact

Investment Solutions recorded revenues of €832m in 2Q16 and €1.656bn in 1H16, down by 2% and 1%, respectively. In Asset Management, robust 15% revenue growth in Europe in 1H16 virtually offset the slowdown in the US, where net revenues fell 8% in the same period. Insurance enjoyed healthy momentum in all segments and continued to roll out its solutions to the Caisses d'Epargne, with 2,300 branches equipped by end-June 2016.

Operating expenses were virtually unchanged in both 2Q16 and 1H16, at €579m and €1.169bn, respectively. The cost-income ratio excluding the IFRIC 21 impact worked out to 70.0% in 2Q16, up 1.5pps on a year earlier.
Gross operating income came to €253m, down 6% vs. 2Q15.

Pre-tax profit also totaled €253m vs. €275m in 2Q15.

ROE after tax and before the IFRIC 21 impact was 13.8% in 2Q16 and 14.2% in 1H16, down 3.2pps and 2.2pps on a year earlier.

Asset Management registered in 2Q16 a small net inflow in Europe (excluding money-market funds) and a €1.6bn outflow in the US which was primarily concentrated on Harris's equity products. Loomis Sayles recorded inflow in fixed-income (+€3.1bn) and kept a good momentum in equity (+€1.3bn net inflow) in 2Q16.

Assets under management expanded €10bn in 2Q16 to reach €787bn at end-June 2016. This growth reflected positive market and currency effects (€5bn and €10bn, respectively), a €3bn negative consolidation-structure effect linked to the shutdown of Aurora and €2bn overall net outflow.
Net revenues decreased 2% year-on-year to €623m in 2Q16, primarily due to a 10% year-on-year decline in assets under management in the US.

Overall Insurance turnover (excluding the reinsurance treaty with CNP), advanced 16% year-on-year to reach €3.5bn in 1H16.
In the life insurance segment, again excluding the reinsurance treaty with CNP, net inflow exceeded €1bn in 1H16 vs. €0.7bn in 1H15, Unit-linked policies accounted for 37% of net inflows during the quarter. Assets under management rose 5% year-on-year to €45.5bn end of June 2016.
Turnover advanced 8% in P&C segment and by 9% in Personal Protection and Borrower's insurance segments in 1H16/1H15.

Corporate & Investment Banking

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15
Net revenues	**887**	**842**	***5%***	**1,668**	***1%***
Net revenues excl. CVA/DVA desk	854	845	1%	1,642	stable
o/w Commercial banking	*82*	*100*	*(18)%*	*163*	*(14)%*
o/w Structured financing	*293*	*305*	*(4)%*	*551*	*(6)%*
o/w Capital markets	*539*	*410*	*31%*	*969*	*10%*
Expenses	(482)	(459)	*5%*	(994)	*4%*
Gross operating income	**405**	**383**	***6%***	**675**	***(3)%***
Provision for credit losses	(53)	(40)	*32%*	(124)	*18%*
Pre-tax profit	**356**	**348**	***2%***	**558**	***(7)%***

Cost/Income ratio[1]	55.5%	55.8%	*(0.3)pp*	58.3%	*+1.9pp*
ROE after tax[1]	13.8%	11.6%	*+2.2pp*	11.4%	*+0.4pp*

(1) See note on methodology and excluding IFRIC 21 impact

Corporate & Investment Banking revenues rose 5% in 2Q16 and 1% in 1H16 compared to the respective year-earlier periods.
Thanks to strong recoveries in Capital Markets & Structured Financing in 2Q16 vs. 1Q16, **Corporate & Investment Banking** grew net revenues 8% between the two periods, excluding the CVA/DVA desk.

The increases in operating expenses of 5% in 2Q16 and 4% in 1H16, stemmed from the model transformation and the continued ramp-up of international platforms.
Gross operating income advanced 6% to €405m in 2Q16.

The provision for credit loss amounted to €53m in 2Q16, including the end of provisioning effort in Oil & Gas sector amounting at €26m.
In 2Q16, pre-tax profit grew 2% to €356m over one year.

Good performances in Capital Markets and the strict capital allocation induced by the Originate-to-Distribute model combined to drive a healthy 2.2pp-improvement in after-tax ROE to 13.8%, excluding the IFRIC 21 impact.

Financing revenues worked out to €375m in 2Q16 vs. €405m in 2Q15 and €339m in 1Q16.
Structured Financing generated €293m in revenues in 2Q16, down 4% vs. 2Q15, but up 13% vs. 1Q16. New loan production reached €7.5bn in 2Q16, well ahead of the €4.5bn in the first three months of 2016. The Acquisitions & Strategic Finance, Real Estate Finance Europe and GEC Trade Finance lines were the main contributors during the quarter.
In Commercial Banking, new loan production retreated 23% to €6.2bn in 1H16.

Capital Markets enjoyed strong revenue growth in 2Q16 (+31% vs. 2Q15), fueled by a 35% rise in FIC-T net revenues to €330m, excluding CVA/DVA desk. Revenues grew particularly strongly in Rate & Forex (+64% in 2Q16 vs. 2Q15) and GSCS (+14% in 2Q16 vs. 2Q15).
Equity divisions posted €176m in net revenues for 2Q16, a 4% year-on-year increase. Equity Derivatives continued to grow and M&A demonstrated strong momentum thanks to Natixis Partners.

Specialized Financial Services

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15
Net revenues	**341**	**335**	**2%**	**684**	**4%**
Specialized financing	*211*	*203*	*4%*	*425*	*8%*
Financial services	*130*	*133*	*(2)%*	*258*	*(2)%*
Expenses	(220)	(211)	5%	(446)	4%
Gross operating income	**121**	**125**	**(3)%**	**238**	**4%**
Provision for credit losses	(17)	(20)	(16)%	(29)	(13)%
Gain or loss on other assets	31	0		31	
Pre-tax profit	**135**	**105**	**29%**	**240**	**22%**

Cost/Income ratio (1)	65.4%	63.7%	*+1.7pp*	64.4%	*+0.2pp*
ROE after tax (1)(2)	16.3%	15.4%	*+0.9pp*	17.3%	*+2.0pp*

(1) See note on methodology and excluding IFRIC 21 impact
(2) Excluding capital gain on real-estate asset in 2Q16

Revenues from **Specialized Financial Services** amounted to €341m in 2Q16, up 2% relative to 2Q15. The momentum came from solid performances in Specialized Financing, which grew revenues 4% during the period.

Expenses rose 5% year-on-year to €220m and the cost-income ratio excluding IFRIC 21 worked out to 65.4% in 2Q16. Gross operating income dipped 3% to €121m from €125m.

The provision for credit loss contracted 16% year-on-year to €17m in 2Q16 vs. €20m in 2Q15.

Pre-tax profit climbed 29% in 2Q16 vs. 2Q15, after recognition in gains/losses on other assets of a €31m capital gain on a real-estate asset.

After restating this capital gain, after-tax ROE excluding IFRIC 21 worked out to 16.3% in 2Q16 and 17.3% in 1H16.

Within **Specialized Financing**, new production in Leasing increased 7% year-on-year in 2Q16, thanks to strong momentum from the Groupe BPCE networks in the Equipment Leasing segment. In Factoring, the 22% rise in factored turnover in 2Q16 was notably buoyed by large accounts.

In **Financial Services**, Employee Savings Schemes recorded strong growth in *Chèque de Table* meal voucher issuance in both 2Q16 (+9%) and 1H16 (+7%), while Payments witnessed an 8% increase in the number of electronic banking transactions during the quarter.

Financial Investments
Data excludes exceptional items[1]

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15
Net Revenues	**155**	**197**	**(21)%**	**338**	**(20)%**
Coface	133	161	(17)%	289	(17)%
Corporate Data Solutions	9	20	(54)%	24	(40)%
Other	12	16	(22)%	25	(32)%
Expenses	(153)	(167)	(8)%	(315)	(9)%
Gross Operating Income	**1**	**30**	**(95)%**	**23**	**(71)%**
Provision for credit losses	(18)	(4)		(24)	
Pre-tax profit	**(16)**	**26**		**10**	**(86)%**

(1) See note on methodology

On a constant exchange-rate basis, **Coface's** turnover amounted to €362m in 2Q16, down 2% on 2Q15. In current exchange-rate terms, it fell 5% to €352m during the same period.

The combined ratio net of reinsurance worked out to 97.7% in 2Q16 vs. 86.4% in 2Q15, and comprised a cost ratio of 30.8% and a loss ratio of 66.9% compared to corresponding ratios of 32.1% and 54.3%, respectively, in 2Q15.

Revenues from **Financial Investments** were down 21% year-on-year in 2Q16 including the non-core Corporate Data Solutions activity.

Gross operating income came out at €1m in 2Q16, well down on the year-earlier level.

Appendices

Note on methodology:

The results at 06/30/2016 were examined by the board of directors at their meeting on 07/28/2016.
Figures at 06/30/2016 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.

2015 figures are presented pro forma:
(1) For the reclassification of the contribution to the Single Resolution Fund to current profit (previously booked under exceptional items). The contribution is registered under Corporate Center expenses. The 2015 quarterly series have been restated accordingly.
(2) For the transfer of some expenses from Corporate Center to SFS. The 2015 series have been restated accordingly.

Changes in rules as of January 1, 2016:
The cost of subordination of Tier 2 debt issued, previously allocated to Corporate Center, is now reallocated to the business lines based on their normative capital. Application of an accounting change in 2015 due to the recognition of tax amortization of goodwill under deferred tax liability in the Investment Solutions division leading to an increase of the normative tax rate, and conversely to a decrease of the normative capital allocation.

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 on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, 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 on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, 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% 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 3%.
- **Net book value:** calculated by taking shareholders' equity group share, restated for hybrids and capital gains on reclassification of hybrids as equity instruments. Net tangible book value is adjusted for intangible assets and goodwill restated as follows:

In €m	**06/30/2016**
Intangible assets	756
Restatement for Coface minority interest	(39)
Restated intangible assets	**716**

In €m	**06/30/2016**
Goodwill	3,524
Restatement for Coface minority interest	(165)
Restatement for Investment Solutions deferred tax liability	(504)
Restated goodwill	**2,855**

Own senior debt fair-value adjustment: calculated using a discounted cash-flow model, contract by contract, including parameters such as swaps curve, and revaluation spread (based on the BPCE reoffer curve).

Leverage ratio: based on delegated act rules, without phase-in except for DTAs on tax-loss carryforwards 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.

Exceptional items: figures and comments on this presentation are based on Natixis and its businesses' income statements excluding non- operating and/or exceptional items detailed page 3. 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 and the ROE excluding IFRIC 21 impact calculation take into account as of June 30th 2016, half of the annual duties and levies concerned by this new accounting rule. The impact for the quarter is calculated by difference with the former quarter.

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

1.3 Results as at June 30, 2016: Presentation

NATIXIS

2Q16 Results

July 28, 2016

Disclaimer

This media release may contain objectives and comments relating to the objectives and strategy of Natixis. Any such objectives inherently depend on assumptions, project considerations, objectives and expectations linked to future and uncertain events, transactions, products and services as well as suppositions regarding future performances and synergies.

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Figures in this presentation are unaudited.

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Strong rebound in business in 2Q16 on the back of balanced business model, safeguarding profitability of core businesses

INVESTMENT SOLUTIONS

- **Asset management**: AuM stood at €787bn at June 30 2016, up €10bn vs. end-March with limited outflows of €2bn in 2Q16. Improvement in margins excluding perf. fees in USA and Europe in 1H16 vs. 1H15
- **Insurance**: momentum was driven by all segments with overall turnover up 12% vs. 2Q15 to €1.7bn, excluding reinsurance agreement with CNP

CIB

- **Capital markets**: FIC-T posted excellent performances in 2Q16, soaring 35% vs. 2Q15, while Equities continued to grow (up 4% vs. 2Q15 in revenues)
- **Structured financing**: increased contribution of fees in Structured financing revenues to 39% in 2Q16 vs. 37% in 2015

SFS

- **Noteworthy performance for Specialized financing**: dynamic new production for Leasing (+7% vs. 2Q15) and 22% jump in factored turnover YoY

NATIXIS 2Q16 and 1H16(1)

- **Natixis' revenues gained 7%** in 2Q16 vs. 1Q16 to more than €2.2bn (+2% vs. 2Q15), mainly buoyed by all CIB activities. Increase in expenses kept under control (excluding IFRIC 21), up 3% vs. 1Q16
- **Earnings capacity for the quarter increased 5% to €400m**. Reported net income (group share) stood at €381m in 2Q16, factoring in goodwill impairment on Coface (impact of -€31m)
- **Generation of 65bp of CET1 ratio since start of 2016, equivalent to €730m (€0.24 per share), of which €440m above the minimum 50% pay out**, for distribution in the absence of external growth

2Q16 ROTE(2)	CET1(3)	Leverage(1)	1H16 EPS
11.7% (+70bps YoY)	11.0%	4,1%	€0.17

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(1) See note on methodology (2) See note on methodology and excluding IFRIC 21 impact (3) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445

Agenda

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Exceptional items[1]

In €m	2Q16	2Q15	1H16	1H15
FV adjustment on own senior debt *Corporate Center (Net revenues)*	(20)	125	(26)	130
Restatement for exchange rate fluctuations on DSN in currencies *Corporate Center (Net revenues)*	8	(11)	(7)	24
Goodwill impairment on Coface *Financial investments (change in value of goodwill)*	(75)		(75)	
Disposal of Corporate Data Solutions entity (Kompass International) *Financial investments (Gain or loss on other assets)*		(30)		(30)
Impact in income tax	4	(39)	11	(53)
Impact in minority interest	44		44	
Impact in net income	**(39)**	**45**	**(53)**	**72**

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(1) See note on methodology

ROTE[2] up 70bps to 11.7% in 2Q16

- **Clear recovery in net revenues, up 7% vs. 1Q16, mainly driven by CIB, while operating expenses rose only 3% excluding IFRIC 21 over the same period**
- **Net revenues for Natixis and its core business lines gained 2% YoY, buoyed by CIB Capital markets activities and Specialized financing**
- **Operating expenses up 4% YoY excluding addition to Single Resolution Fund of €35m booked in 2Q16**
- **Pre-tax profit for core businesses up 2% YoY in 2Q16**
- **2Q16 ROTE[2] improved by 70bps to 11.7% vs. 2Q15**

Pro forma and excluding exceptional items[1] in €m	2Q16	2Q15	2Q16 vs. 2Q15
Net revenues	**2,224**	**2,187**	**2%**
of which core businesses	*2,060*	*2,023*	*2%*
Expenses	(1,522)	(1,431)	6%
Gross operating income	**702**	**756**	**(7)%**
Provision for credit losses	(88)	(64)	38%
Pre-tax profit	**651**	**705**	**(8)%**
Income tax	(215)	(273)	(21)%
Minority interest	(16)	(27)	(41)%
Net income (gs) - restated	**420**	**405**	**4%**

in €m	2Q16	2Q15	2Q16 vs. 2Q15
Restatement of IFRIC 21 impact	(20)	(26)	
Net income (gs) – restated excl. impact IFRIC	**400**	**379**	**5%**
ROTE excluding IFRIC 21 impact	11.7%	11.0%	

in €m	2Q16	2Q15	2Q16 vs. 2Q15
Exceptional items	(39)	45	
Reinstatement of IFRIC 21 impact	20	26	
Net income (gs) - reported	**381**	**450**	**(15)%**

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

Solid resilience from core businesses in 1H16

- **Despite a tough start to 2016, net revenues from core businesses increased 1% YoY, mainly driven by Capital markets activities, Insurance and Specialized financing**
- **Operating expenses rose 3% vs. 1H15, excluding the contribution to the Single Resolution Fund (€114m in 1H16 vs. €48m in 1H15)**
- **Cost of risk was primarily affected by end to additional provisioning efforts on Oil & Gas sector of €72m**
- **Pre-tax profit for core businesses came out at €1.3bn in 1H16, virtually flat YoY**
- **Earnings capacity almost stable YoY to €711m and flat ROTE[2] YoY despite sharp increase in cost of contribution to Single Resolution Fund**
- **ROE[2] for core businesses improved 20bps vs. 1H15 to 13.4%**

Pro forma and excluding exceptional items[1] in €m	1H16	1H15	1H16 vs. 1H15
Net revenues	**4,307**	**4,336**	**(1)%**
of which core businesses	*4,009*	*3,976*	*1%*
Expenses	(3,127)	(2,984)	5%
Gross operating income	**1,180**	**1,352**	**(13)%**
Provision for credit losses	(176)	(141)	25%
Pre-tax profit	**1,078**	**1,232**	**(13)%**
Income tax	(395)	(498)	(21)%
Minority interest	(50)	(69)	(27)%
Net income (gs) - restated	**633**	**665**	**(5)%**

in €m	1H16	1H15	1H16 vs. 1H15
Restatement of IFRIC 21 impact	78	52	51%
Net income (gs) – restated excl. impact IFRIC	**711**	**717**	**-1%**
ROTE excluding IFRIC 21 impact	10.4%	10.4%	

in €m	1H16	1H15	1H16 vs. 1H15
Exceptional items	(53)	72	
Reinstatement of IFRIC 21 impact	(78)	(52)	51%
Net income (gs) - reported	**581**	**737**	**(21)%**

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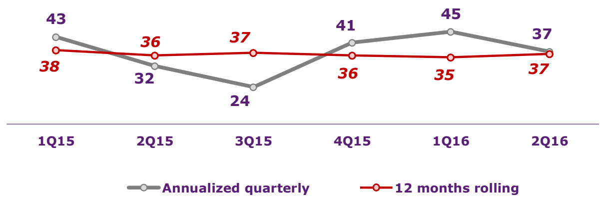
(1) See note on methodology
(2) See note on methodology and excluding IFRIC 21 impact

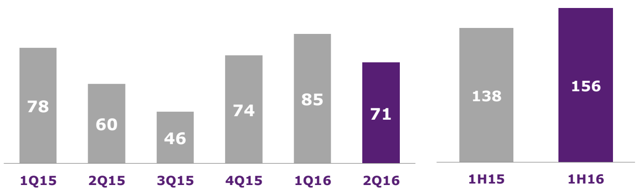
Cost of risk for core businesses flat in 2Q16 on 12 months rolling basis

- **Cost of risk[1] for core businesses improved sharply to 37bps in 2Q16 vs. 1Q16**
- **Cost of risk for core businesses down 17% to €84m in 1H16, excluding Oil & Gas sector, confirming the underlying improvement across all businesses**
- **Confirmation of cost of risk guidance of 30-35bps through the cycle on the New Frontier plan**

Cost of risk[1] of core businesses expressed in bps of loans outstanding



Cost of risk of core businesses, *in €m*



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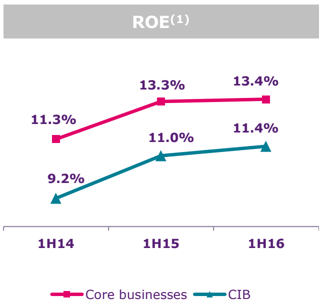
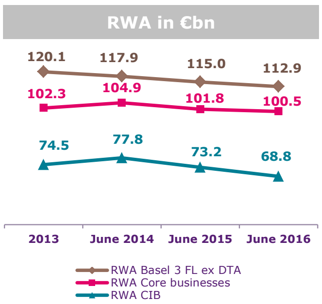
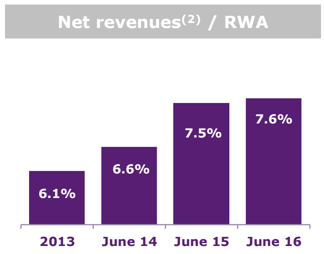
(1) Annualized quarterly cost of risk on total amount of loans outstanding (excluding credit institutions), beginning of period

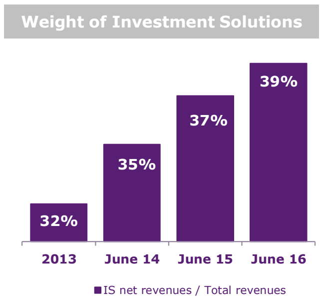
Acceleration in transformation of Natixis' business model







- ✓ Asset Light model launched in late 2013 as part of the New Frontier strategic plan, with increase in contribution from Investment Solutions business and tight control on scarce resources
- ✓ Acceleration in transformation of CIB operations with recent acquisitions in advisory sector (Natixis Partners France and Spain, PJSC) and business reorganization with the creation of two new divisions Global Finance and Investment Banking in 3Q16
- ✓ Detailed presentation in 3Q16 of the transformation and business efficiency program



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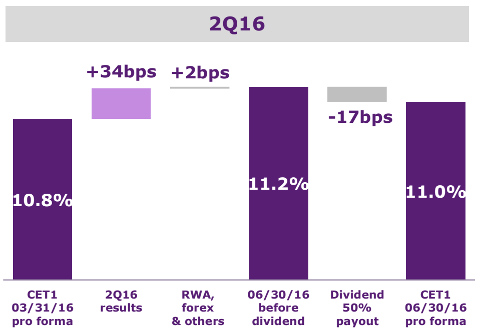
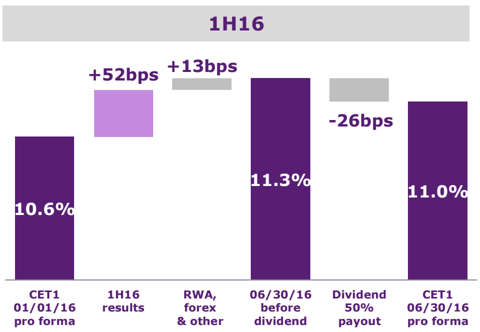
(1) See note on methodology and excluding IFRIC 21 impact
(2) Pro forma and excluding exceptional items

Solvency strengthened with pro forma CET1(1) ratio of 11.3% before dividend





- **36bps increase in CET1 ratio(1) in 2Q16 and 65bps expansion since start of 2016, of which 52bps due to results**
- **CET1 capital and risk-weighted assets under Basel 3(1) came out at €12.4bn and €112.9bn respectively at end-June 2016. Continued strict management of RWA (-2% YoY and flat since the start of the year)**
- CET1 ratio FL came out at 10.2% at end-June 2016 vs. 9.9% at end-March 2016
- Leverage ratio above 4%(2) at end-June 2016

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(1) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445 (2) See note on methodology

Agenda

1. 2Q16 and 1H16 results

2. Business division results

3. Conclusion

NATIXIS

Asset management resilience, and Insurance offering continues to be rolled out in Caisses d'Epargne network

Investment Solutions

- **Net revenues in 1H16 close to €1.7bn with:**
  - ✓ **Asset management revenues holding up well in Europe on the back of the expansion of the multi-affiliate model offsetting the slowdown in the US**
  - ✓ **Diversification of business and asset allocation policy in Insurance in order to limit impact of low interest rates**

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15	1H16 vs. 1H15 *constant exchange rate*
Net revenues	**832**	**846**	***(2)%***	**1,656**	***(1)%***	***(1)%***
o/w Asset management	*623*	*633*	*(2)%*	*1,249*	*(2)%*	*(2)%*
o/w Insurance	*156*	*156*	*flat*	*322*	*9%*	
o/w Private banking	*33*	*36*	*(8)%*	*67*	*(3)%*	
Expenses	(579)	(576)	*1%*	(1,169)	*1%*	1%
Gross operating income	**253**	**270**	***(6)%***	**487**	***(4)%***	***(5)%***
Provision for credit losses	0	0		0		
Gain or loss on other assets	(1)	0		19		
Pre-tax profit	**253**	**275**	***(8)%***	**509**	***(2)%***	***(2)%***

Cost/Income ratio[1]	70.0%	68.5%	*+1.5pp*	70.1%	*+1.1pp*
ROE after tax[1]	13.8%	17.0%	*(3.2)pp*	14.2%	*(2.2)pp*

Insurance

- ***Overall turnover of €3.5bn in 1H16, up 16% vs. 1H15 (excluding reinsurance agreement with CNP)***
- *Life insurance (excluding reinsurance agreement with CNP):*
  - ✓ *Roll-out of offering in half of Caisses d'Epargne network (2,300 branches) with net inflows of €344m in 1H16*
  - ✓ *19% jump in life insurance turnover in 1H16 vs. 1H15*
  - ✓ *AuM of €45.5bn at end-June 2016, up 5% YoY, including 18% in unit-linked policies*
  - ✓ *Net inflows of more than €1bn in 1H16 vs. €0.7bn in 1H15*
  - ✓ *Unit-linked policies made up 39% of net inflows in 2Q16 (37% in 1H16)*
- *P&C:*
  - ✓ *8% rise in turnover in 1H16 vs. 1H15*
  - ✓ *Combined ratio of 92.8% in 1H16*
- *Personal protection and Borrower's insurance:*
  - ✓ *9% growth in turnover in 1H16 vs. 1H15*

NATIXIS

(1) See note on methodology and excluding IFRIC 21 impact

Investment Solutions

Asset management: pre-tax profit up 3% in 1H16

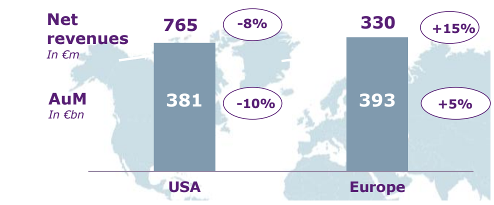
- **Limited decline in net revenues in 2Q16 and 1H16** despite a **drop in AuM in the US** (-10% YoY). Increase in perf. fees to €30m in 2Q16 vs. €20m in 2Q15
- **Europe: limited net outflows** in 2Q16 (€0.9bn) due to MMF. **Net inflows of close to €7bn in 1H16.** Low exposure of AEW Europe to commercial real estate in the UK with two dedicated funds (£350m in AuM at 06/30)
- **US: outflows** of €1.6bn in 2Q16 **mainly concentrated on Harris equity products** (-€5.1bn). **Inflows recovered** at **Loomis Sayles** on FI products in 2Q16 (+€3.1bn) and momentum continued on equities (+€1.3bn)
- Improvement in margins excluding perf. fees in 1H16 vs. 1H15 in the US (disposal of MMF in 2015) and in Europe (consolidation of DNCA)

Asset management

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15	1H16 vs. 1H15 *constant exchange rate*
Net revenues	**623**	**633**	***(2)%***	**1,249**	***(2)%***	***(2)%***
Expenses	(456)	(464)	*(2)%*	(909)	*(2)%*	*(2)%*
Gross operating income	**167**	**169**	***(1)%***	**339**	***(2)%***	***(2)%***
Provision for credit losses	0	0		0		
Gain or loss on other assets	(1)	0		19		
Pre-tax profit	**166**	**170**	***(2)%***	**358**	***3%***	***2%***

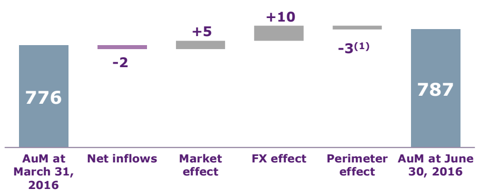
Change per geographical area

Per asset manager, excluding distribution platform and Holding



Net revenues in 1H16 and AuM at end-June 2016 (x%) *1H16 vs. 1H15*

Assets under management, *in €bn*



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(1) Shutdown of Aurora

Investment Solutions

Asset management: consolidation in Real Estate

Completion of AEW Europe shareholding restructuring:

✓ **Buyout of "Caisse des Dépôts et Consignation" shareholding (40%)**

✓ **Contribution of Ciloger (REIM activities of « La Banque Postale - €5.2bn of AuM as of June 2016) to AEW Europe:**

- Creation of **a new leader in the French retail market** *(#3 for Retail - €4.6bn of combined assets (2))* with European investment capabilities and backed by three major Retail Banking networks: Caisses d'Epargne, Banque Populaire and La Banque Postale
- AEW Europe shareholding structure post transaction: 60% for NGAM and 40% for La Banque Postale
- Transaction remains subject to regulatory approval expected by end-2016

Strong organic growth across the platform:

✓ **Dynamic inflows mainly in Europe with close to €1bn of net flows during the first 6 months**

✓ **Launch of new funds :**

- Real estate debt fund
- Residential fund

➔ Strong organic growth combined with this acquisition making AEW a top 10 global real estate investment manager

Real Estate Manager by AuM

Dec 2015 in Bn$ - Willis Tower Watson Survey 2016

#		AuM
1	Blackstone RE	93.9
2	CBRE Global Investors	79.8
3	UBS AM Real Estate	72.9
4	TIAA RE	72.0
5	JP Morgan AM RE	57.1
6	LaSalle IM	55.1
7	Principal	53.4
8	AXA IM RE	52.8
9	Brookfield AM	49.8
10	**AEW (1)**	**47.8**
11	Hines RE	47.6
12	Aviva Investors	45.8
13	Deutsche Bank RE	45.4
14	Cornerstone	45.1
15	Credit Suisse AM	43.3

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(1) AEW Capital Management (48% of the AuM) + AEW Europe & Ciloger (52% of the AuM)
(2) SCPI + OPCI Grand public, Aspim IEIF end 2015

2Q16 ROE up 220bps YoY to 13.8% on the back of O2D and Capital markets activities

CIB

- **Strong rebound in Capital markets and Structured financing activities in 2Q16 vs. 1Q16 with CIB net revenues up 8% (excl. CVA/DVA)**
- **Despite a tougher backdrop at the start of 2016, net revenues were flat in 1H16 (excl. CVA/DVA) on the back of an excellent performance from Fixed income and solid diversification of the business portfolio**
- **Momentum remained excellent in Asia, with net revenues soaring 13% in 1H16 vs. 1H15**
- **Operating expenses rose 4% YoY in 1H16 as a result of the transformation in business model and ramp-up of international platforms**
- **Cost of risk up to €53m in 2Q16 including end to additional provisioning efforts on Oil & Gas sector for €26m**
- **O2D strategy: improvement in RWA profitability with net revenues/RWA[(2)] ratio of 4.9% in 1H16 vs. 4.5% in 1H15**

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15
Net revenues	**887**	**842**	***5%***	**1,668**	***1%***
Net revenues excl. CVA/DVA	*854*	*845*	*1%*	1,642	*flat*
Expenses	(482)	(459)	*5%*	(994)	*4%*
Gross operating income	**405**	**383**	***6%***	**675**	***(3)%***
Provision for credit losses	(53)	(40)	*32%*	(124)	*18%*
Pre-tax profit	**356**	**348**	***2%***	**558**	***(7)%***
Cost/Income ratio[(1)]	55.5%	55.8%	*(0.3)pp*	58.3%	*+1.9pp*
ROE after tax[(1)]	13.8%	11.6%	*+2.2pp*	11.4%	*+0.4pp*

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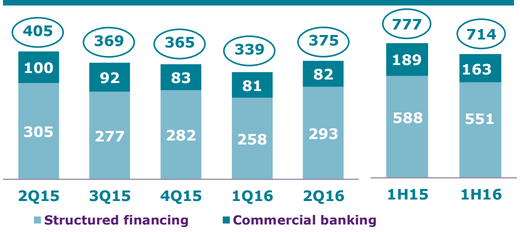
(1) See note on methodology and excluding IFRIC 21 impact
(2) Half-year revenues annualized on RWA end of period. Excluding CVA/DVA: 4.8% in 1H16 and 4.5% in 1H15

Excellent momentum on Capital markets since early 2016

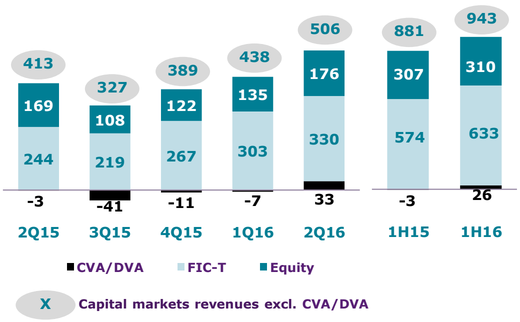
CIB

- **Net revenues for Structured financing down 4% YoY in 2Q16 and down 6% in 1H16**
  - ✓ New loan production down 7% in 2Q16 to €7.5bn vs. very demanding 2Q15 for Aviation, Export & Infrastructure finance
  - ✓ Global Energy & Commodities (GEC) held up well in 2Q16 on the back of Trade finance and robust activity for Acquisition & Strategic Finance (ASF) and Real Estate Finance in Europe
  - ✓ Proportion of revenues generated from fees continued to increase: 39% in 2Q16 vs. 37% in 1Q16
- **Commercial banking: new loan production contracted by 23% to €6.2bn in 1H16**
- **FIC-T: net revenues soared in 2Q16 (+35% vs. 2Q15) and 1H16 (+10% vs. 1H15), excl. CVA/DVA**
  - ✓ Very solid performances for Fixed income operations, particularly Rates and Forex (+64% in 2Q16/2Q15 and +27% in 1H16/1H15)
  - ✓ GSCS remained very dynamic (revenues +14% in 2Q16/2Q15)
- **Equity: net revenues gained 4% in 2Q16 vs. 2Q15 and 1% in 1H16 vs. 1H15**
  - ✓ Expansion of Equity derivatives continued with net revenues up 1% in 1H16 buoyed by the Solutions business
  - ✓ Strong momentum in M&A, driven by Natixis Partners
  - ✓ Natixis ranked 3rd for M&A advisory in France in terms of number of deals concluded in 1H16 (Dealogic)

Financing net revenues, in €m



Capital markets net revenues, in €m



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SFS

Very sound performances from Specialized financing

- **ROE(1) gained 200bps to 17.3% in 1H16 YoY,** excluding real estate capital gains for CEGC:
  - ✓ 1H16 revenues buoyed in particular by Leasing (+12%), Sureties & guarantees (+12%) and Factoring (+10%)
  - ✓ Cost of risk kept well under control, down 13% YoY to €29m
  - ✓ Allocated capital down 4% YoY

Specialized financing

✓***Leasing****: new production was very steady once again in 2Q16 (+7% vs. 2Q15 after +72% in 1Q16 vs. 1Q15), chiefly with Groupe BPCE's retail network on Equipment Leasing*

✓***Factoring****: factored turnover up 22% YoY in 2Q16 and 17% in 1H16, buoyed primarily by the large corporates segment*

Financial services

✓***Employee benefit schemes****: steady growth in number of Chèque de Table® vouchers issued in 2Q16 (+9%) and 1H16 (+7%). Market share ~16% at end-June 2016*

✓***Payments****: 8% increase in number of electronic banking transactions processed over the quarter, and 9% over the half-year*

In €m	2Q16	2Q15	2Q16 vs. 2Q15	1H16	1H16 vs. 1H15
Net revenues	**341**	**335**	**2%**	**684**	**4%**
Specialized financing	*211*	*203*	*4%*	*425*	*8%*
Financial services	*130*	*133*	*(2)%*	*258*	*(2)%*
Expenses	(220)	(211)	5%	(446)	4%
Gross operating income	**121**	**125**	**(3)%**	**238**	**4%**
Provision for credit losses	(17)	(20)	(16)%	(29)	(13)%
Gain or loss on other assets	31	0		31	
Pre-tax profit	**135**	**105**	**29%**	**240**	**22%**

Cost/Income ratio(1)	65.4%	63.7%	*+1.7pp*	64.4%	*+0.2pp*
ROE after tax(1)(2)	16.3%	15.4%	*+0.9pp*	17.3%	*+2.0pp*

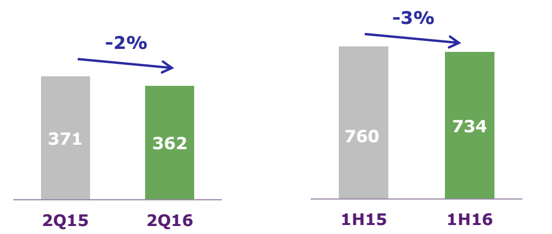
(1) See note on methodology and excluding IFRIC 21 impact
(2) Excluding real estate capital gain for CEGC in 2Q16

Adjustment to business model under way against tough backdrop

coface

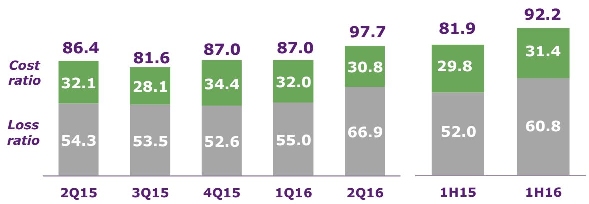
- **Turnover(1) down 2% vs. 2Q15**
- **Net revenues(1) fell 16% YoY in 2Q16 to €135m**
- **Expenses flat at €277m in 1H16 vs. 1H15(1)**

Turnover(1), *in €m*



- **Improvement in cost ratio to 30.8% in 2Q16 vs. 32% in 1Q16 and 32.1% in 2Q15**
- **Loss ratio affected in 2Q16 by increase in risks in emerging countries. Continued adjustment of risk management policies and projected net loss ratio of 63% to 66% in 2016**

Credit insurance, ratios - net of reinsurance, *in %*



(1) At constant exchange rate

Agenda

1. 2Q16 and 1H16 results

2. Business division results

3. Conclusion

Conclusion

Very sound resilience from core business lines (ROE of 13.4% in 1H16, up 20bps vs. 1H15) against tough economic backdrop

- ✓ Clear rebound from CIB in 2Q16 vs. 1Q16 with revenues up 8%(1)
- ✓ Sharp slowdown in outflows in AM in the US in 2Q16 and net inflows of €16bn in Europe for the last 12 months
- ✓ Strong growth in Insurance business, in line with New Frontier plan, with net revenues up 9% vs. 1H15
- ✓ Momentum in synergies with Groupe BPCE's networks, driving growth in Specialized financing (net revenues gained 8% vs. 1H15)

Ability to meet ROE targets set out in New Frontier plan

- ✓ Cost of risk for core businesses kept under control at 37bps on 12 months rolling basis, despite additional provisioning efforts on Oil & Gas sector
- ✓ Acceleration in implementation of Asset Light model, with RWA under Basel 3 down 2% YoY and flat since end-2015
- ✓ Natixis' earnings capacity came to €711m (almost stable vs. 1H15) with flat ROTE(2) YoY to 10.4% despite contribution to SRF more than doubling YoY (€114m in 1H16 vs. €48m in 1H15)

Dividend payout policy confirmed

- ✓ Generation of 65bp of CET1 ratio since start of 2016, equivalent to €730m (€0.24 per share), of which €440m above the minimum 50% pay out, for distribution in the absence of external growth

(1) Excl. CVA/DVA
(2) See note on methodology and excluding IFRIC 21 impact

A Appendix – Detailed Results (2Q16)

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Limited exposure on customers with high sensitivity to oil & gas prices

Breakdown of the €12.5bn Exposure at Default (EAD) by customer segment for SAF (Structured financing)[1]

Trade finance	Trade financing is inherently at very short term (< 90 days). Natixis transactions were originated with oil prices already down sharply. Financing lines are uncommitted which allow Natixis to refuse some of them. Traders are systematically hedged on price variation risk. Natixis is not exposed to the oil price variation risk	**47%**	53% of lending 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	**6%**	
Refining / Petrochemicals	Mainly secured transactions (Asset Back Facilities) to US refiners which enjoy a favorable refining margin environment	**5%**	25% of lending not directly exposed to oil price risk or with a low sensitivity to oil price risk
LNG	Mainly long term contracts with Majors companies in a "take or pay" or "Tolling" basis	**3%**	
Majors & NOCs	National oil companies and international integrated oil companies with strong balance sheet and/or strategic companies for oil producing countries	**17%**	
Offshore Infrastructure	Mainly operational offshore platforms with Majors/Nocs & investment grade companies in secured lending basis only	**4%**	Absorption capacity of lower oil price
Independent producers & services companies	Strong mitigation effects for the US producers with: i) collateral coverage from proved reserves, ii) significant commodity hedging, iii) semi-annual borrowing base redetermination. Senior secured lending (RBL) with significant amount of cushion of equity and junior debt Companies involved in drilling rigs, in assistance to production, pipe laying, heavy lifting, etc. Oil services in the US has been almost exited since 2011 (from 37 counterparties to 3)	**18%**	More limited absorption capacity of lower oil price

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(1) Management data

2Q16 results: from data excluding non-operating items[1] to reported data

in €m	2Q16 excl. exceptional items	FV Adjustment on own senior debt	Exchange rate fluctuations on DSN in currencies	Impairment in Coface goodwill	2Q16 reported
Net revenues	**2,224**	**(20)**	**8**		**2,211**
Expenses	(1,522)				(1,522)
Gross operating income	**702**	**(20)**	**8**		**689**
Provision for credit losses	(88)				(88)
Associates	7				7
Gain or loss on other assets	31				31
Change in value of goodwill	0			(75)	(75)
Pre-tax profit	**651**	**(20)**	**8**	**(75)**	**564**
Tax	(215)	7	(3)		(211)
Minority interest	(16)			44	28
Net income (group share)	**420**	**(13)**	**5**	**(31)**	**381**

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(1) See note on methodology

1H16 results: from data excluding non-operating items[1] to reported data

in €m	1H16 excl. non exceptional items	FV Adjustment on own senior debt	Exchange rate fluctuations on DSN in currencies	Impairment in Coface goodwill	1H16 reported
Net revenues	**4,307**	**(26)**	**(7)**		**4,274**
Expenses	(3,127)				(3,127)
Gross operating income	**1,180**	**(26)**	**(7)**		**1,147**
Provision for credit losses	(176)				(176)
Associates	14				14
Gain or loss on other assets	60				60
Change in value of goodwill	0			(75)	(75)
Pre-tax profit	**1,078**	**(26)**	**(7)**	**(75)**	**970**
Tax	(395)	9	2		(383)
Minority interest	(50)			44	(6)
Net income (group share)	**633**	**(17)**	**(5)**	**(31)**	**581**

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(1) See note on methodology

Natixis – Consolidated

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**2,190**	**2,301**	**1,969**	**2,244**	**2,063**	**2,211**	**(4)%**	**4,491**	**4,274**	**(5)%**
Expenses	(1,553)	(1,431)	(1,393)	(1,578)	(1,605)	(1,522)	6%	(2,984)	(3,127)	5%
Gross operating income	**637**	**870**	**576**	**666**	**458**	**689**	**(21)%**	**1,507**	**1,147**	**(24)%**
Provision for credit losses	(78)	(64)	(83)	(66)	(88)	(88)	38%	(141)	(176)	25%
Associates	9	13	8	16	8	7	(49)%	22	14	(36)%
Gain or loss on other assets	0	(30)	2	(3)	29	31		(30)	60	
Change in value of goodwill	0	0	0	0	0	(75)		0	(75)	
Pre-tax profit	**568**	**789**	**502**	**614**	**407**	**564**	**(29)%**	**1,357**	**970**	**(29)%**
Tax	(239)	(312)	(190)	(230)	(172)	(211)	(32)%	(551)	(383)	(30)%
Minority interest	(42)	(27)	(20)	(68)	(34)	28		(69)	(6)	(91)%
Net income (group share)	**287**	**450**	**291**	**316**	**200**	**381**	**(15)%**	**737**	**581**	**(21)%**

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Natixis – Breakdown by Business division

2Q16						
in €m	Investment Solutions	CIB	SFS	Financial Investments	Corporate Center	Natixis reported
Net revenues	**832**	**887**	**341**	**155**	**(3)**	**2,211**
Expenses	(579)	(482)	(220)	(153)	(87)	(1,522)
Gross operating income	**253**	**405**	**121**	**1**	**(91)**	**689**
Provision for credit losses	0	(53)	(17)	(18)	0	(88)
Net operating income	**253**	**352**	**104**	**(17)**	**(91)**	**601**
Associates	2	4	0	0	0	7
Other items	(2)	0	31	(75)	2	(44)
Pre-tax profit	**253**	**356**	**135**	**(91)**	**(89)**	**564**
					Tax	(211)
					Minority interest	28
					Net income (gs)	**381**

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IFRIC 21 effects by business line

Effect in Expenses

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
Investment Solutions	(10)	3	3	3	(11)	4	(7)	(8)
CIB	(33)	11	11	11	(31)	10	(22)	(21)
Specialized Financial Services	(7)	2	2	2	(7)	2	(5)	(5)
Financial Investments	(2)	1	1	1	(2)	1	(1)	(1)
Corporate center	(33)	11	11	11	(57)	1	(22)	(55)
Total Natixis	**(86)**	**29**	**29**	**29**	**(107)**	**18**	**(57)**	**(89)**

Effect in Net Revenues

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
Specialized Financial Services (Leasing)	(2)	1	1	1	(2)	1	**(1)**	**(1)**
Total Natixis	**(2)**	**1**	**1**	**1**	**(2)**	**1**	**(1)**	**(1)**

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Investment Solutions

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**823**	**846**	**840**	**1,006**	**825**	**832**	**(2)%**	**1,669**	**1,656**	**(1)%**
Asset Management	*639*	*633*	*666*	*817*	*626*	*623*	*(2)%*	*1,272*	*1,249*	*(2)%*
Private Banking	*34*	*36*	*34*	*41*	*34*	*33*	*(8)%*	*70*	*67*	*(3)%*
Insurance	*140*	*156*	*141*	*146*	*167*	*156*	*flat*	*296*	*322*	*9%*
Expenses	(583)	(576)	(569)	(648)	(590)	(579)	1%	(1,159)	(1,169)	1%
Gross operating income	**240**	**270**	**271**	**357**	**234**	**253**	**(6)%**	**510**	**487**	**(4)%**
Provision for credit losses	(1)	0	3	1	0	0		(1)	0	
Net operating income	**239**	**270**	**274**	**358**	**234**	**253**	**(6)%**	**510**	**487**	**(4)%**
Associates	5	7	4	6	4	2	(69)%	12	6	(49)%
Other items	(2)	(2)	(2)	(2)	18	(2)	23%	(4)	16	
Pre-tax profit	**242**	**275**	**276**	**362**	**256**	**253**	**(8)%**	**518**	**509**	**(2)%**
Cost/Income ratio	70.8 %	68.1 %	67.7 %	64.5 %	71.6 %	69.6 %		69.4 %	70.6 %	
Cost/Income ratio excluding IFRIC 21 effect	69.6 %	68.5 %	68.1 %	64.8 %	70.2 %	70.0 %		69.0 %	70.1 %	
RWA (Basel 3 – in €bn)	14.7	14.3	14.4	15.3	16.4	17.0	19%	14.3	17.0	19%
Normative capital allocation (Basel 3)	3,899	4,170	4,666	4,672	4,350	4,381	5%	4,034	4,366	8%
ROE after tax (Basel 3)[1]	15.1 %	17.2 %	14.4 %	16.6 %	13.9 %	14.0 %		16.2 %	13.9 %	
ROE after tax (Basel 3) excluding IFRIC 21 effect[1]	15.8 %	17.0 %	14.2 %	16.4 %	14.5 %	13.8 %		16.4 %	14.2 %	

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(1) Normative capital allocation methodology based on 10% of the average RWA-including goodwill and intangibles

Corporate & Investment Banking

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**806**	**842**	**665**	**742**	**782**	**887**	**5%**	**1,648**	**1,668**	**1%**
Commercial Banking	*89*	*100*	*92*	*83*	*81*	*82*	*(18)%*	*189*	*163*	*(14)%*
Structured Financing	*284*	*305*	*277*	*282*	*258*	*293*	*(4)%*	*588*	*551*	*(6)%*
Capital Markets	*468*	*410*	*286*	*378*	*430*	*539*	*31%*	*878*	*969*	*10%*
FIC-T	331	241	178	256	296	363	51%	571	659	15%
Equity	138	169	108	122	135	176	4%	307	310	1%
Other	*(35)*	*27*	*11*	*(1)*	*12*	*(26)*		*(7)*	*(14)*	*90%*
Expenses	(492)	(459)	(416)	(494)	(512)	(482)	5%	(951)	(994)	4%
Gross operating income	**314**	**383**	**250**	**248**	**270**	**405**	**6%**	**697**	**675**	**(3)%**
Provision for credit losses	(65)	(40)	(36)	(57)	(71)	(53)	32%	(105)	(124)	18%
Net operating income	**249**	**343**	**214**	**191**	**198**	**352**	**3%**	**591**	**550**	**(7)%**
Associates	4	5	3	14	3	4	(24)%	10	8	(21)%
Other items	0	0	0	0	0	0	(98)%	0	0	(98)%
Pre-tax profit	**253**	**348**	**217**	**205**	**202**	**356**	**2%**	**601**	**558**	**(7)%**
Cost/Income ratio	61.0 %	54.5 %	62.5 %	66.6 %	65.5 %	54.4 %		57.7 %	59.6 %	
Cost/Income ratio excluding IFRIC 21 effect	57.0 %	55.8 %	64.1 %	68.1 %	61.5 %	55.5 %		56.4 %	58.3 %	
RWA (Basel 3 – in €bn)	76.1	73.2	70.9	69.4	67.0	68.8	(6)%	73.2	68.8	(6)%
Normative capital allocation (Basel 3)	7,318	7,712	7,426	7,195	6,935	6,772	(12)%	7,515	6,854	(9)%
ROE after tax (Basel 3)[1]	9.2 %	12.0 %	7.8 %	7.8 %	7.9 %	14.2 %		10.6 %	11.0 %	
ROE after tax (Basel 3) excluding IFRIC 21 effect[1]	10.4 %	11.6 %	7.4 %	7.4 %	9.1 %	13.8 %		11.0 %	11.4 %	

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(1) Normative capital allocation methodology based on 10% of the average RWA-including goodwill and intangibles

Specialized Financial Services

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**324**	**335**	**315**	**334**	**343**	**341**	**2%**	**659**	**684**	**4%**
Specialized Financing	***193***	***203***	***191***	***206***	***214***	***211***	***4%***	***395***	***425***	***8%***
Factoring	*35*	*35*	*35*	*38*	*38*	*39*	*9%*	*70*	*77*	*10%*
Sureties & Financial Guarantees	*40*	*47*	*35*	*37*	*55*	*43*	*(9)%*	*87*	*98*	*12%*
Leasing	*48*	*49*	*51*	*60*	*51*	*58*	*18%*	*97*	*109*	*12%*
Consumer Financing	*65*	*66*	*65*	*65*	*65*	*66*	*flat*	*131*	*131*	*flat*
Film Industry Financing	*4*	*5*	*5*	*5*	*5*	*6*	*11%*	*9*	*11*	*14%*
Financial Services	***131***	***133***	***124***	***128***	***129***	***130***	***(2)%***	***264***	***258***	***(2)%***
Employee Savings Scheme	*32*	*35*	*28*	*33*	*33*	*35*	*(2)%*	*67*	*67*	*flat*
Payments	*72*	*72*	*72*	*71*	*72*	*72*	*(1)%*	*145*	*144*	*flat*
Securities Services	*27*	*25*	*24*	*25*	*24*	*23*	*(6)%*	*52*	*47*	*(9)%*
Expenses	(218)	(211)	(209)	(218)	(225)	(220)	5%	(429)	(446)	4%
Gross operating income	**105**	**125**	**107**	**116**	**118**	**121**	**(3)%**	**230**	**238**	**4%**
Provision for credit losses	(14)	(20)	(15)	(10)	(13)	(17)	(16)%	(34)	(29)	(13)%
Net operating income	**91**	**105**	**92**	**106**	**105**	**104**	**(1)%**	**196**	**209**	**6%**
Associates	0	0	0	0	0	0		0	0	
Other items	0	0	0	0	0	31		0	31	
Pre-tax profit	**91**	**105**	**92**	**105**	**105**	**135**	**29%**	**196**	**240**	**22%**
Cost/Income ratio	67.5 %	62.8 %	66.2 %	65.4 %	65.7 %	64.6 %		65.1 %	65.2 %	
Cost/Income ratio excluding IFRIC 21 effect	64.7 %	63.7 %	67.1 %	66.3 %	63.4 %	65.4 %		64.2 %	64.4 %	
RWA (Basel 3 – in €bn)	14.4	14.3	13.0	13.6	13.7	14.8	3%	14.3	14.8	3%
Normative capital allocation (Basel 3)	1,692	1,689	1,680	1,551	1,629	1,626	(4)%	1,691	1,628	(4)%
ROE after tax (Basel 3)[1]	13.8 %	15.9 %	14.0 %	17.3 %	16.9 %	21.8 %		14.9 %	19.3 %	
ROE after tax (Basel 3) excluding IFRIC 21 effect[1]	15.2 %	15.4 %	13.5 %	16.7 %	18.3 %	21.3 %		15.3 %	19.8 %	

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(1) Normative capital allocation methodology based on 10% of the average RWA-including goodwill and intangibles

Financial Investments

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**227**	**197**	**215**	**190**	**183**	**155**	**(21)%**	**423**	**338**	**(20)%**
Coface	*187*	*161*	*173*	*160*	*156*	*133*	*(17)%*	*347*	*289*	*(17)%*
Corporate data solutions	*20*	*20*	*23*	*19*	*15*	*9*	*(54)%*	*40*	*24*	*(40)%*
Others	*20*	*16*	*19*	*10*	*12*	*12*	*(22)%*	*36*	*25*	*(32)%*
Expenses	(178)	(167)	(171)	(165)	(162)	(153)	(8)%	(345)	(315)	(9)%
Gross operating income	**48**	**30**	**44**	**24**	**21**	**1**	**(95)%**	**78**	**23**	**(71)%**
Provision for credit losses	(3)	(4)	(6)	(5)	(6)	(18)		(7)	(24)	
Net operating income	**46**	**26**	**38**	**19**	**15**	**(17)**		**71**	**(2)**	
Associates	0	1	0	(4)	0	0	(35)%	1	1	(1)%
Other items	0	(30)	2	(1)	11	(75)		(30)	(64)	
Pre-tax profit	**46**	**(3)**	**40**	**15**	**27**	**(91)**		**43**	**(65)**	

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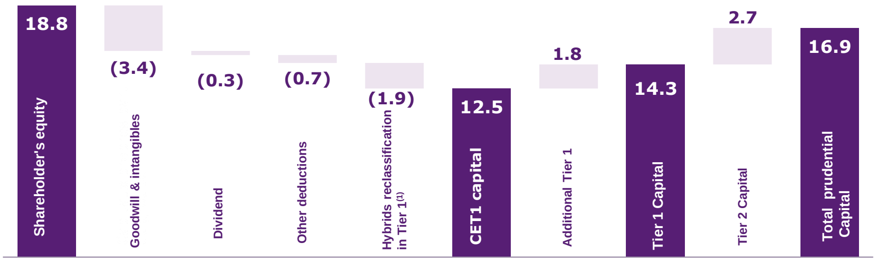
Corporate center

in €m	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q16 vs. 2Q15	1H15	1H16	1H16 vs. 1H15
Net revenues	**10**	**82**	**(67)**	**(27)**	**(69)**	**(3)**		**91**	**(72)**	
Expenses	(81)	(19)	(29)	(52)	(116)	(87)		(100)	(204)	
Gross operating income	**(71)**	**63**	**(96)**	**(79)**	**(185)**	**(91)**		**(8)**	**(276)**	
Provision for credit losses	5	0	(30)	5	2	0	(40)%	5	2	(65)%
Net operating income	**(66)**	**62**	**(125)**	**(74)**	**(183)**	**(91)**		**(4)**	**(274)**	
Associates	0	0	0	0	0	0	(34)%	0	0	(24)%
Other items	2	2	2	1	0	2	(19)%	4	2	(56)%
Pre-tax profit	**(64)**	**64**	**(124)**	**(73)**	**(183)**	**(89)**		**0**	**(272)**	

Regulatory capital in 2Q16 & financial structure Basel 3

Regulatory reporting, in €bn



In €bn	2Q15 *CRD4 phased*	3Q15 *CRD4 phased*	4Q15 *CRD4 phased*	1Q16 *CRD4 phased*	2Q16 *CRD4 phased*
CET1 Ratio	10.8%	11.0%	11.0%	11.1%	11.1%
Tier 1 Ratio	11.5%	12.1%	12.1%	12.6%	12.6%
Solvency Ratio	12.9%	14.4%	14.3%	15.1%	15.0%
Tier 1 capital	13.2	13.9	13.7	14.1	14.3
RWA	115.1	114.4	113.3	111.4	112.9

In €bn	2Q15	3Q15	4Q15	1Q16	2Q16
Equity group share	18.3	18.6	19.2	19.5	18.8
Total assets(2)	512	513	500	514	535

Breakdown of risk-weighted assets *In €bn*	**06/30/2016**
Credit risk	**75.8**
Internal approach	64.8
Standard approach	11.0
Counterparty risk	**8.7**
Internal approach	7.9
Standard approach	0.8
Market risk	**12.0**
Internal approach	6.7
Standard approach	5.3
CVA	**3.7**
Operational risk - *Standard approach*	**12.7**
Total RWA	**112.9**

(1) Including capital gain following reclassification of hybrids as equity instruments
(2) Statutory balance sheet

Leverage ratio

According to the rules of the Delegated Act published by the European Commission on October 10, 2014

€bn	06/30/2016
Tier 1 capital [1]	**14.6**
Total prudential balance sheet	452.7
Adjustment on derivatives[2]	(62.5)
Adjustment on repos [2][3]	(25.7)
Other exposures to affiliates	(42.0)
Off balance sheet commitments[2]	36.0
Regulatory adjustments	(3.9)
Total leverage exposures	**354.6**
Leverage ratio	**4.1%**

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NATIXIS

(1) Without phase-in except for DTAs on tax loss carryforwards - supposing replacement of existing subordinated issuances when they become ineligible (2) Including the effect of intragroup cancelation (3) Repos with clearing houses cleared according to IAS32 standard, without maturity or currency criteria

Normative capital allocation

Normative capital allocation and RWA breakdown at end-June 2016 – under Basel 3

In €bn	RWA (end of period)	In % of the total	Average Goodwill and intangibles	Average capital allocation beginning of period	ROE after tax 1H16
CIB	68.8	65%	0.1	6.9	11.0%
Investment Solutions	17.0	16%	2.8	4.4	13.9%
SFS	14.8	14%	0.3	1.6	19.3%
Financial Investments	5.5	5%	0.2	0.7	
TOTAL (excl. Corporate Center)	**106.0**	**100%**	**3.4**	**13.6**	

Net book value as of June 30, 2016

in €bn	06/30/2016
Shareholders' equity (group share)	**18.8**
Deduction of hybrid capital instruments	(1.6)
Deduction of gain on hybrid instruments	(0.3)
Net book value	**16.9**
Restated intangible assets[3]	0.7
Restated goodwill[3]	2.9
Net tangible book value[1]	**13.3**
in €	
Net book value per share[2]	**5.40**
Net tangible book value per share[2]	**4.25**

Earnings per share (1H16)

in €m	06/30/2016
Net income (gs)	581
DSN interest expenses on preferred shares after tax	(37)
Net income attributable to shareholders	544
Average number of shares over the period, excluding treasury shares	3,126,170,760
Earnings per share (€)	**0.17**

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(1) Net tangible book value = Book value – goodwill - intangible assets
(2) Calculated on the basis of 3,126,429,212 shares - end of period
(3) See note on methodology

ROE & ROTE Natixis[1]

Net income attributable to shareholders

en M€	2Q16	1H16
Net income (gs)	381	581
DSN interest expenses on preferred shares after tax	(20)	(37)
ROE & ROTE numerator	**361**	**544**

ROTE

in €m	06/30/2016
Shareholders' equity (group share)	18,764
DSN deduction	(1,868)
Dividends[2] provision	(280)
Intangible assets	(716)
Goodwill	(2,882)
ROTE Equity end of period	13,018
Average ROTE equity (2Q16)	12,976
2Q16 ROTE annualized	**11.1%**
Average ROTE equity (1H16)	12,962
1H16 ROTE annualized	**8.4%**

ROE

in €m	06/30/2016
Shareholders' equity (group share)	18,764
DSN deduction	(1,868)
Dividends[2] provision	(280)
Exclusion of unrealized or deferred gains and losses recognized in equity (OCI)	(250)
ROE Equity end of period	16,365
Average ROE equity (2Q16)	16,317
2Q16 ROE annualized	**8.8%**
Average ROE equity (1H16)	16,332
1H16 ROE annualized	**6.7%**

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(1) See note on methodology
(2) Dividend based on 50% of the net income attributable to shareholders excluding FV adjustement on own debt

Balance sheet

Assets (in €bn)	06/30/2016	12/31/2015
Cash and balances with central banks	27.9	21.2
Financial assets at fair value through profit and loss	192.1	191.6
Available-for-sale financial assets	55.3	52.7
Loans and receivables	198.4	178.7
Held-to-maturity financial assets	2.2	2.3
Accruals and other assets	52.2	46.7
Investments in associates	0.7	0.7
Tangible and intangible assets	2.6	2.8
Goodwill	3.5	3.6
Total	**534.9**	**500.3**

Liabilities and equity (in €bn)	06/30/2016	12/31/2015
Due to central banks	0.0	0.0
Financial liabilities at fair value through profit and loss	164.8	159.0
Customer deposits and deposits from financial institutions	191.2	177.8
Debt securities	35.5	40.4
Accruals and other liabilities	49.2	43.1
Insurance companies' technical reserves	67.3	52.9
Contingency reserves	1.7	1.7
Subordinated debt	5.2	4.9
Equity attributable to equity holders of the parent	18.8	19.2
Minority interests	1.2	1.3
Total	**534.9**	**500.3**

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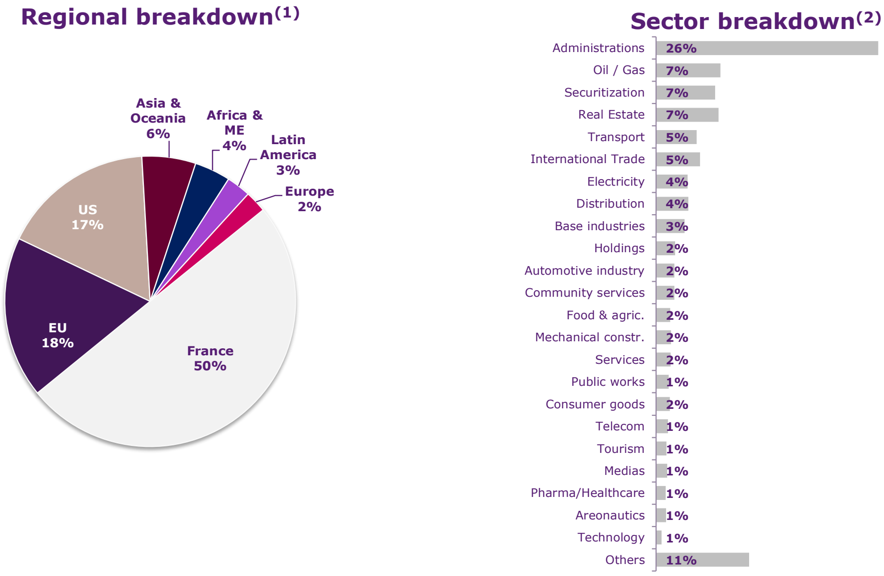
EAD (Exposure at Default) at June 30, 2016



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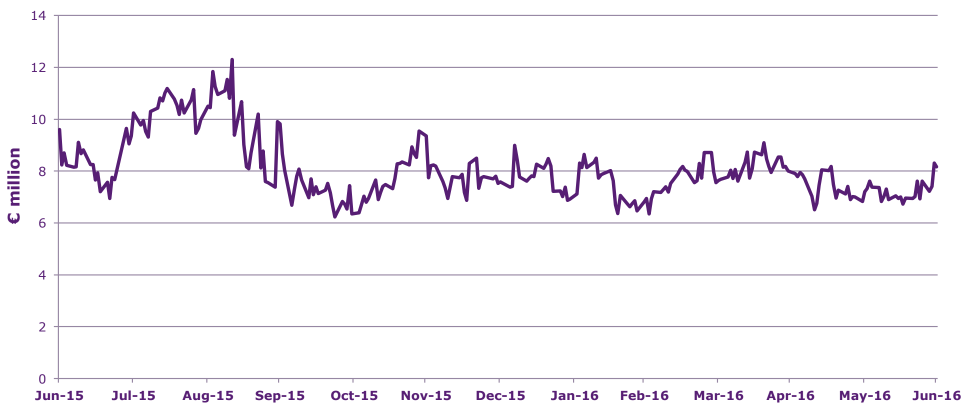
(1) Outstanding: €295bn
(2) Outstanding excl. financial sector: €178bn

VaR(1)



- **2Q16 average VaR of €7.6m stable vs. 1Q16**

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(1) Including BPCE guarantee

Doubtful loans (inc. financial institutions)

In €bn	2Q15	3Q15	4Q15	1Q16	2Q16
Doubtful loans(1)	4.2	4.1	4.0	3.8	4.1
Collateral relating to loans written-down(1)	(1.5)	(1.5)	(1.3)	(1.3)	(1.4)
Provisionable commitments(1)	2.7	2.7	2.7	2.6	2.6
Specific provisions(1)	(1.8)	(1.8)	(1.8)	(1.7)	(1.7)
Portfolio-based provisions (1)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Provisionable commitments(1)/ Gross debt	*2.1%*	*2.2%*	*1.9%*	*1.9%*	*2.0%*
Specific provisions/Provisionable commitments(1)	*67%*	*67%*	*65%*	*64%*	*64%*
Overall provisions/Provisionable commitments(1)	**81%**	**82%**	**79%**	**79%**	**80%**

(1) Excluding securities and repos

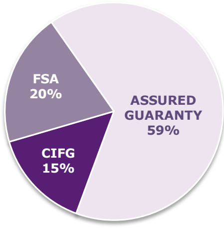
B Appendix – Specific information on exposures (FSB Recommendation)

Protection

Protection purchased from Monoline

in €bn	Gross notional Amount	Exposure before value adjustment as of 06/30/2016	Exposure before value adjustment as of 12/31/2015
Protection for CLO	0.1	0.0	0.0
Protection for RMBS	0.0	0.0	0.0
Other risks	2.1	0.4	0.4
TOTAL	**2.2**	**0.4**	**0.4**
Value adjustment		(0.1)	(0.1)
Residual exposure to counterparty risk		**0.3**	**0.3**
Discount rate		26%	24%

Residual exposure to counterparty risk as of 06/30/2016



Protection purchased from CDPC

Gross exposure: non-significant as of 06/30/2016

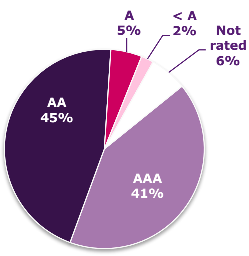
No net notional as of 06/30/2016
Gross notional amount: €3.4bn

Other non-hedged CDOs and non-hedged Mortgage Backed Securities

CDO not exposed to US housing market

- Value adjustment 1H16: nm
- Residual exposure: €1.0bn

Residual exposure

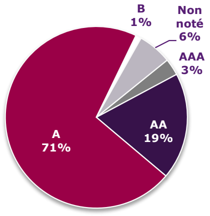


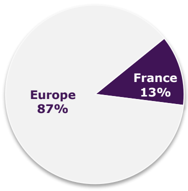
Non-hedged Mortgage Backed Securities

- Gross exposure : non-significant as of 06/30/2016
- Value adjustment 1H16 : nm

Sponsored conduit

MAGENTA – conduits sponsored by Natixis, in €bn			
Country of issuance	France	Automobile loans	19%
Amount of asset financed	1.5	Business loans	67%
Liquidity line extended	1.9	Mortgage loans	6%
Age of assets:		Consumer credit	7%
0 – 6 months	30%	Non US RMBS	
6 – 12 months	27%	CDO / CLO	
> 12 months	44%	Other	1%





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Monoline
Valuation assumptions

Monoline

Fair value of protection before value adjustments

- Economic exposure of ABS CDOs including subprime determined using the same method
- Economic exposure of other types of assets was determined based using either the Mark-to-Market or Mark-to-Model method

Value adjustment

- The valuation model used to measure write-downs on CDS contracted with monoline insurers changed on December 31, 2015
- The method uses DCF to allow a better discrimination of the different exposures in terms of maturity and amortization profile
- The projected future cash flows are weighted by the monoline insurers' probability of default, deduced from the CDS spreads by means of a proxy curve when the spread is not available
- A market recovery rate is used for this purpose

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Note on methodology (1/2)

The results at 06/30/2016 were examined by the board of directors at their meeting on 07/28/2016.
Figures at 06/30/2016 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.

2015 figures are presented pro forma:

(1) For the reclassification of the contribution to the Single Resolution Fund to current profit (previously booked under exceptional items). The contribution is registered under Corporate Center expenses. The 2015 quarterly series have been restated accordingly.

(2) For the transfer of some expenses from Corporate Center to SFS. The 2015 series have been restated accordingly.

Changes in rules as of January 1, 2016:
The cost of subordination of Tier 2 debt issued, previously allocated to Corporate Center, is now reallocated to the business lines based on their normative capital. Application of an accounting change in 2015 due to the recognition of tax amortization of goodwill under deferred tax liability in the Investment Solutions division leading to an increase of the normative tax rate, and conversely to a decrease of the normative capital allocation.

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 on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, 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 on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, 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% 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 3%.

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Note on methodology (2/2)

Net book value: calculated by taking shareholders' equity group share, restated for hybrids and capital gains on reclassification of hybrids as equity instruments. Net tangible book value is adjusted for intangible assets and goodwill restated as follows:

In €m	06/30/2016
Intangible assets	756
Restatement for Coface minority interest	(39)
Restated intangible assets	**716**

In €m	06/30/2016
Goodwill	3,524
Restatement for Coface minority interest	(165)
Restatement for Investment Solutions deferred tax liability	(504)
Restated goodwill	**2,855**

Own senior debt fair-value adjustment: calculated using a discounted cash-flow model, contract by contract, including parameters such as swaps curve, and revaluation spread (based on the BPCE reoffer curve).

Leverage ratio: based on delegated act rules, without phase-in except for DTAs on tax-loss carryforwards 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.

Exceptional items: figures and comments on this presentation are based on Natixis and its businesses' income statements excluding non-operating and/or exceptional items detailed page 5. 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 and the ROE excluding IFRIC 21 impact calculation take into account as of June 30th 2016, ½ of the annual duties and levies concerned by this new accounting rule. The impact for the quarter is calculated by difference with the former quarter.

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

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OTHER INFORMATION

Long-term ratings (as of August 4, 2016)

Standard & Poor's: A (stable outlook)
Moody's: A2 (stable outlook)
Fitch Ratings: A (stable outlook)

2016/2017 Financial calendar

May 10, 2016 Before market opening	2016 First Quarter Results
May 24, 2016	General Shareholders' Meeting (approving the 2015 financial statements)
July 28, 2016 After market close	2016 Second Quarter Results
November 8, 2016 After market close (subject to modification)	2016 Third Quarter Results
February 9, 2017 After market close (subject to modification)	2016 Annual Results

II SECTION 2: Corporate Governance

2.1 Corporate governance at July 31, 2016

2.1.1 Structure of the Board of Directors

Member's first and last name	Main position within the company [(a)]	Main position outside the company
François Pérol Date of birth: 11.06.1963 Nationality: French Natixis shares held: 60,000	**Chairman of the Board of Directors** First appointed: AGM of 04.30.2009 (Chairman of the Board of Directors since the Board Meeting of 04.30.2009) Term expires: 2019 AGM [(b)] **Member - Strategic Committee** First appointed: Board Meeting of 05.11.2011 Term expires: 2019 AGM [(b)]	Chairman of the BPCE Management Board 50 avenue Pierre Mendès France 75201 Paris Cedex 13
BPCE Natixis shares held: 2,227,221,174	**Director** Permanent Representative: Marguerite Bérard-Andrieu Date of birth: 12.31.1977 First BPCE appointment: Co-opted by the Board of Directors on 08.25.2009 and ratified at the AGM of 05.27.2010 Term expires: 2019 AGM [(b)] **Member – Audit Committee** First appointed: Board Meeting of 05.09.2016 Term expires: 2019 AGM [(b)] **Member - Risk Committee** First appointed: Board Meeting of 05.09.2016 Term expires: 2019 AGM [(b)] **Member - Strategic Committee** First appointed: Board Meeting of 05.09.2016 Term expires: 2019 AGM [(b)]	Member of the BPCE Management Board Chief Executive Officer in charge of Finance, Risks and Operations 50 avenue Pierre Mendès France 75201 Paris Cedex 13
Thierry Cahn Date of birth: 09.25.1956 Nationality: French Natixis shares held: 1,000	**Director** First appointed: Co-opted by the Board of Directors on 01.28.2013 and ratified at the AGM of 05.21.2013 Term expires: 2019 AGM [(b)] **Member - Strategic Committee** First appointed: Board Meeting of 01.28.2013 Term expires: 2019 AGM [(b)]	Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne Immeuble le Concorde 4 quai Kléber BP 10401 67000 Strasbourg Cedex

Member's first and last name	Main position within the company [a]	Main position outside the company
Alain Condaminas Date of birth: 04.06.1957 Nationality: French Natixis shares held: 1,000	**Director** First appointed: OGM of 05.29.2012 Term expires: 2020 AGM [c] **Member - Compensation Committee** First appointed: Board Meeting of 05.29.2012 Term expires: 2020 AGM [c] **Member - Appointments Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2020 AGM [c] **Member - Strategic Committee** First appointed: Board Meeting of 05.29.2012 Term expires: 2020 AGM [c]	Chief Executive Officer of Banque Populaire Occitane 33-43 avenue Georges Pompidou 31135 Balma Cedex
Laurence Debroux Date of birth: 07.25.1969 Nationality: French Natixis shares held: 1,000	**Independent director** First appointed: Co-opted by the Board of Directors on 04.01.2010 and ratified at the AGM of 05.27.2010 Term expires: 2019 AGM [b] **Member – Audit Committee** First appointed: Board Meeting of 04.01.2010 Term expires: 2019 AGM [b] **Member - Risk Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2019 AGM [b] **Member - Strategic Committee** First appointed: Board Meeting of 05.11.2011 Term expires: 2019 AGM [b]	Member of the Management Board of Heineken NV Chief Financial Officer Tweede Weteringplantsoen 21, 1017 ZD Amsterdam P.O. Box 28, 1000 AA Amsterdam, The Netherlands
Alain Denizot Date of birth: 10.01.1960 Nationality: French Natixis shares held: 1,001	**Director** First appointed: AGM of 05.19.2015 Term expires: 2019 AGM [b] **Member – Compensation Committee** First appointed: Board Meeting of 05.19.2015 Term expires: 2019 AGM [b] **Member – Appointments Committee** First appointed: Board Meeting of 05.19.2015 Term expires: 2019 AGM [b] **Member – Strategic Committee** First appointed: Board Meeting of 05.19.2015 Term expires: 2019 AGM [b]	Chairman of the Management Board of Caisse d'Epargne Nord France Europe (CENFE) 135 Pont de Flandres 59777 EURALILLE

Member's first and last name	Main position within the company [a]	Main position outside the company
Sylvie Garcelon Date of birth: 04.14.1965 Nationality: French Natixis shares held: 26*	**Director** First appointed: co-opted by the Board of Directors on 02.10.2016 and ratified at the AGM of 05.24.2016 Term expires: 2020 AGM [c] **Member – Audit Committee** First appointed: Board Meeting of 02.10.2016 Term expires: 2020 AGM [c] **Member - Risk Committee** First appointed: Board Meeting of 02.10.2016 Term expires: 2020 AGM [c] **Member - Strategic Committee** First appointed: Board Meeting of 02.10.2016 Term expires: 2020 AGM [c]	Chief Executive Officer of CASDEN Banque Populaire 91 cours des Roches - Noisiel 77424 Marne-La-Vallée Cedex 2
Michel Grass Date of birth: 11.12.1957 Nationality: French Natixis shares held: 189*	**Director** First appointed: Co-opted by the Board of Directors on 02.19.2014 and ratified at the OGM of 05.20.2014 Term expires: 2019 AGM [b] **Member - Strategic Committee** First appointed: Board Meeting of 02.19.2014 Term expires: 2019 AGM [b]	Chairman of the Board of Directors of Banque Populaire Bourgogne Franche Comté 5 avenue de Bourgogne BP63 21802 Quétigny cedex
Anne Lalou Date of birth: 12.06.1963 Nationality: French Natixis shares held: 1,000	**Independent director** First appointed: co-opted by the Board of Directors on 02.18.2016 and ratified at the OGM of 05.19.2015 Term expires: 2019 AGM [b] **Member - Compensation Committee** First appointed: Board Meeting of 02.18.2015 Term expires: 2019 AGM [b] **Member - Appointments Committee** First appointed: Board Meeting of 02.18.2015 Term expires: 2019 AGM [b] **Chairman - Strategic Committee [e]** First appointed: Board Meeting of 02.18.2015 Term expires: 2019 AGM [b]	Dean and Managing Director of Web School Factory, Managing Director of the Innovation Factory 59 rue Nationale 75013 Paris

Member's first and last name	Main position within the company [a]	Main position outside the company
Françoise Lemalle Date of birth: 01.15.1965 Nationality: French Natixis shares held: 1,000	**Director** First appointed: Co-opted by the Board of Directors on 07.30.2015 Term expires: 2019 AGM [b] **Member - Strategic Committee** First appointed: Board Meeting of 07.30.2015 Term expires: 2019 AGM [b]	Chairman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur (CECAZ) 455 promenade des Anglais 06200 Nice
Bernard Oppetit Date of birth: 08.05.1956 Nationality: French Natixis shares held: 1,000	**Independent director** First appointed: Co-opted by the Board of Directors on 11.12.2009 and ratified at the AGM of 05.27.2010 Term expires: 2019 AGM [b] **Chairman – Audit Committee** First appointed: Board Meeting of 12.17.2009 Term expires: 2019 AGM [b] **Chairman - Risk Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2019 AGM [b] **Member - Strategic Committee** First appointed: Board Meeting of 05.11.2011 Term expires: 2019 AGM [b]	Chairman of Centaurus Capital 33 Cavendish Square London W1G0PW
Stéphanie Paix Date of birth: 03.16.1965 Nationality: French Natixis shares held: 1,093	**Director** First appointed: OGM of 05.29.2012 Term expires: 2020 AGM [c] **Member – Audit Committee** First appointed: Board Meeting of 11.14.2012 Term expires: 2020 AGM [c] **Member - Risk Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2020 AGM [c] **Member - Strategic Committee** First appointed: Board Meeting of 11.14.2012 Term expires: 2020 AGM [c]	Chairman of the Management Board of Caisse d'Epargne Rhône-Alpes 42 bd Eugène Deruelle BP 3276 69404 Lyon Cedex 03
Henri Proglio Date of birth: 06.29.1949 Nationality: French Natixis shares held: 1,000	**Independent director** First appointed: AGM of 04.30.2009 Term expires: 2019 AGM [b] **Chairman - Appointments Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2019 AGM [b] **Member - Compensation Committee**	Chairman of Henri Proglio Consulting S.A.S. 2151 boulevard Haussmann 75008 Paris

Member's first and last name	Main position within the company [(a)]	Main position outside the company
	First appointed: Board Meeting of 04.30.2009 Term expires: 2019 AGM [(b)] **Member - Strategic Committee** First appointed: Board Meeting of 05.11.2011 Term expires: 2019 AGM [(b)]	
Philippe Sueur Date of birth: 07.04.1946 Nationality: French Natixis shares held: 4,000	**Director** First appointed: AGM of 04.30.2009 Term expires: 2019 AGM [(b)] **Member - Compensation Committee** First appointed: Board Meeting of 12.17.2009 Term expires: 2019 AGM [(b)] **Member - Appointments Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2019 AGM [(b)] **Member - Strategic Committee** First appointed: Board Meeting of 05.11.2011 Term expires: 2019 AGM [(b)]	Chairman of the Steering and Supervisory Board of Caisse d'Epargne Île-de-France 57 rue du Général-de-Gaulle 95880 Enghien-Les-Bains
Nicolas de Tavernost Date of birth: 08.22.1950 Nationality: French Natixis shares held: 1,000	**Independent director** First appointed: OGM of 07.31.2013 Term expires: 2017 AGM [(d)] **Chairman - Compensation Committee** First appointed: Board Meeting of 08.06.2013 Term expires: 2017 AGM [(d)] **Member - Appointments Committee** First appointed: Board Meeting of 12.17.2014 Term expires: 2017 AGM [(d)] **Member - Strategic Committee** First appointed: Board Meeting of 08.06.2013 Term expires: 2017 AGM [(d)]	Chairman of the Groupe M6 Management Board 89 avenue Charles de Gaulle 92575 Neuilly sur Seine Cedex

(*) In the course of being acquired

(a) A brief resume for each Natixis corporate officer and the list of corporate offices they held in 2015 as well as previous years are provided in paragraph 2.2 of the Natixis 2015 Registration Document.

(b) AGM held to approve the financial statements for fiscal year 2018.

(b) AGM held to approve the financial statements for fiscal year 2019.

(d) AGM held to approve the financial statements for fiscal year 2016.

(e) Since February 10, 2016.

2.1.2 SENIOR MANAGEMENT COMMITTEE AND EXECUTIVE COMMITTEE

2.1.2.1 Senior Management at July 31,2016

Corporate officer's first and last name	Main position within the company	Main position outside the company
Laurent Mignon Date of birth: 12.28.1963 Nationality: French Natixis shares held: 1,090	**Chief Executive Officer** First appointed: Board Meeting of 04.30.2009 with effect from May 14, 2009 Renewal date: Board Meeting of 02.18.2015 Term expires: 2019 AGM	Member of the BPCE Management Board [(a)]

(a) *The list of corporate offices held by the Chief Executive Officer in 2015 and in previous years is provided in paragraph 2.2 of the Natixis 2015 Registration Document.*

2.1.2.2 Senior Management Committee and Executive Committee

■ MEMBERS OF THE SENIOR MANAGEMENT COMMITTEE (SMC) AT JULY 31, 2016

Laurent Mignon Chief Executive Officer Chairman of the Committee	**Gils Berrous** Specialized Financial Services	**Jean Cheval** Finance and Risks	**Norbert Cron** Operations and Information Systems
Anne Lebel Human Resources	**Jean-François Lequoy** Investment Solutions - Insurance	**André-Jean Olivier** Corporate Secretariat	**Olivier Perquel** Executive Vice-President - Cross-business strategic projects
François Riahi Corporate and Investment Banking - Financing and Market Solutions	**Pierre Servant** Investment Solutions – Asset Management and Private Banking	**Marc Vincent** Corporate and Investment Banking – Coverage and Advisory	

■ MEMBERS OF THE EXECUTIVE COMMITTEE (COMEX) AT JULY 31, 2016

Laurent Mignon Chief Executive Officer	**Stéphane About** Financing and Market Solutions - Americas	**Carine André** Operations and Information Systems - Operations	**Patrick Artus** Chief Economist
Franck Bernay Operations and information systems – Information systems	**Gils Berrous** Specialized Financial Services	**Nathalie Bricker** Finance and Risks – Accounting and Ratios	**Nathalie Broutèle** Insurance – Natixis Assurances
Stéphane Caminati SFS – Natixis Interépargne	**Christophe Carles** SFS – Natixis Factor	**Marc Cattelin** SFS – EuroTitres	**Jean Cheval** Finance and Risks
Norbert Cron Operations and Information Systems	**Elisabeth de Gaulle** Communication and CSR	**Georges-Eric de La Brunière** Asset Management and Private Banking – Banque Privée 1818	**Guillaume de Saint-Seine** Coverage and Advisory - Coverage
Pierre Debray Financing and Global Market – Structured Finance	**Anne-Cécile Delas** Financing and Global Market – Global Transaction Banking	**Pierre-Henri Denain** Financing and Global Market – EMEA (Europe, Middle East and Africa) excluding France	**Matthieu Duncan** Asset Management and Private Banking – Natixis Asset Management
Christophe Eglizeau Transformation and Business Efficiency	**Catherine Fournier** SFS – Natixis Payment Solutions	**Luc François** SFS – Market Solutions	**Alain Gallois** Corporate & Investment Banking – Asia-Pacific
John Hailer Asset Management and Private Banking – Natixis Global Asset Management, United States and Asia	**Hervé Housse** General Inspection	**Philippe Jeanne** Finance and Risks – Financial Management	**Mohamed Kallala** Corporate & Investment Banking - Project Investment Banking

Christophe Lanne Risks	**Anne Lebel** Human Resources	**Christian Le Hir** Corporate Secretariat – Legal	**Jean-François Lequoy** Investment Solutions - Insurance
Stéphane Morin Corporate Secretariat - Compliance	**Nicolas Namias** Strategy	**André-Jean Olivier** Corporate Secretariat	**Olivier Perquel** Executive Vice-President - Cross-business strategic projects
Tanguy Pincemin Chief Digital Officer	**François Riahi** Corporate and Investment Banking - Financing and Global Market	**Dominique Sabassier** Investment Solutions – Asset Management and Private Banking Natixis Private Equity	**Anne Sallé Mongauze** SFS – Compagnie Européenne de Garanties et Cautions
Pierre Servant Investment Solutions – Asset Management and Private Banking	**Jérôme Terpereau** SFS – Natixis Financement	**Cécile Tricon-Bossard** Human Resources	**Didier Trupin** SFS – Natixis Lease
Marc Vincent Corporate and Investment Banking – Coverage and Advisory			

2.2 Additional information on the corporate officers

BPCE – Permanent representative Marguerite Bérard-Andrieu *(since May 1, 2016)*

Member of the BPCE Management Board - Chief Executive Officer in charge of the Group Finance, Strategy, Legal Affairs divisions and Corporate Secretariat

Date of birth: 12.31.1977

Nationality: French

Natixis shares held: 0

Address:

50 avenue Pierre Mendès France

75013 Paris

Director

First BPCE appointed: co-opted by the Board of Directors on 08.25.2009 and ratified at the CSM of 05.27.2010

Term expires: 2019 AGM

Member – Audit Committee

First appointed: Board Meeting of 05.09.2016

Member – Risk Committee

First appointed: Board Meeting of 05.09.2016

Member – Strategic Committee

First appointed: Board Meeting of 05.09.2016

Attendance rate in 2015	Board of Directors: N/A	Strategic Committee: N/A

A graduate of the Paris Institute of Political Studies (Science Po) and the University of Princeton, and a former student of the prestigious ENA school for civil servants, Marguerite Bérard-Andrieu began her career in 2004 in the Inspection Générale des Finances (French General Inspectorate of Finance).

From 2007 to 2010, she served as a technical advisor, and then as advisor to the President of the French Republic for matters pertaining to labor and social protection. Then, from November 2010 to May 2012, she ran the Office of the Minister of Labor, Employment and Health.

From July 2012 to May 2016, she served on the General Management Committee, responsible for Strategy, Legal Affairs, the Corporate Secretariat and Compliance.

Since May 2016, she Member of the BPCE Management Board and Chief Executive Officer in charge of the Group Finance, Strategy, Legal Affairs divisions and Corporate Secretariat.

Key advisory skills: expertise in banking strategy and M&A, corporate governance, legal affairs, and economic and social policy.

Other offices held in 2016:

Within Groupe BPCE

- Member of the BPCE Management Board, Chief Executive Officer in charge of the Finance, Strategy, Legal Affairs divisions and Corporate Secretariat
- Permanent representative of BPCE, Member of the Board of Directors of Crédit Foncier de France *(since 05.01.2016)*
- Permanent Representative of BPCE, Member of the Board of Directors of Coface S.A.
- Chairman of the Board of Directors of S-Money
- Deputy CEO and Permanent Representative of BPCE, Member of the Board of Directors of CE Holding Promotion *(since 05.03.2016)*
- Permanent Representative of BPCE, Member of the Board of Directors of Banque Palatine (*until 05.24.2016)*
- Member of the Board of Directors of BPCE IOM (*until 05.25.2016*)
- Member of the Board of Directors of Natixis Coficiné (*until 05.11.2016*)
- Chairman of the Board of Directors of SAS ISSORIA *(until 05.10.2016)*

Outside Groupe BPCE

- Member of the Board of Directors of SCOR SE
- Member of the Board of Directors of Havas S.A. (*since May 10, 2016*)
- Member of the Board of Directors of Maison France Confort *(until 05.11.2016)*

Compliance with rules governing the number of offices held	AFEP-Medef code: compliant	French Monetary and Financial Code: compliant

Offices held in previous fiscal years			
2012	**2013**	**2014**	**2015**
. Member of the Board of Directors of BPCE IOM	......	......	......▶
. Chairman of S-Money SAS, then Chairman of the Board of Directors	......	......	......▶
. Permanent Representative of BPCE, Member of the Board of Directors of Banque Palatine	......	......	......▶
. Member of the Board of Directors of Natixis Coficiné	......	......	......▶
. Permanent Representative of BPCE, Member of the Board of Directors of Coface	......	......	......▶
. Permanent Representative of CE Holding Promotion, Member of the Board of Directors of Nexity [(a) (b)]	......	......▶	*(until 04.09.2015)*
. Permanent Representative of BPCE, Member of the Supervisory Board of FLCP [(b)]	*(until 09.30.2013)*		
Chairman of the Board of Directors of Meilleurtaux [(b)]	*(until 04.16.2013)*		
. Chairman of OTEROM HOLDING SAS	*(until 12.04.2013)*		
. Permanent Representative of GCE Participations, Member of the Board of Directors of Demain SA [(b)]	*(until 04.09.2013)*		
. Permanent Representative of BPCE, Chairman of the company (SAS) and of the Board of Directors of BPCE DOMAINES	*(until 2013)*		
. Permanent Representative of BPCE, Chairman of Issoria SAS	*(until 07.31.2013)*, then Chairman of Issoria SAS,	then Chairman of the Board of the company (*from 06.30.2014 until 10.03.2014)*	......▶
. Permanent Representative of Issoria International Trading SAS	(*until 07.31.2013*), then Chairman of the SAS	......▶	*(until 06.10.2015)*
	Member of the Board of Direcrors of France Confort [(b)]	......	......▶
			. Member of the Board of SCOR [(a) (b)]

(a) Listed company. (b) Company outside Groupe BPCE.

2.3 Management and oversight of corporate governance

2.3.1 Board of Directors

2.3.1.1 Organization

- Changes in the structure of the Board since March 10, 2016:

On May 1, 2016, Marguerite Bérard-Andrieu was appointed Permanent Representative of BPCE on the Board of Directors of Natixis.

On May 24, 2016, the Combined General Shareholders' Meeting of Natixis renewed the terms of office of the following three Directors for a term of four years:

- Sylvie Garcelon
- Stéphanie Paix
- Alain Condaminas

- With respect to the principle of gender parity on the Board of Directors, as set out in the Act of January 27, 2011, Natixis had six female directors out of a total of 15, i.e. 40%, following its Combined General Shareholders' Meeting of May 24, 2016.

  Natixis is therefore in compliance with the provisions of the Copé-Zimmermann Act, and with the recommendations of the AFEP-Medef Corporate Governance Code.

2.3.1.2 Role and power of the Board of Directors

On July 28, 2016, the Board of Directors decided to amend the compliance charter for its members to bring it in line with Regulation 596/2014 of the European Parliament and of the Council (the "MAR Rule"), supplemented by Regulations 2016/522 and 2016/523 (making up the "MAR Regulation"). This regulation imposes requirements on the persons discharging managerial responsibilities, as well as persons closely associated with them, to notify the issuer and the competent authority of the detail of every transaction conducted on their own account relating to the any debt instrument or capital of that issuer.

Articles 6 and 7 of the Charter have been modified as follows:

"Article 6: Prevention of Insider Trading

a) - Inside Information

Under Regulation 596/2014 of the European Parliament and of the Council (together with the delegated and enforcement regulations of the "MAR Regulation"), inside information is defined as:

"[any] information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments."

If the Board of Directors has received inside information on Natixis, the directors and any individual attending Board or Committee Meetings must refrain:

- from performing or attempting to perform any insider trades (these covering (i) the use of inside information by a person in possession of such information to buy or sell, for themselves or for a third party, directly or indirectly, financial instruments related to this information, and (ii) the use of the recommendations or inducements of a person in possession of inside information if the person using the recommendations or inducements knows, or ought to know, that they are based upon inside information);
- recommending or inducing, on the basis of any inside information received, another person to perform any inside trades; or
- unlawfully disclosing inside information.

This duty to refrain concerns shares and any investment securities issued or to be issued by Natixis, as well as the rights that may be detached from those securities (e.g. pre-emptive rights) and any derivative whose underlying assets are the rights or securities issued by Natixis.

The duty to refrain also applies if inside information is held on the securities of listed companies in which Natixis holds or may come to hold a stake.

These same recommendations are valid for all listed companies on which the director receives inside information in the context of his work with the Board.

Directors are advised of the risk of the execution of transaction on the Natixis share by persons closely associated to them, and in particular:

- a spouse, or a partner considered to be equivalent to a spouse in accordance with national law;
- a dependent child, in accordance with national law;
- a relative who has shared the same household for at least one year on the date of the transaction concerned;
- a legal person, trust or partnership,
    - the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person closely associated,
    - which is directly or indirectly controlled by such a person,
    - which is set up for the benefit of such a person, or
    - the economic interests of which are substantially equivalent to those of such a person.

The sanctions for such actions are administrative and criminal.

b) Permanent Insiders

As per the MAR Regulation, Natixis places the names of directors on the list of permanent insiders made available to the AMF. A permanent insider is any individual or legal entity who, on account of the nature of their functions or position, has permanent access to inside information held by the issuing entity. Directors are individually informed that they are on this list by a letter from the Head of Compliance with a return receipt.

If a person is not mentioned on this list, that does not mean he is exempted in any way from complying with the laws and regulations and it in no way prejudices his potential insider status.

In respect of any transaction relating to Natixis shares or debt securities, as well as any other related derivatives or financial instruments, Directors undertake to strictly observe and comply with the provisions of the Natixis S.A. Compliance Manual.

In particular, the director agrees not to perform any transaction during shutdown periods known as “negative windows,” which begin 30 calendar days before the publication dates of the quarterly, half-year and annual results and ending on the publication date of these financial statements.

c) Reporting Obligations

Each director must declare any trading in Company shares to Natixis and the AMF within the three business days following the date of the transaction and in accordance with the conditions set out by the MAR Regulation.

This reporting obligation also applies to closely associated persons as defined by the MAR Regulation.

Directors must also inform Natixis of the number of shares held on December 31 of each year and any financial transactions carried out, so that this information may be disclosed by the Company.

Natixis may also ask each director to provide any information in relation to the trading of listed companies’ securities necessary for it to fulfill its reporting obligations to all authorities such as stock market authorities, both in France and abroad.

Article 7: Independence and Conflicts of Interest

The director strives to preserve his independence in judgment, decision and action in all circumstances. He refuses to be influenced by any element foreign to the corporate interest of Natixis, which it is his remit to defend.

Directors must refrain from acting in conflict of interest with Natixis or the companies it controls. Specifically, when there is a planned transaction or business relationship in which a director or non-voting director is directly or indirectly involved (e.g. when a director is affiliated: with the partner bank or the supplier's financing bank, or the partner bank or financing bank of a Natixis competitor for the transaction in question; or when a director or an independent director is affiliated with an entity initiating a new business relationship), the director or non-voting director in question must inform the Chairman of the Board of Directors [or the Corporate Secretary of Natixis] as soon as he has knowledge of such a plan, and inform him that he is directly or indirectly interested and in what capacity.

Should this transaction or business relationship be submitted to the Board of Directors, the director or the non-voting in question must abstain from participating in the meeting of the Board of Directors or any one of its Committees regarding the plan in question. Consequently, he does not participate in the Board's deliberations, or in voting on the plan in question, and the section of the minutes relative to the plan in question is not submitted to him.

2.3.1.4 Assessment of the Board's work in 2015

In accordance with the AFEP-Medef corporate governance code, every year Natixis assesses the work of its Board of Directors and Special Committees

For the 2015 fiscal year, Natixis carried out an internal assessment, based on individual interviews using a standardized questionnaire. Four areas were assessed: the organization, running and structure of the Board; the proper preparation and discussion of important matters; the Directors' relationship with Senior Management; and the work of the special committees.

On the whole, the opinion is very positive and is constantly improving. The directors all consider the overall performance of the Board satisfactory or very satisfactory, indicating that the running of the Board and special committees has improved since the last assessment, which too has improved since last year.
Moreover, 85% of the directors find the performance of the Natixis Board better than that of other boards of which they are members, while 15% say the performance is equal.
Regarding the work of the special committees, the directors are satisfied with the role, structure and frequency of these committees, though expressed that having more committees has not been effective in better addressing issues. The directors find the strategic committee to be very useful as it allows for more in-depth discussion with the executive team.

Suggestions were made on how to further improve the running of the Board. Some of these suggestions are already being implemented.

2.3.2 Special Committees: offshoots of the Board of Directors

On May 9, 2016, the Board of Directors unanimously decided to appoint Marguerite Bérard-Andrieu as member of both the Audit Committee and Risk Committee.

Furthermore, as indicated above, the Natixis General Shareholders' Meeting renewed the terms of three directors. Subsequent to this meeting, the Board of Directors proceeded to renew the directors' terms within the relevant special committees of the Board: Sylvie Garcelon and Stéphanie Paix as members of the Audit Committee and Risk Committee, and Alain Condaminas as member of the Appointments Committee and Compensation Committee.

2.3.2.1 Audit Committee

A Organization

As of July 31, 2016, the Risk Committee is composed as follows:

Bernard Oppetit	Chairman
Marguerite Bérard-Andrieu	Member
Laurence Debroux	Member
Sylvie Garcelon	Member
Stéphanie Paix	Member

B Role and powers

It should be noted that, during the review of the annual financial statements, off-balance sheet commitments are included in the financial documents examined by the Audit Committee.

2.3.2.2 Risk Committee

A Organization

As of July 31, 2016, the Risk Committee is composed as follows:

Bernard Oppetit	Chairman
Marguerite Bérard-Andrieu	Member
Laurence Debroux	Member
Sylvie Garcelon	Member
Stéphanie Paix	Member

2.4 Natixis Compensation Policy

The information required in respect of the compensation policy by EU Regulation 575-2013 (CRR) is disclosed in Chapter 2 of the 2015 Registration Document (pages 78 to 92) and on Natixis' website under Investor Relations/Regulated Information in France/Other Information.

Under the Dodd-Franck Act, Natixis is required to set up an overall governance framework to manage the risks linked to its US operations. Accordingly, and since July 1, 2016, the risk committee meets at least once every quarter as the US Risk Committee. The Internal Rules of the US Risk Committee were approved by the Risk Committee on July 24, 2016 and ratified by the Board of Directors on July 28, 2016.

III SECTION 3: RISK AND CAPITAL ADEQUACY

3.1.2 Risk factors

3.1.2.1 Risks related to the macroeconomic environment and the financial crisis

The result of the United Kingdom's "in or out" referendum on 23 June to decide whether the country should remain in or leave the European Union was a majority vote in favor of a "Brexit".
The consequences of the Brexit are uncertain in terms of the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on the European economy and businesses. As such, there can be no guarantee that Natixis' results, business activities and financial situation will be unaffected by any changes in the market.

There were no other significant changes in the risk factors applicable to Natixis compared to the description given in the Natixis 2015 Registration Document (Chapter 3, pp. 108-113).

3.3 Capital management and capital adequacy

3.3.2 Prudential consolidation scope

In application of article 19 of the CRR, the prudential consolidation scope is established based on the following principles:

Entities, excluding insurance companies, that are fully consolidated or accounted for by the equity method under the statutory scope are included in the prudential scope; the Group's insurance companies are accounted for by the equity method under the prudential scope.

The two tables below show the transition from the consolidated financial balance sheet view to the prudential balance sheet view, for both assets and liabilities.
The main difference between the two presentations is the restatement of insurance companies, as explained above.

▪ TRANSITION FROM SHAREHOLDER'S EQUITY TO PRUDENTIAL CAPITAL AT JUNE 30, 2016

(in millions of euros)	Accounting balance sheet	Restatement of insurance companies	Prudential balance sheet
ASSETS			
Cash, central banks	27,911	0	27,911
Financial assets at fair value through profit or loss	192,073	-12,912	179,161
Hedging derivatives	2,138	-2	2,137
Available-for-sale financial assets	55,318	-44,440	10,878
Loans and receivables due from banks	54,108	-1,575	52,533
Customer loans and receivables	144,267	-11,308	132,959
Revaluation adjustments on portfolios hedged against interest rate risk	0	0	0
Held-to-maturity financial assets	2,232	-2,232	0
Current tax assets	356	-60	295
Deferred tax assets	2,196	33	2,229
Accrual accounts and other assets	47,467	-11,116	36,350
Non-current assets held for sale	0	0	0
Deferred profit-sharing	0	0	0
Investments in associates	678	3,193	3,871
Investment property	1,168	-1,047	121
Property, plant and equipment	691	-69	622
Intangible assets	756	-246	510
Goodwill	3,524	-387	3,137
TOTAL ASSETS	**534,883**	**-82,169**	**452,714**

(in millions of euros)	Accounting balance sheet	Restatement of insurance companies	Prudential balance sheet
LIABILITIES			
Due to central banks	0	0	0
Financial liabilities at fair value through profit and loss	164,785	-724	164,061
Hedging derivatives	3,786	0	3,786
Amounts due to credit institutions	106,472	-2,609	103,862
Customer deposits	84,710	185	84,894
Debt securities	35,526	-493	35,032
Revaluation adjustments on portfolios hedged against interest rate risk	291	0	291
Current tax liabilities	387	-65	322
Deferred tax liabilities	538	-226	312
Accrual accounts and other liabilities	44,243	-8,961	35,281
Liabilities on non-current assets held for sale	0	0	0
Insurance companies' technical reserves	67,322	-67,322	0
Contingency reserves	1,651	-156	1,495
Subordinated debt	5,191	-635	4,556
Shareholders' equity (group share):	18,764	0	18,764
Share capital and reserves	10,869	0	10,869
Consolidated reserves	6,509	0	6,509
Unrealized or deferred gains or losses	919	0	919
Other gains or losses	-114	0	-114
Net income	581	0	581
Non-controlling interests	1,219	-1,161	57
TOTAL LIABILITIES	**534,883**	**-82,169**	**452,714**

3.3.3 Composition of capital

The transition from shareholder's equity to prudential CET1 capital, Tier1 capital and total capital as at June 30, 2016 is summarized in the table below.

TRANSITION FROM SHAREHOLDER'S EQUITY TO PRUDENTIAL CAPITAL AFTER APPLYING TRANSITIONAL ARRANGEMENTS

(in millions of euros)	12.31.2015	06.30.2016
Shareholders' equity		
Capital	5,005	5,007
Issue premium	4,197	4,197
Retained earnings	6,497	6,564
Treasury shares	-12	0
Other, including items of comprehensive income	916	805
Other instruments to be reclassified as Additional Tier1 capital	1,213	1,611
Net income	1,344	581
Total shareholders' equity - group share	**19,160**	**18,764**
Reclassification as Additional Tier1 capital	-1,213	-1,611
Translation adjustments	-77	-70
Restatement of dividend forecast (dividend for previous year)	0	0
Prudential filters after transitional arrangements		
Own credit risk: Gain on reclassification of hybrid securities	-259	-257
Own credit risk: liabilities and derivatives net of deferred taxes	-100	-67
Prudent valuation adjustment	-290	-286
Unrealized gains and losses	-5	99
Total prudential filters	**-654**	**-510**
Deductions after transitional arrangements		
Dividend proposed for current year and related expenses	-1,127	-290
Goodwill		
Amount as per accounting base	-3,097	-3,137
Amount of related deferred tax liabilities	483	504
Amount included in value of investments in associates	-290	-251
Intangible assets		
Amount as per accounting base	-522	-510
Non-controlling interests		
Amount as per accounting base	116	57
Prudential adjustment including transitional arrangements	-100	-48
Deferred tax assets (tax loss carry-forwards)		
Amount as per accounting base	-2,369	-2,229
o/w portion not including tax loss carry-forwards and impact of netting	582	642
Prudential adjustment including transitional arrangements	1,608	1,270
Shortfall of provisions to expected losses	0	0
Investments in the share capital of financial sector entities	0	0
Other prudential adjustments including transitional arrangements	-69	-76
Total deductions	**-4,784**	**-4,068**
Total Common Equity Tier1 (CET1)	**12,432**	**12,505**

Hybrid capital instruments		
Amount as per accounting base		
Other equity instruments	1,213	1,611
Residual gain on reclassification as equity	259	257
Nominal value adjustment during the period	99	90
Early redemption through exercise of call option	0	0
Leveling due at the grandfathering limit	0	0
Total hybrid instruments	1,571	1,957
Deductions	-40	-62
Other prudential adjustments including transitional arrangements	-229	-140
Total Additional Tier1 (AT1)	**1,302**	**1,756**
Total Tier1 capital	13,733	14,261
Subordinated debt instruments		
Amount as per accounting base	4,241	4,537
Regulatory adjustment	-1,221	-1,369
Transfer of grandfathering leveling on hybrid capital instruments	0	0
Total Tier 2 instruments	3,020	3,169
Surplus of provisions to expected losses	58	127
Deductions	-789	-764
Other prudential adjustments including transitional arrangements	222	140
Total Tier2 capital	**2,512**	**2,671**
Total prudential capital	**16,245**	**16,932**

A detailed breakdown of debt instruments recognized as AT1 capital, and a detailed breakdown of debt instruments recognized as Tier 2 capital as required by Implementing regulation No. 1423/2013, is published at the following address:
http://www.natixis.com / under the heading Investor Relations >> Regulated Information in France >> Regulatory and prudential information

3.3.4 Changes in regulatory capital, regulatory own funds requirements and ratios at June 30, 2016

The change in prudential capital under Basel 3/CRR in first-half 2016 is shown below:

- **CHANGES IN PRUDENTIAL CAPITAL AFTER APPLYING TRANSITIONAL ARRANGEMENTS FOR THE PERIOD**

(in millions of euros)	**First half of 2016**
Common Equity Tier1 (CET1)	
Amount at start of period	12,432
New instruments issued (including issue premiums)	2
Instruments redeemed	0
Retained earnings from previous periods	-139
Net income/(loss) for the period	581
Gross dividend proposed	-290
Dividend payout in new shares	0
Changes in other comprehensive income	
Translation adjustments	-156
Available-for-sale assets	143
Cash flow hedging reserve	-62
Other	-35
Other	-4
Non-controlling interests	0
Filters and deductions not subject to the transitional arrangements	
Goodwill and intangible assets	32
Own credit risk	36
Other comprehensive income CFH	62
Prudent valuation adjustment	4
Other	-1
Other, including prudential adjustments and transitional arrangements	
Deferred tax assets that rely on future earnings (excluding temporary differences)	200
Deductions in respect of breaches of capital thresholds	0
Other	12
Impact of transitional arrangements	-311
o/w impact of changes in phase-in rate	-88
o/w impact of change in basis subject to transitional arrangements	-222
Amount of Common Equity Tier1 (CET1) at end of period	**12,505**
Additional Tier1 (AT1) capital	
Amount at start of period	1,302
New eligible instruments issued	400
Redemptions during the period	-4
Other, including prudential adjustments and transitional arrangements	59
o/w impact of changes in phase-in rate	76
o/w other impact of changes in basis	-18
Amount of Additional Tier1 (AT1) capital at end of period	**1,756**
Tier1 capital	14,261
Tier2 capital	
Amount at start of period	2,512
New eligible instruments issued	300
Redemptions during the period	0
Other, including prudential adjustments and transitional arrangements	-140
o/w impact of changes in phase-in rate	-74
o/w other impact of changes in basis	-66
Amount of Tier2 capital at end of period	**2,671**
Total prudential capital	**16,932**

In the first half of 2016, Basel 3/CRR prudential capital, after applying transitional arrangements, evolved as follows:

Common Equity Tier 1 (CET1) totaled €12.5 billion at June 30, 2016, up slightly by €0.1 billion over the first half of the year.

The €0.4 billion decrease in accounting shareholders' equity group share was mostly attributable to the dividend payout of -€1.1 billion in the period in respect of the 2015 fiscal year, and an unfavorable conversion effect of -€0.2 billion, offset by the first half-year profit of €0.6 billion and a subordinated debt issue of €0.4 billion.

In addition to first half-year profit of €0.6 billion, **CET1 capital** includes a provision for 2016 first half-year dividends payable in cash in the amount of -€0.3 billion, a prudential reduction in respect of unrealized gains on portfolios of available-for-sale assets, and the phase-in effect of deferred tax, which increased from 10% in 2015 to 20% in 2016, combined with the use of deferred taxes on tax loss carry forwards for a net amount of -€0.1 billion. Lastly, the subordinated debt issue of -€0.4 billion is reclassified in the Tier 1 capital compartment as it no longer meets CET1 eligibility criteria.

Tier 1 capital increased by €0.5 billion mainly due to a €0.4 billion subordinated debt issue and the effect of phasing in deductions for €0.1 billion.

Tier 2 capital increased by €0.2 billion, the effect of a €0.3 billion issue in the first quarter of 2016 partially offset by the combined impact of the phase-out arrangements and the prudential discount on existing issues.

Risk-weighted assets came to €112.9 billion, down slightly in the first half of the year.

(in billions of euros)	Credit risk	CVA	Market risk	Operational risk	Total RWA
Basel3 at 12/31/2015	**83.7**	**4.7**	**12.2**	**12.7**	**113.3**
Changes in exchange rates	-0.7				-0.7
Changes in volumes	-0.1	-1.3	0.1		-1.3
Changes in risk parameters	1.5		-0.8		0.7
Acquisition and disposal of interests					-
Impact of guarantees		0.4	0.4		0.8
Basel 3 at 06.30.2016	**84.5**	**3.8**	**11.9**	**12.7**	**112.9**

The €0.4 billion decrease in risk-weighted assets over the first half of the year was primarily due to the following factors:

- the impact of the dollar's depreciation (-€0.7 billion);
- the decrease in outstandings (-€1.3 billion), mainly driven by the development of the activity and the implementation of hedging transactions on CVA;
- the impact of risk inputs (mostly due to changes in PD, LGD and exposure weightings) as the increase in credit risk was partially offset by the decline in market risk;
- the impact of guarantees for a total of €0.8 billion;
- operational risk was unchanged over the period.

TABLE 1: EAD, RWA AND OWN FUNDS REQUIREMENTS BY BASEL APPROACH AND CATEGORY OF EXPOSURE

	06.30.2016			12.31.2015		
(in millions of euros)	EAD	RWA	Capital requirement	EAD	RWA	Capital requirement
Credit risk						
Internal approach	**176,799**	**65,048**	**5,204**	**157,675**	**60,867**	**4,869**
Equities	5,619	16,785	1,343	5,485	16,380	1,310
Central governments and central banks	37,673	635	51	30,801	562	45
Other items	934	222	18	893	234	19
Retail	768	218	17	778	231	18
Corporates	111,193	42,466	3,397	103,529	39,367	3,150
Institutions	11,919	3,384	271	8,568	3,093	247
Securitization	8,693	1,338	107	7,621	1,000	80
Standardized approach	**61,749**	**10,863**	**869**	**82,239**	**14,866**	**1,189**
Equities	54	54	4	87	87	7
Central governments and central banks	6,934	1,917	153	5,262	1,899	152
Other items	4,323	3,890	311	8,151	8,094	648
Retail	2,705	1,995	160	2,390	1,709	137
Corportaes	2,260	1,291	103	2,318	1,491	119
Institutions	21,209	444	35	25,176	581	46
Exposures at default	436	457	37	588	649	52
Exposures secured by mortgages on immovable property	228	99	8	199	92	7
Collective investment undertaking	75	75	6	5	5	
Exposures to institutions and corporates with a short-term credit assessment	22,908	334	27	37,841	151	12
Securitization	617	307	25	222	108	9
CCP default fund exposure	**250**	**188**	**15**	**213**	**196**	**16**
Sub-total credit risk	***238,798***	***76,099***	***6,088***	***240,127***	***75,929***	***6,074***
Counterparty Risk						
Internal approach	**41,100**	**7,604**	**609**	**34,207**	**6,932**	**555**
Central governments and central banks	6,613	61	5	3,473	22	2
Corporates	17,301	4,843	388	14,186	4,225	339
Institutions	16,462	2,591	207	15,952	2,580	206
Securitization	724	109	9	596	105	8
Standardized approach	**17,460**	**804**	**64**	**21,434**	**816**	**65**
Central governments and central banks	1,353	168	13	1,518	86	7
Retail	2	1				
Corporates	1,790	82	7	1,934	141	11
Institutions	13,489	251	20	16,473	281	22
Exposures at default	271	271	22	284	285	23
Exposures to institutions and corporates with a short-term credit assessment	555	31	2	1,225	23	2
Sub-total counterparty risk	***58,560***	***8,408***	***673***	***55,641***	***7,748***	***620***
Market risk						
Internal approach		**6,721**	**538**		**6,863**	**549**
Standardized approach		**5,203**	**416**		**5,371**	**430**
Equity risk		381	30		285	23
Foreign exchange risk		2,677	214		2,588	207
Commodities risk		633	51		1,110	89
Interest rate risk		1,512	121		1,388	111
Sub-total market risk		***11,924***	***954***		***12,234***	***979***
CVA	**11,090**	**3,743**	**299**	**12,297**	**4,678**	**374**
Settlement-delivery risk		**45**	**4**		**23**	**2**
Operational risk (standardized approach)		**12,719**	**1,017**		**12,719**	**1,017**
TOTAL		**112,938**	**9,035**		**113,331**	**9,066**

TABLE 2: BASEL 3 RWA BY KEY NATIXIS BUSINESS LINE

(in millions of euros)		Basel 3 RWA at 06.30.2016		
Division	**TOTAL**	**Credit [(a)]**	**Market [(b)]**	**Operational**
Corporate & Investment Banking (CIB)	68,803	49,046	13,563	6,194
Specialized Financial Services (SFS)	14,761	12,538		2,223
Investment Solutions	16,977	13,070	7	3,900
Corporate Center	6,906	4,791	2,142	-27
Financial Investments	5,491	5,062		429
Total at 06.30.2016	**112,938**	**84,507**	**15,712**	**12,719**
TOTAL 12.31.2015	**113,331**	**83,677**	**16,935**	**12,719**

(a): Including counterparty risk.
(b): Including €45 million in settlement-delivery risk and €3,743 million in RWA CVA.

3.4 Credit and counterparty risks

Changes in risks over the period

Given the uncertainty on the financial markets following the vote in favor of Brexit, Natixis maintained a measured and targeted risk profile throughout the first half of the year.

3.4.8 Credit risk exposure

- **TABLE 4: EAD BY BUSINESS SECTOR**

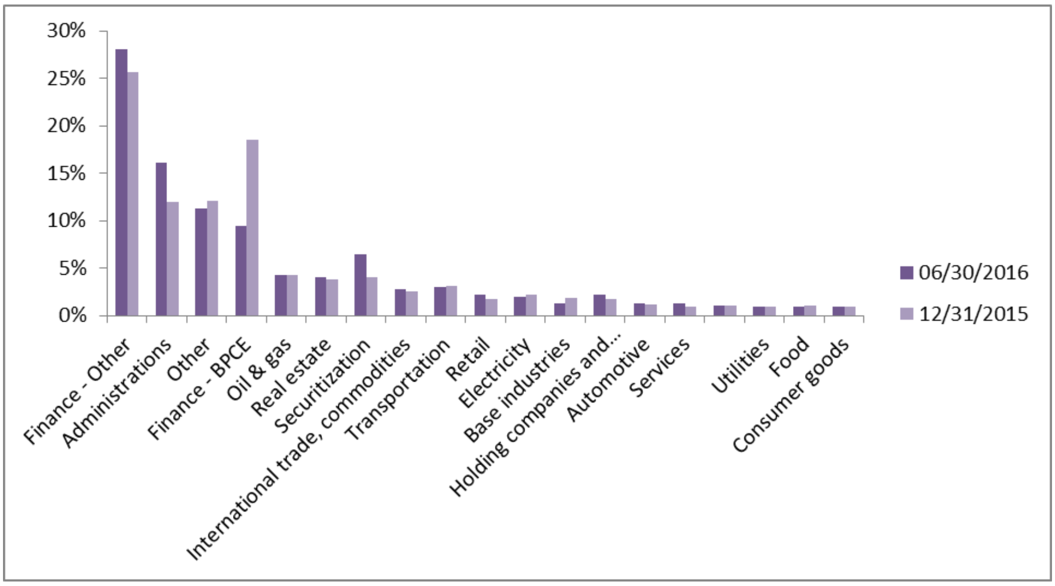


TABLE 5: EAD BY GEOGRAPHIC AREA AND BY ASSET CLASS

(in millions of euros)

Category of exposure	France	Europe*	North America	Other	Total
Corportaes					
Other than SMEs and SF	47,916	31,305	15,058	16,295	110,574
Specialized Financing (SF)	4,219	6,199	3,759	4,278	18,455
SMEs	2,922	239	16	338	3,515
Sub-total	**55,057**	**37,743**	**18,833**	**20,911**	**132,544**
Institutions	**29,814**	**15,197**	**10,790**	**7,528**	**63,329**
Central governments and central banks					
Central governments and central banks	25,291	4,182	14,452	5,596	49,521
International organizations		495			495
Multilateral development banks					
Regional governments or local authorities	572	383			955
Public sector entities	1,136	443	20	3	1,602
Sub-total	**26,999**	**5,503**	**14,472**	**5,599**	**52,573**
Securitization	**3,719**	**1,612**	**4,148**	**555**	**10,034**
Other items	**4,013**	**458**	**575**	**211**	**5,257**
Equities	**4,914**	**522**	**145**	**92**	**5,673**
Retail					
Other than SMEs	1,025	5		67	1,097
SMEs	2,378				2,378
Sub-total	**3,403**	**5**		**67**	**3,475**
Exposures secured by mortgages on immovable property	**227**			**1**	**228**
Exposures to institutions and corporates with a short-term credit assessment	**22,229**	**104**	**203**	**927**	**23,463**
Exposures at default	**161**	**68**		**478**	**707**
Collective investment undertaking	**75**				**75**
Total at 06.30.2016	**150,611**	**61,212**	**49,166**	**36,369**	**297,358**
Total at 12.31.2015	**160,946**	**61,255**	**39,187**	**34,380**	**295,768**

* *Europe = European Union + Europe outside EU*

Note: the change in exposures to France and North America is due to the increase of investments with their central banks.

TABLE 7: EAD BY ASSET CLASS AND BY APPROACH

The standardized approach is used for Groupe BPCE affiliates (from 06.30.2015), European banking subsidiaries, exposure to listed derivatives, deferred tax assets and retail customers.

(in millions of euros)

		EAD			
Category of exposure	**Exposure**	**IRB-A Approach**	**IRB-F Approach**	**Standardized approach**	**Total**
Businesses					
Other than SMEs and SF	135,794	87,428	19,396	3,750	110,574
Specialized Financing (SF)	20,475	18,446	8		18,454
SMEs	3,671	2,766	450	300	3,516
Sub-total	**159,940**	**108,640**	**19,854**	**4,050**	**132,544**
Institutions	**66,306**	**27,467**	**913**	**34,948**	**63,328**
Central governments and central banks					
Central governments and central banks	49,826	43,821	465	5,234	49,520
International organizations	495			495	495
Multilateral development banks					
Regional governments or local authorities	960			956	956
Public sector entities	1,788			1,602	1,602
Sub-total	**53,069**	**43,821**	**465**	**8,287**	**52,573**
Securitization	**10,148**	**9,417**		**617**	**10,034**
Other assets	**5,257**	**912**	**22**	**4,323**	**5,257**
Equities	**5,679**		**5,619**	**54**	**5,673**
Retail					
Other than SMEs	13,644	216		2,162	2,378
SMEs	1,179	553		545	1,098
Sub-total	**14,823**	**769**		**2,707**	**3,476**
Exposures secured by mortgages on immovable property				**228**	**228**
Exposures to institutions and corporates with a short-term credit assessment	**24,233**			**23,463**	**23,463**
Exposures at default	**1,370**			**707**	**707**
Collective investment undertaking	**75**			**75**	**75**
TOTAL 06.30.2016	**340,900**	**191,026**	**26,873**	**79,459**	**297,358**
TOTAL 12.31.2015	**339,812**	**166,982**	**24,900**	**103,886**	**295,768**

Note: From 06.30.2016, multilateral development banks are stated under the internal approach are now in the “Institutions” category. Previously, they were treated in standardized approach and then appeared in the eponymous category.

TABLE 11: EAD BY CATEGORY OF EXPOSURE AND BY STANDARDIZED RATING

Only on exposures under the standardized approach, excluding securitizations and other items.

(in millions of euros)		Exposure					
Class	**Rating group**	**Total**	***o/w balance sheet***	***o/w off-balance sheet***	**EAD**	**RWA**	**Risk weighting**
Company							
	A+	23		23	22	11	50.0%
	A	14	9	5	14	4	26.2%
	A-	80	75	5	79	28	35.5%
	BBB+	3	3		3	2	70.0%
	BBB	7	7		7	5	70.0%
Sub-total		**127**	**94**	**33**	**125**	**50**	**40.0%**
Central governments and central banks							
	AAA	315	283	32	314	13	4.3%
	AA+	831	366	465	647	23	3.5%
	AA	1,229	900	329	1,203	55	4.6%
	AA-	327	5	322	327	61	18.5%
	A+	295	167	128	294	56	19.2%
	BBB+	7	7		7	3	35.1%
	BBB-	4	1	3	3	2	94.9%
Sub-total		**3,008**	**1,729**	**1,279**	**2,795**	**213**	**7.6%**
Institutions							
	AAA	229	229		229	66	28.9%
	AA+	2	2		2		20.0%
	AA	13	11	2	13	3	20.2%
	A+	41		41	41	20	50.0%
	A	15	7	8	16	6	36.6%
	BBB	208	208		208	8	3.7%
	BB						100.0%
Sub-total		**508**	**457**	**51**	**509**	**103**	**20.3%**
Exposures secured by mortgages on immovable property							
	AA	23	22	1	22	11	50.0%
Sub-total		**23**	**22**	**1**	**22**	**11**	**50.0%**
Exposures to institutions and corporates with a short-term credit assessment							
	AA+	1,526	1,500	26	1,526	36	2.3%
	AA	883	730	153	883	175	19.9%
	A	19	18	1	18	2	9.0%
	BB+	39	39		39	1	2.0%
	B+/CC-	2	2		2	3	150.0%
Sub-total		**2,469**	**2,289**	**180**	**2,468**	**217**	**8.5%**
Affiliates		**44,961**	**39,995**	**4,966**	**43,640**	**0**	**0%**
Generic [(a)]/unrated [(b)]		**37,412**	**11,654**	**25,758**	**24,906**	**7,010**	**28.1%**
Total at 06.30.2016		**88,508**	**56,240**	**32,268**	**74,465**	**7,604**	**10.2%**
Total at 12.31.2015		**109,105**	**73,739**	**35,366**	**95,426**	**7,589**	**8.0%**

(a) Third parties grouped into homogeneous risk classes.
(b) Of which €13.8 billion in exposure to central counterparties (weighted at 2%).

▪ TABLE 12: EAD BY INTERNAL RATING (S&P EQUIVALENT)

The following table shows the breakdown of exposures at risk by internal rating (S&P equivalent) for asset classes measured using the IRB approach, excluding:

- exposures to equities (calculated using a simple weighting);
- pool-based exposures (acquired portfolios) and third parties grouped into homogeneous risk classes;
- securitization positions.

(% breakdown)

Grade	Internal rating	06.30.2016	12.31.2015
Investment Grade	AAA	0.5%	0.1%
	AA+	18.3%	14.0%
	AA	2.6%	1.6%
	AA-	8.6%	7.6%
	A+	6.1%	6.9%
	A	10.4%	11.8%
	A-	7.9%	8.2%
	BBB+	7.4%	8.0%
	BBB	7.7%	8.5%
	BBB-	8.7%	8.8%
Investment Grade		**78.2%**	**75.5%**
Non-Investment Grade	BB+	5.0%	5.4%
	BB	4.2%	4.7%
	BB-	3.9%	4.3%
	B+	2.1%	2.7%
	B	1.0%	1.3%
	B-	0.4%	0.5%
	CCC+	0.2%	0.2%
	CCC	0.3%	0.2%
	CCC-		
	CC		
	C		
Non-Investment Grade		**17.1%**	**19.3%**
Not rated	**Not rated**	**1.9%**	**2.4%**
Default	**D**	**2.8%**	**2.8%**
Total		**100.0%**	**100.0%**

TABLE 13: EAD BY CATEGORY OF EXPOSURE AND BY INTERNAL RATING

Only on exposures under the IRB-A approach, excluding securitizations and other items.

(in millions of euros)		06.30.2016						12.31.2015	
Class	**Rating group**	**Exposure**	***o/w balance sheet***	***o/w off-balance sheet***	**EAD**	**RWA**	**Risk weighting**	**RWA**	**Risk weighting**
Corporates									
	AAA	218	201	17	217	16	7.2%	2	9.0%
	AA+	1,257	47	1,210	1,112	61	5.5%	37	4.5%
	AA	4,291	2,244	2,047	4,001	467	11.7%	191	9.6%
	AA-	6,443	3,724	2,719	5,727	523	9.1%	314	8.2%
	A+	9,950	3,155	6,795	7,135	714	10.0%	739	10.5%
	A	12,525	2,633	9,892	8,845	1,140	12.9%	1,140	12.8%
	A-	13,399	3,557	9,842	9,783	2,229	22.8%	1,707	23.6%
	BBB+	10,534	4,629	5,905	9,050	2,611	28.9%	2,696	30.2%
	BBB	15,409	7,084	8,325	12,616	3,902	30.9%	4,107	32.2%
	BBB-	18,059	8,187	9,872	13,830	5,597	40.5%	4,665	39.9%
	BB+	10,295	5,272	5,023	8,581	4,444	51.8%	3,945	48.7%
	BB	8,378	5,514	2,864	7,257	4,111	56.6%	3,862	54.4%
	BB-	7,874	4,306	3,568	6,232	3,832	61.5%	3,328	55.8%
	B+/CC	7,969	5,026	2,943	6,835	5,290	77.4%	5,042	70.6%
	C	102	46	56	86	114	133.3%	106	151.4%
	D	5,075	4,271	804	4,903	3,330	67.9%	1,994	45.4%
Sub-total		**131,778**	**59,896**	**71,882**	**106,210**	**38,381**	**36.1%**	**33,875**	**35.3%**
Central governments and central banks									
	AAA								
	AA+	31,649	27,579	4,070	31,649				
	AA-	8,129	6,449	1,680	7,968				
	A	2,556	1,008	1,548	2,503	59	2.3%	59	2.0%
	BBB+	1,404	1,055	349	1,352	155	11.4%	125	9.0%
	BBB-	156	139	17	156	63	40.4%	40	21.2%
	BB	31	7	24	30	12	41.1%	9	47.5%
	BB-	117	68	49	103	148	143.2%	233	63.1%
	B+/CC-	9	9		9	40	465.9%	48	453.1%
	D	50	50		50				
Sub-total		**44,101**	**36,364**	**7,737**	**43,820**	**477**	**1.1%**	**514**	**1.5%**
Institutions									
	AAA	579	348	231	574	23	4.0%	4	3.4%
	AA+	1,888	252	1,636	1,888	71	3.8%	2	4.1%
	AA	644	326	318	644	49	7.7%	60	12.7%
	AA-	2,385	1,082	1,303	2,356	112	4.7%	87	4.5%
	A+	4,411	1,225	3,186	3,474	199	5.7%	197	5.3%
	A	8,255	3,049	5,206	8,007	727	9.1%	651	8.9%
	A-	3,354	532	2,822	3,299	535	16.2%	707	15.5%
	BBB+	3,162	1,032	2,130	3,129	981	31.4%	762	30.6%
	BBB	1,671	956	715	1,584	865	54.6%	616	50.1%
	BBB-	1,845	612	1,233	1,222	686	56.1%	569	56.3%
	BB+	363	196	167	312	448	143.7%	472	117.8%
	BB	174	98	76	143	209	145.8%	154	132.9%
	BB-	71	41	30	64	141	218.6%	118	222.2%
	B+/CC-	357	78	279	174	431	247.2%	282	249.4%
	D	59	59		59				
Sub-total		**29,218**	**9,886**	**19,332**	**26,929**	**5,477**	**20.3%**	**4,681**	**19.8%**
Generic [(a)] and non-rated third parties		**4,133**	**1,710**	**2,423**	**3,215**	**2,709**	**84.3%**	**4,497**	**116.5%**
Total		**209,230**	**107,856**	**101,374**	**180,174**	**47,044**	**26,1 %**	**43,567**	**27.7%**

(a) Third parties grouped into homogeneous risk classes.

(in millions of euros)		06.30.2016						12.31.2015	
Category	**Rating group**	**Exposure**	***o/w balance sheet***	***o/w off-balance sheet***	**EAD**	**RWA**	**Risk weighting**	**RWA**	**Risk weighting**
Retail									
	BBB	74	74		74	8	10.5%	8	11.3%
	BBB-	80	79	1	80	12	15.0%	11	15.9%
	BB+	79	79		79	16	20.8%	16	21.4%
	BB	66	65	1	66	17	25.4%	14	25.0%
	BB-	48	43	5	48	17	34.6%	12	33.2%
	B+/CC-	121	110	11	121	45	37.0%	37	36.6%
	C	6	6		6	3	41.6%	2	35.4%
	D	48	48		48				
Total		**522**	**504**	**18**	**522**	**118**	**22.6%**	**100**	**21.7%**

▪ TABLE 15: DIFFERENCE BETWEEN PROVISIONS AND EXPECTED LOSSES (EL)

For exposures measured under the internal approach (IRB), excluding the equity, securitization and other items classes.

(in millions of euros)	06.30.2016			12.31.2015		
Category of exposure	**Provisions**	**EL**	**Difference**	**Provisions**	**EL**	**Difference**
Non-performing						
Central governments and central banks	49	49		55	55	
Institutions	53	59	- 6	61	67	- 6
Corporates	2,246	2,195	51	2,161	2,160	1
Retail	118	63	55	120	69	51
Sub-total	**2,466**	**2,366**	**100**	**2,397**	**2,351**	**46**
Performing						
Central governments and central banks	3	3		5	5	
Institutions	6	20	-14	5	21	-16
Corporates	334	285	49	299	262	37
Retail	1	9	-8	1	10	-9
Sub-total	**344**	**317**	**27**	**310**	**298**	**12**
Total	**2,810**	**2,683**	**127**	**2,707**	**2,649**	**58**

TABLE 22: EAD ON DERIVATIVES AND REPURCHASE AGREEMENTS

(in millions of euros)		EAD	
Type and nature of exposure	**Category of exposure**	**06.30.2016**	**12.31.2015**
Derivatives			
	Central governments and central banks	**3,869**	**2,421**
	Central governments and central banks	2,738	1,034
	Regional governments or local authorities	533	525
	Public sector entities	597	126
	International organizations	1	1
	Multilateral development banks	0	735
	Retail	**2**	**0**
	SMEs	2	0
	Businesses	**10,832**	**10,129**
	Other than SMEs and SF	9,095	8,938
	Specialized Financing (SF)	1,709	1,170
	SMEs	28	21
	Institutions	**19,676**	**21,733**
	Exposure at default (standardized approach)	**271**	**284**
	Exposures to institutions and corporates with a short-term credit assessment	**84**	**92**
	Securitization	**725**	**596**
Sub-total		**35,459**	**35,255**
Repos			
	Central governments and central banks	**4,097**	**2,571**
	Central governments and central banks	3,931	2,523
	International organizations	0	1
	Public sector entities	166	0
	Multilateral development banks	0	47
	Businesses	**8,259**	**5,990**
	Other than SMEs and SF	8,259	5,990
	Institutions	**10,275**	**10,692**
	Exposures to institutions and corporates with a short-term credit assessment	**470**	**1,133**
Sub-total		**23,101**	**20,386**
TOTAL		**58,560**	**55,641**

3.4.10 Equity exposures in the banking book

TABLE 24: EAD BY TYPE AND NATURE OF EXPOSURE (EXCLUDING IMPACT OF THRESHOLDS)

Investments in insurance companies are included in EAD as they are weighted as RWA.

(in millions of euros)	EAD				
Type and nature of exposure	**Equities**	**Mutual funds**	**Investments**	**Total at 06.30.2016**	**Total at 12.31.2015**
Private Equity held in sufficiently diversified portfolios	1,079		2	1,081	1,115
Other equity exposures	319	23	2,113	2,455	2,453
Listed equities	47	464	591	1,102	983
Equities - standardized approach	17	15	22	54	87
Total	**1,462**	**502**	**2,728**	**4,692**	**4,638**

TABLE 25: RWA BY WEIGHTING (EXCLUDING IMPACT OF THRESHOLDS)

(in millions of euros)	RWA			
Type of exposure	**IRB approach**	**Standardized approach**	**Total at 06.30.2016**	**Total at 12.31.2015**
Private Equity held in sufficiently diversified portfolios	2,053		2,053	2,119
Other equity exposures	9,084		9,084	9,076
Listed equities	3,196		3,196	2,849
Equities - standardized approach		54	54	87
Total	**14,333**	**54**	**14,387**	**14,131**

3.5 Securitization

TABLE 31: EAD ACCORDING TO THE ROLE PLAYED BY NATIXIS

Securitization positions in the banking book

Counterparty risk is incorporated into these positions.

(in millions of euros)	EAD	RWA	Capital requirement
Investor	**2,593**	**831**	**66**
On balance sheet exposure	1,717	694	55
Off-balance sheet exposure	876	137	11
Originator	**1,901**	**194**	**16**
On balance sheet exposure	1,901	194	16
Sponsor	**5,540**	**730**	**58**
On balance sheet exposure	2,210	195	15
Off-balance sheet exposure	3,330	535	43
Total at 06.30.2016	**10,034**	**1,755**	**140**
Total at 12.31.2015	**8,439**	**1,213**	**97**

Securitization positions in the trading book

(in millions of euros)	EAD	RWA	Capital requirement
Investor	242	97	8
Sponsor	36	4	0
Total at 06.30.2016	**278**	**101**	**8**
Total at 12.31.2015	**516**	**129**	**11**

Note: Natixis acts as sponsor in ABCP-type securitization transactions through three vehicles, namely Versailles, Bleachers and Magenta.

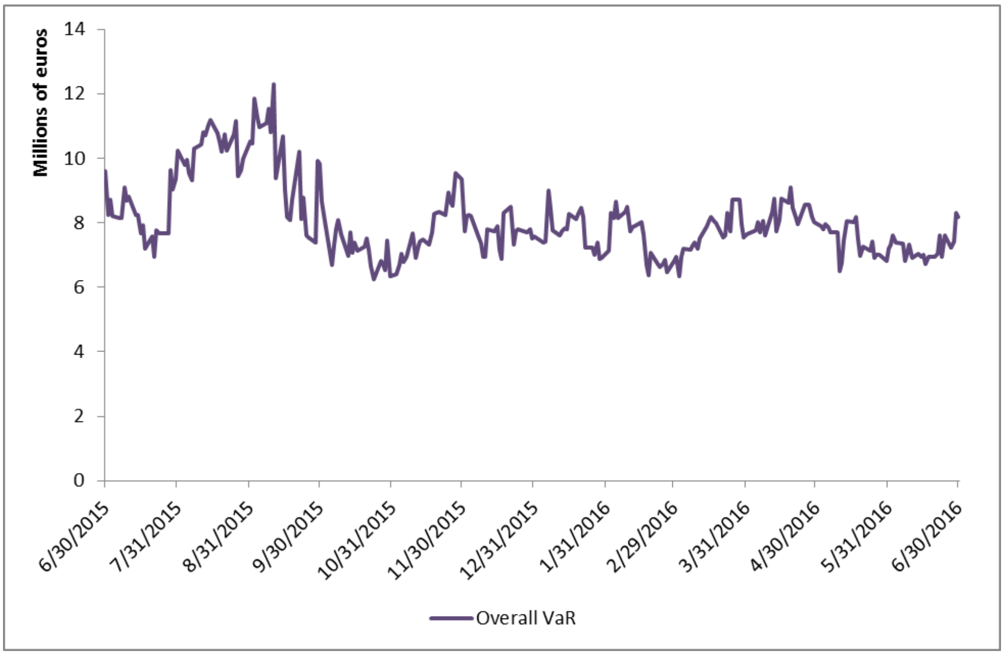
3.6 Market risks

QUANTITATIVE DATA FOR MEASURING MARKET RISK

Change in Natixis VaR

The VaR level for Natixis' trading portfolios averaged €8.1 million on a rolling one-year period. It peaked at €12.3 million on September 10, 2015 and bottomed out at €6.2 million on October 23, 2015, standing at €8.2 million at June 30, 2016.

OVERALL NATIXIS VAR – TRADING PORTFOLIO (1 DAY VAR 99%)



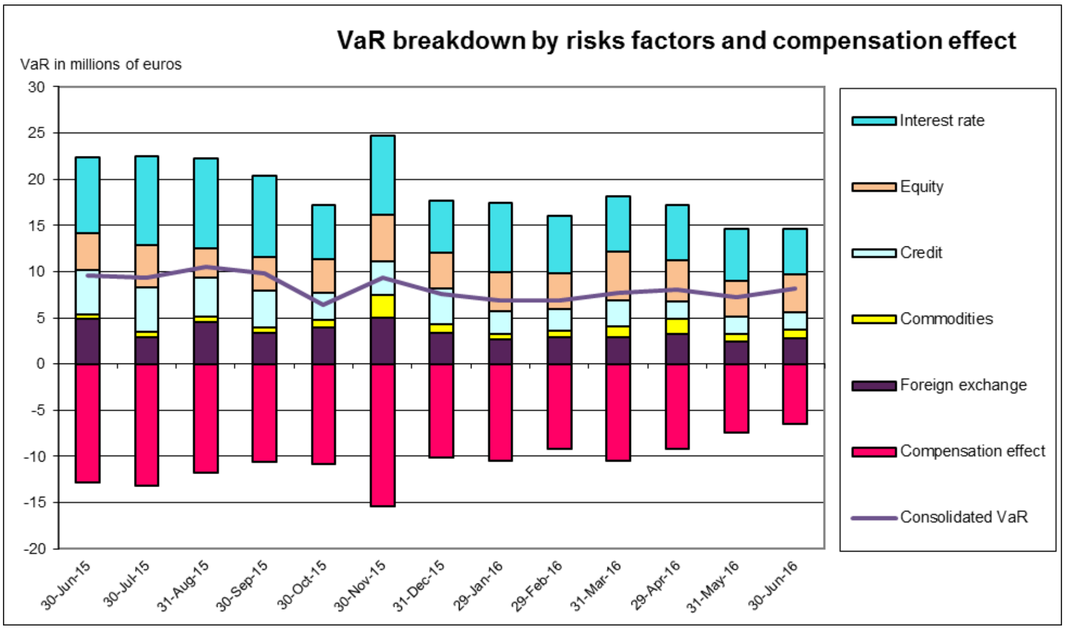
Breakdown of total trading VaR by portfolio

The following table presents VaR figures:

(In millions of euros) **Natixis Trading portfolio**	Limit	VaR at 06.30.2016
NATIXIS	**25**	**8.2**
Corporate and Investment Banking	25	8.2
o/w		
Run-off mode activities	6	2.2
Global market	18	8.6
Equity Markets	10	4.6
Fixed Income	16	5.7
Commodities	2.5	0.8

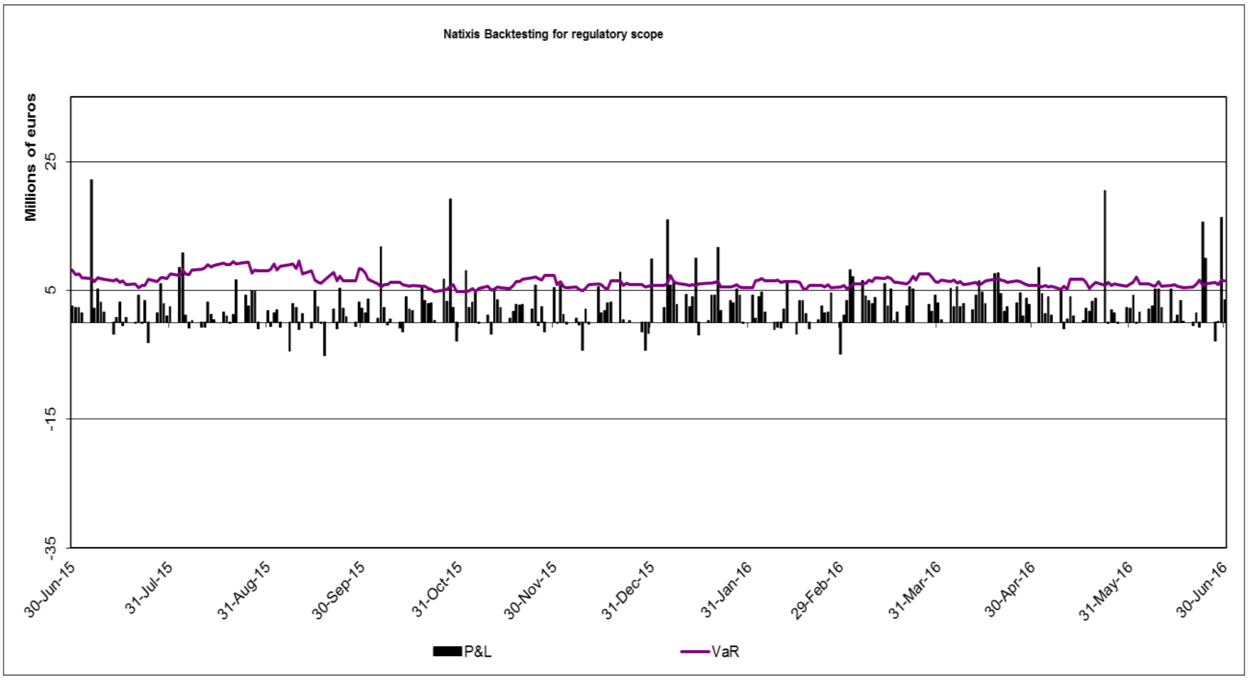
Breakdown of total trading VaR by risk factors

The following table presents VaR figures by risk factor, and the impact of offsetting by risk factor:



Natixis backtesting for regulatory scope

The following chart shows the results of backtesting (ex-post comparison of potential losses, as calculated ex-ante by VaR, with actual P&L impacts) on the regulatory scope, and can be used to verify the reliability of the VaR indicator:

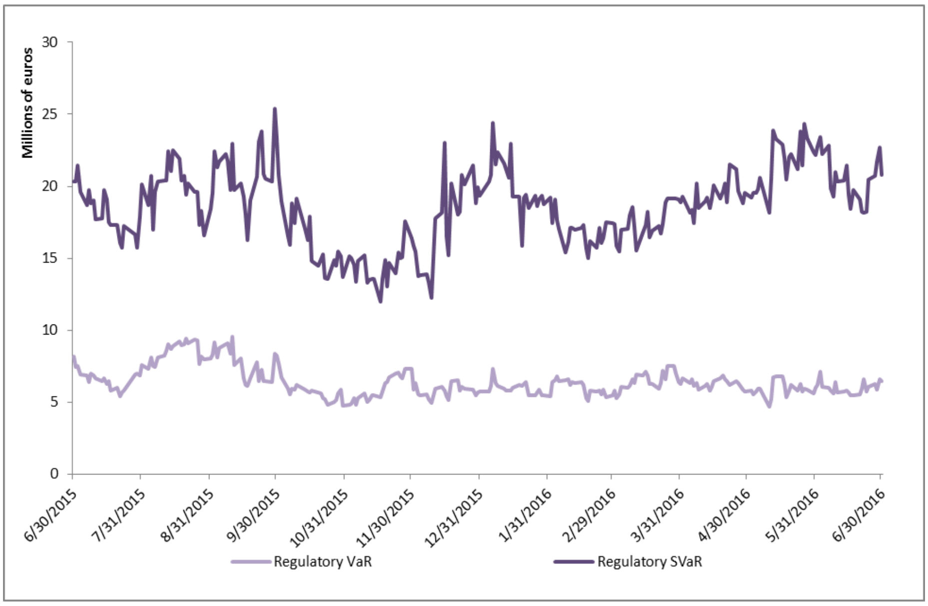


Over a rolling one-year period, Natixis' regulatory backtesting revealed no exceptions.

STRESSED NATIXIS VAR (REGULATORY SCOPE)

The regulatory Stressed VaR level averaged €18.6 million on a rolling one-year period. It peaked at €25.4 million on September 29, 2015 and bottomed out at €11.9 million on November 16, 2015, standing at €20.8 million at June 30, 2016.

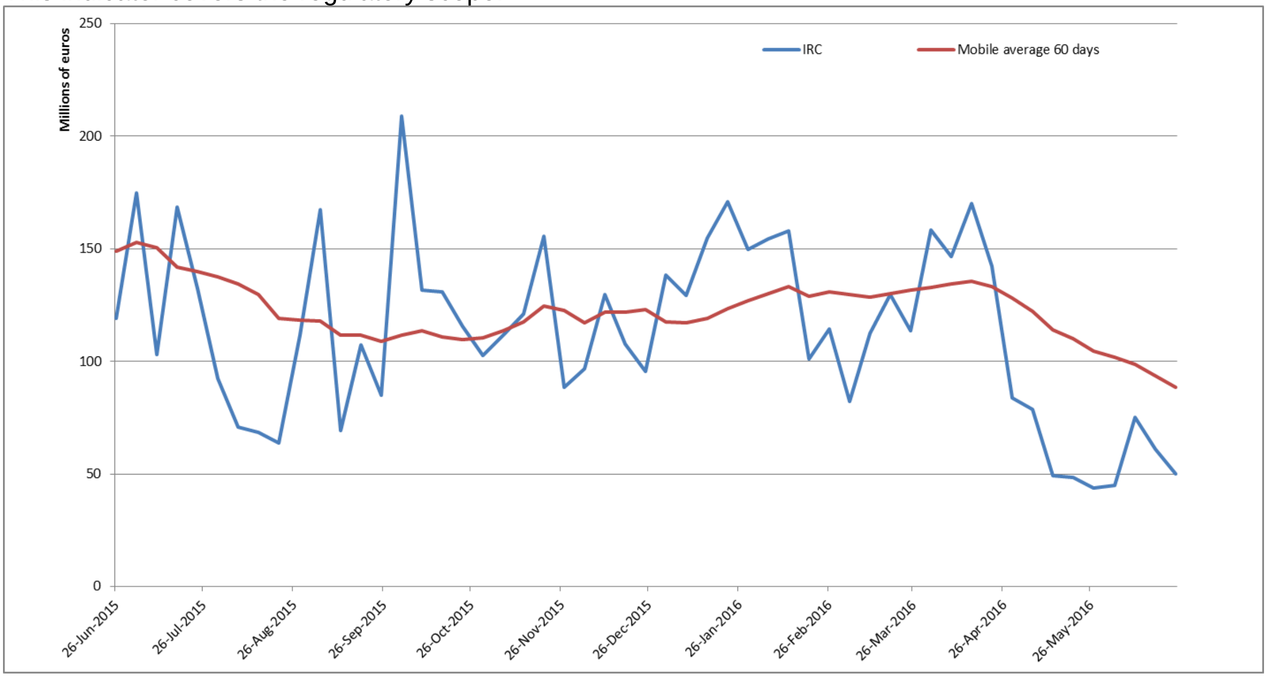
Change in regulatory Stressed VaR and End-of-period VaR:



IRC INDICATOR

Natixis' IRC level averaged €113 million. It peaked at €209 million on October 2, 2015 and bottomed out at €43.8 million on May 27, 2016, standing at €50 million at June 24, 2016.

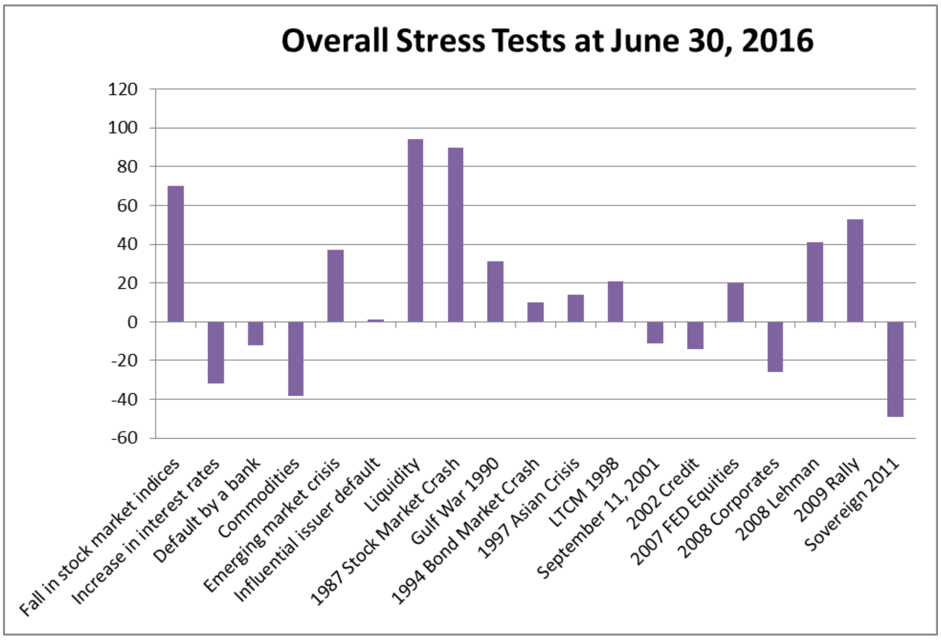
This indicator covers the regulatory scope:



Stress test results for the Natixis scope

Overall stress test levels averaged -€15.8 million at June 30, 2016.
The historical stress test replicating the sovereign debt crisis in 2011 gave the maximum loss (-€49 million at June 30, 2016).

OVERALL STRESS TESTS AS AT JUNE 30, 2016



■ TABLE 36: CAPITAL REQUIREMENTS FOR MARKET RISKS

Regulatory capital requirements at June 30, 2016, were as follows:

(in millions of euros)	Type of risk				
Nature of risk	**General**	**Specific**	**Optional**	**Total at 06.30.2016**	**Total at 12.31.2015**
Standard	**295**	**69**	**52**	**416**	**430**
Interest rate	46	41	26	113	101
Commodities	49		2	51	89
Equity	7	20	3	30	23
Foreign exchange	193		21	214	207
Securitization		8		8	10
Internal model				**538**	**549**
VaR				98	93
SVaR				332	254
IRC				108	202
Sub-total				**954**	**979**
Settlement-delivery			4	**4**	**2**
CVA				**299**	**374**
Total				**1,257**	**1,355**

3.8 Overall interest rate, liquidity and structural foreign exchange risks

3.8.2 Overall interest rate risk

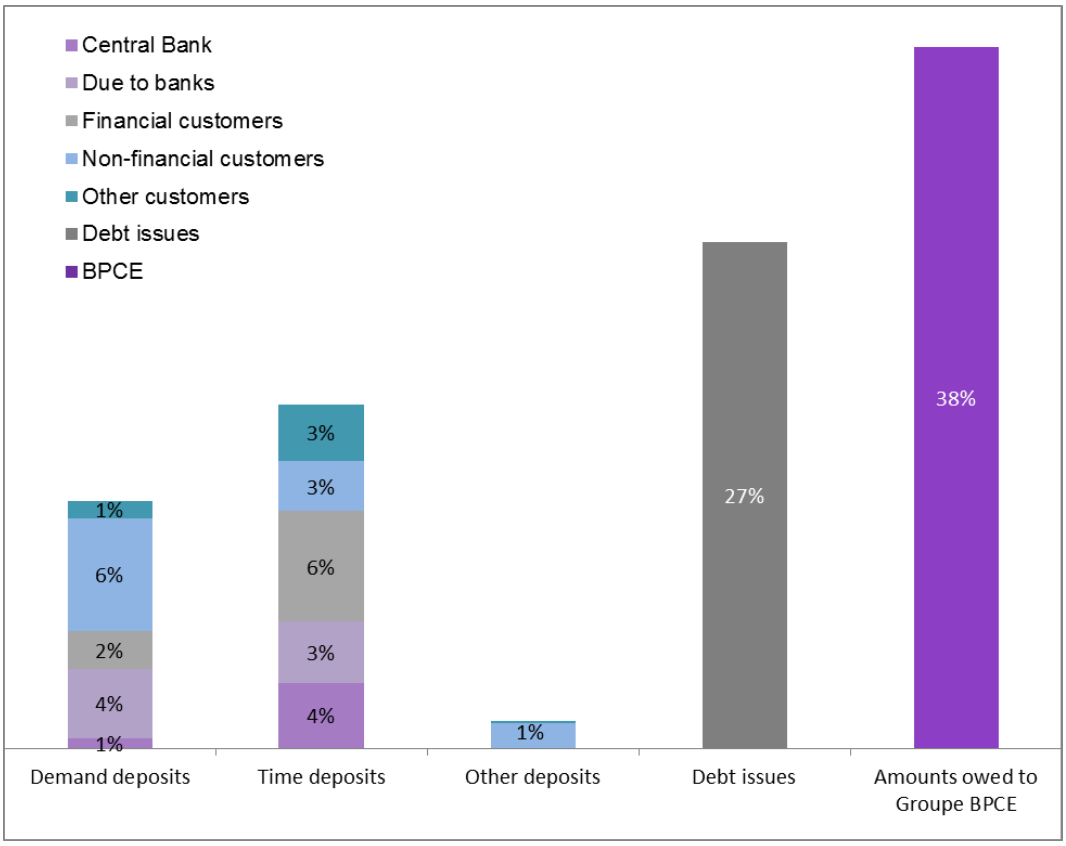
Overall interest rate risk remains moderate for Natixis given the outstanding positions managed by the company.
The Basel 2 normative shock (immediate +200 bp change in yield curves) at June 30, 2016 would lead to an absolute value variation of €209 million in the portfolio's economic value.

3.8.4 Liquidity risk and refinancing strategy

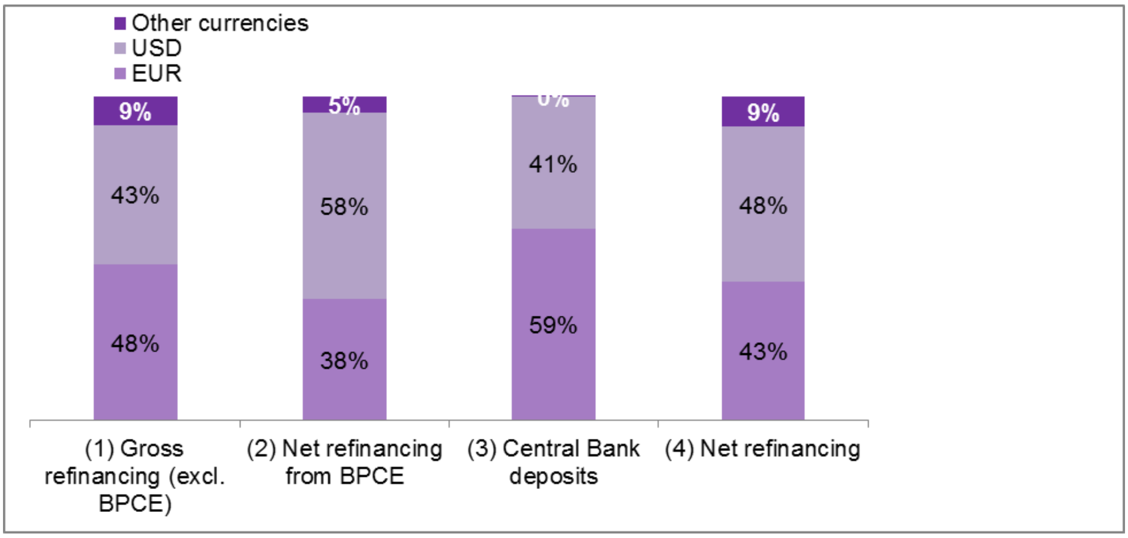
3.8.4.3 Funding strategy

(Update of pages 172-172 of the 2015 Registration Document)

- **GROSS WEIGHT OF THE BANK'S ON-BALANCE SHEET REFINANCING SOURCES, BY MAJOR CATEGORY OF VEHICLE AND BY CUSTOMER SEGMENT AT JUNE 30, 2016**

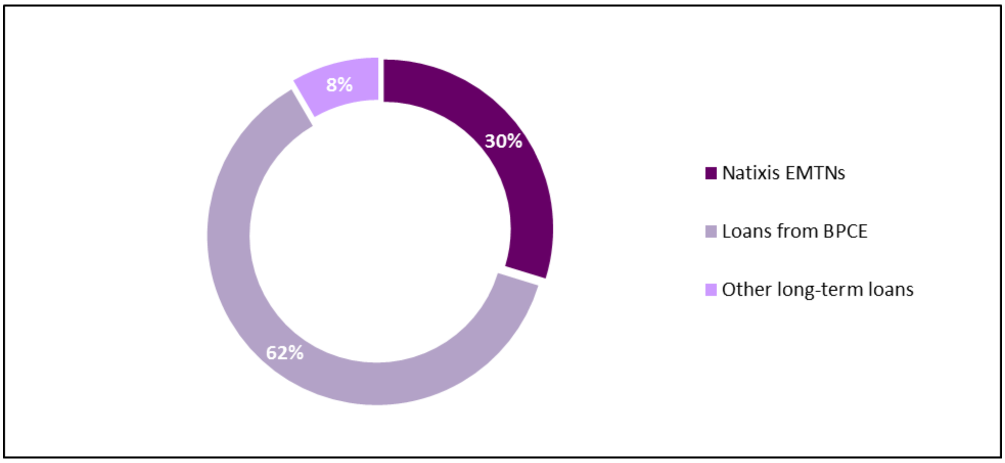


- **BREAKDOWN BY CURRENCY OF THE REFINANCING STRUCTURE, AT CURRENT EXCHANGE RATES AT JUNE 30, 2016**



About 3/4 of the Group's medium-term refinancing program was achieved during the first half of the year 2016.

- **06.30.2016 INDICATIVE BREAKDOWN MLT REFINANCING PROGRAM**



3.8.5 Leverage ratio oversight

(Update of page 174 of the 2015 Registration Document)

Natixis has managed to reduce its balance sheet by €100 billion at constant exchange rates over the course of 2015 to reach its leverage ratio target of +4% at end-2015 and as well as on both first quarters of 2016.

3.8.6 Other information

3.8.6.1 Rating Triggers

(Update of page 176 of the 2015 Registration Document)

They are covered under the LCR management policy and were evaluated at 3.4 billion in EUR equivalent at June 30, 2016, versus 3.4 billion at December 31, 2015.

3.9 Compliance and reputational risk, Legal risks

3.9.2 Legal risks

3.9.2.1 Legal and arbitration procedures

The legal disputes Jerry Jones et al. vs. Harris Associates LP and Commune de Sanary-sur-Mer were indicated as closed in the 2015 Registration Document and, as such, will not feature in the 2016 Registration Document.

The following legal disputes are updated compared with the 2015 Registration document:

Natixis Asset Management (formerly CDC Gestion) – Profit sharing

In 2012 a complaint was filed against Natixis Asset Management before the Paris District Court (Tribunal de Grande Instance de Paris) by 187 former employees of CDC Gestion (current name Natixis Asset Management.) The purpose of the complaint is the legal recognition of their rights to the common law profit-sharing schemes from 1989 to 2001.

Following the application for a priority preliminary ruling on the issue of administrative constitutionality raised by Natixis Asset Management on the interpretation of an article of the French Labor Code, on August 1, 2013, the Constitutional Council declared the first paragraph of Article L.442-9 of the French Labor Code in its version prior to Law No. 2004-1484 of December 30, 2005 to be unconstitutional and ruled that employees of companies whose share capital is predominantly held by public entities cannot call for a profit-sharing scheme to be applicable to them for the period during which the provisions declared unconstitutional were in force. The case is still in progress before the Paris District Court.

In September 2014 the Paris District Court ruled in favor of Natixis Asset Management and dismissed all of the employees' complaints. The employees have appealed this ruling to the Paris Court of Appeal. On May 9, 2016 the Court of Appeals upheld the ruling and rejected the appeal filed by the plaintiffs.

SEEM

In January 2013 Natixis received a compulsory third-party joinder at the request of SEEM. This company seeks a joint sanction against Natixis and particularly Cube Energy SCA for the payment of approximately €30 million, alleging that Cube Energy SCA acted in breach of its duty of loyalty to its partner SEEM. Natixis believes the outcome of this case will be positive for Natixis and the companies in its Group.

3.10 Other risks

3.10.1 Risks related to insurance activities

NATIXIS ASSURANCES

Natixis Assurances is the insurance division of the Natixis group and is structured into two businesses:

- The personal insurance business, focused on developing portfolios in life insurance, savings and retirement capitalization, as well as provident insurance;
- The non-life insurance business, focused on developing portfolios in motor and multi-risk home insurance, personal accident insurance, legal protection, healthcare and property and casualty insurance.

Given the predominance of the Investment Solutions activity, the main risk to which Natixis Assurance is exposed is market risk. The company is also exposed to underwriting risks (life and non-life), as well as counterparty risk.

Market risk

Market risk is in large part borne by the subsidiary BPCE Vie on the financial assets that underpin its commitments with guaranteed principal and returns (euro-denominated policies, €35 billion on the main fund balance sheet). The company is exposed to asset depreciation risk (fall in the equity or real estate market, wider spreads, interest rate hikes) as well as the risk of lower interest rates, which would generate insufficient returns to allow it to meet guaranteed principal and returns.

In June 2016, the particularly low interest rate environment augmented the cost of Natixis Assurances' euro-denominated policy options and guarantees. To manage this risk, the sources of return have been diversified, namely via investments in new assets classes (financing the economy, low-volatility equity, etc.). This diversification is managed by a strategic allocation, defined on a yearly basis, which takes into account regulatory constraints, commitments to policyholders and commercial requirements.

Life insurance underwriting risk

The main risk to which life insurance underwriting is exposed is linked to the Investment Solutions activity. In an especially low interest-rate environment, the biggest risk is that of fewer redemptions and/or excessive inflows in euro-denominated vehicles, as reinvestments in fixed-income securities dilute the main fund's return. To prioritize inflows in unit-linked policies, measures have been taken, such as the creation of unit-linked policy products and communication campaigns, and a communication campaign targeting customers and the network.

Non-life insurance underwriting risk

The non-life insurance underwriting risk to which Natixis Assurances is exposed is borne by its subsidiary BPCE Assurances:

- Premium risk: in order to ensure that the premiums paid by the policyholders corresponds to the transferred risk, BPCE Assurances implemented a portfolio monitoring policy whereby each policy is given a score based on its track record over three years. Factored in are types of claims, number of claims, their cost and other variables specific to the activity in question (degree of liability and bonuses/penalties for motor insurance, for instance).
  This monitoring policy also contributes to detecting potential risks arising from large claims, and to arranging adequate reinsurance coverage;
- Risk of loss: each time inventory is taken, an actuarial assessment of the reserves for claims to be paid is conducted based on methods widely recognized by the profession and required by the regulator.

- Catastrophe risk: catastrophe risk is the exposure to an event of significant magnitude generating a multitude of claims (storm, risk of civil liability, etc.). This risk is therefore reinsured either through the government in the event of a natural disaster or an attack, for example, or through private reinsurers, specifically in the event of a storm or a civil liability claim, or through reinsurance pools.

Counterparty Risk

The counterparty risk to which Natixis Assurances is exposed mainly concerns reinsurance counterparties. The selection of reinsurers is a key component of managing this risk:

- Natixis Assurances deals with reinsurers who are subject to a financial rating by at least one of the three internationally recognized rating agencies, and who have a Standard & Poor's equivalent rating of A- or higher.
- Using several reinsurers ensures counterparty diversification and limits counterparty risk.

COFACE

Through its activities, Coface is exposed to two main types of risk. The first is the technical risk constituted by the risk of losses on Coface's portfolio of insurance policies. The second is the financial risk related to the risk of losses arising from adverse changes in interest rates, exchange rates or the market value of securities or real estate investments. Coface has implemented the appropriate tools to control these risks and to ensure they remain within conservative limits.
Given Coface's listing on the stock market, the main risk factors and uncertainties to which Coface is exposed are set out in detail under paragraph 2.4 "Chairman's report on corporate governance, internal risk control and risk management procedures" and in Chapter 5 "Main risk factors and their management within the Group" of the Coface Group registration document, filed with the AMF on April 13, 2016 under number R.16-020.
In the first half of 2016, the emerging market risks to which Coface is exposed were higher than expected. In light of this fact, and in accordance with the management principles set out in the abovementioned paragraphs, the Group has already undertaken strong measures to adjust its risk management policy for these regions and strengthen its teams accordingly.

CEGC

As Compagnie Européenne de Garanties et Cautions is the Group's multiple business line surety and guarantee platform, its main risks are related to underwriting risk, market risk, reinsurer default risk and operational risk.

Underwriting risk

Underwriting risk is the main risk incurred by CEGC. It is essentially a counterparty risk, as the commitments given by CEGC to beneficiaries of guarantees result in direct exposure to underwriters.

The regulated commitments recorded on the liabilities side of the balance sheet amounted to nearly €1.5 billion at June 30, 2016 (up 5% compared to the end of 2015). This increase was in line with fiscal year 2015, driven mainly by mortgage guarantees for retail customers.

▪ CEGC'S REGULATED COMMITMENTS (IN MILLIONS OF EUROS)

CEGC's markets	June 2016	Change (June 2016 versus December 2015)
Retail customers	1,333	4%
Single-family home builders	14	0%
Property administrators - Realtors	14	100%
Businesses	18	6%
Real estate developers	19	46%
Professionals	63	7%
Social economy - Social housing	31	11%
Run-off activities	10	-9%
TOTAL	**1,501**	**5%**

The sharp growth in regulated commitments on guarantees to property administrators is due to the 2016 renewal of annual guarantees that expired at 12/31/2015.

Market risk

CEGC holds an investment portfolio of about €1.53 billion on its balance sheet as at June 30, 2016. The portfolio is up slightly (+4% since the end of 2015). Market risk from the investment portfolio is limited by the Company's investment choices. The company's risk limits are set out in the asset management agreement established with Natixis Asset Management. By collecting surety insurance premiums at the time of commitment, CEGC does not require funding. Neither does CEGC carry transformation risk: the investment portfolio is entirely backed by equity and technical reserves.

The equity bucket has contracted significantly since 2015 as CEGC alleviated its equity exposure to avoid a possible drop in the stock market on the back of a Brexit.

	06.30.2016			12.31.2015		
(in millions of euros)	Gross balance sheet value of the provision	% breakdown	Fair value	Gross balance sheet value of the provision	% breakdown	Fair value
Equities	76	*5.0%*	88	131	*8.9%*	154
Bonds	1,171	*76.8%*	1,337	1,081	*73.6%*	1,183
Diversified	88	*5.8%*	91	110	*7.5%*	117
Cash	100	*6.6%*	100	54	*3.7%*	54
Real estate	70	*4.6%*	92	71	*4.8%*	93
Private equity investment funds	19	*1.2%*	23	20	*1.4%*	23
Other	1	*0.1%*	1	1	*0.1%*	1
TOTAL	**1,525**	***100%***	**1,731**	**1,470**	***100%***	**1,626**

Reinsurance risk

CEGC hedges its liability portfolio by implementing a reinsurance program tailored to its activities. Through this program, the Company is able not only to secure its underwriting income and solvency margin on loan guarantees, but also to protect its equity in the event of high-severity claims on activities other than loan guarantees. Due to their considerable granularity, loan guarantees do not present concentration risk.

Each year, reinsurance hedging needs are defined based on changes in activity and in the risk observed in the portfolio.

Reinsurer default risk is governed by counterparty concentration and rating limits. CEGC's reinsurance program is underwritten by 15 reinsurers with a minimum rating of A on the S&P scale.

Operational risk

CEGC's operational risk is limited via the risk management systems set forth in each business line's approval procedures.

CEGC uses a default mapping tool and database tailored to its activities and developed on the basis of business line processes. This database is the standard framework used to catalog incidents and risky situations, and for monitoring corrective action plans based on the methods deployed by Natixis.

3.11 Sensitive exposures

(These data form an integral part of the Statutory Auditors' report on the condensed consolidated interim financial information.)

Natixis was exposed to the following risks at June 30, 2016.

Exposure to monoline insurers

Value adjustments increase by €6 million during 2016 (excluding the effect of the BPCE guarantee) to €112 million at June 30, 2016, versus €106 million at December 31, 2015.

	Data at 06.30.2016			**Data at 12.31.2015**		
(in millions of euros)	**Notional amount**	**Pre-value adjustment exposure**	**Value adjustments**	**Notional amount**	**Pre-value adjustment exposure**	**Value adjustments**
Protection for CLOs	89	5	-	124	7	(0)
Protection for RMBS	46	9	(1)	50	8	(1)
Other risks	2,083	413	(111)	2,364	431	(105)
TOTAL	**2,217**	**427**	**(112)**	**2,538**	**446**	**(106)**

(in millions of euros)	**06.30.2016**	**12.31.2015**
Pre-value adjustment exposure	427	446
Value adjustments	(112)	(106)
RESIDUAL EXPOSURE	**315**	**340**
Discount (%)	26%	24%

European RMBS

- NET EXPOSURE TO UK RMBS

(in millions of euros) **UK RMBS**	**Net exposure at 12.31.2015**	**Change in value in H1 2016**	**Other changes**	**Net exposure at 06.30.2016**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**C**
Trading book	4		4	8	2	5		1				
TOTAL	**4**	**-**	**4**	**8**	**2**	**5**		**1**				

- NET EXPOSURE TO SPANISH RMBS

(in millions of euros) **Spanish RMBS**	**Net exposure at 12.31.2015**	**Change in value in H1 2016**	**Other changes**	**Net exposure at 06.30.2016**	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**
Trading book	13		(2)	11		10	1					
TOTAL	**13**	**0**	**(2)**	**11**		**10**	**1**					

CMBS

(in millions of euros) **CMBS**	**Net exposure as at 12.31.2015**	**Change in value in H1 2016**	**Other changes**	**Net exposure as at 06.30.2016**
Trading book	3		(3)	-
TOTAL	**3**	**0**	**(3)**	**0**

Exposures to countries receiving financial assistance

At June 30, 2016 exposures to sovereign risk in countries receiving financial aid or facing uncertainties (political, currency, etc.) were as follows:

	06.30.2016 (1)				12.31.2015 (1)			
(in millions of euros)	Sovereign securities	Derivatives (2)	Other	Total	Sovereign securities	Derivatives (2)	Other	Total
Spain*	776	6	3	**785**	1,076	5	4	1,085
Greece*	2			**2**	0			0
Ireland*	128			**128**	172			172
Portugal*	106			**106**	109			109
Russia	2	3	6	**11**	14	2		16
Ukraine				**0**				0
Venezuela	29	2	75	**106**	33	(30)	58	61
TOTAL	**1,044**	**11**	**84**	**1,139**	**1,404**	**(23)**	**62**	**1,443**

(*) Countries which benefited from European Union financial assistance.
(1) Excluding corporates.
(2) Including credit derivatives.

At June 30, 2016 exposure to non-government risk, in particular Greece and countries facing uncertainties (political, currency, etc.), directly held by Natixis stood as follows:

(in millions of euros)	Gross exposure at June 30, 2016 (1)			Total gross exposure	Provisions (2)	Net exposure at June 30, 2016	Gross exposure at December 31, 2015 (1)			Total gross exposure	Provisions (2)	Net exposure at Dec. 31, 2015
	Bank	Asset financing and structured transactions	Corporate				Bank (**)	Asset financing and structured transactions	Corporate			
Greece(*)(3)	11	232	64	307	(62)	245	36	234	22	291	(59)	232
Russia	761	666	743	2,170	(31)	2,139	474	985	683	2,143	(31)	2,112
Ukraine	2	130	23	155	(20)	134	3	173	12	188	(18)	169
Venezuela				0		-				0		-
Total	**774**	**1,027**	**830**	**2,631**	**(113)**	**2,518**	**513**	**1,392**	**717**	**2,622**	**(108)**	**2,513**

(*) Countries receiving financial aid from the European Union.
(**) Amounts adjusted to December 31st, 2015.
(1) Gross exposure: gross carrying amount on the balance sheet at June 30, 2016 and December 31, 2015.
(2) Individual and collective provisions.
(3) Exposure corresponds mainly to the "shipping finance" sector amounting to €138 million at June 30, 2016 versus €145 million at December 31, 2015.

IV SECTION 4: OVERVIEW OF THE FISCAL YEAR

4.1 Interim Management Report as of June 30, 2016

4.1.1 Note on methodology

In accordance with European regulation 809/2004 relating to information contained in prospectuses, the financial statements for the year ended June 30, 2014, that were published in the 2014 update of the registration document filed with the AMF on August 6, 2015, are incorporated for reference into this registration document.

The **presentation of the divisions in 2016** is unchanged relative to December 31, 2015.

In 2016 the allocation of the cross-business functions' expenses to the SFS division was reviewed to more accurately reflect the functions' contribution to the division. Accordingly, the Corporate Center and SFS expenses were calculated on a pro forma basis in respect of 2015.

Assessment of business line performances

The earnings of the Natixis business lines have been presented in accordance with Basel 3 regulations.

Capital is allocated to Natixis business lines on the basis of 10% of their Basel 3 average risk-weighted assets.

Capital allocation specific to the insurance businesses is based on the Basel 3 accounting treatment for investments in insurance companies, as stated in the CRD4 and CRR ("Danish compromise"). The capital allocated to CEGC takes into account its exclusion from the "Danish compromise". It is based on a 250% risk weighting of the value of the structure's securities, which is the prudential treatment under the threshold mechanism applied to the holding of capital instruments issued by financial entities.

The conventions applied to determine the earnings generated by the various business lines are as follows:

- the business lines record the return on regulatory capital allocated to them; By convention, the rate of return on normative capital remained at 3%;
- the return on share capital of the entities comprising the divisions is eliminated;
- as of 2016, the cost of Tier two debt subordination, previously assigned to the Corporate Center, is now charged to the divisions pro rata to their regulatory capital;
- the divisions are invoiced for an amount representing the bulk of Natixis' overhead. The uninvoiced portion accounts for less than 3% (excluding Single Resolution Fund) of Natixis' total overhead. The Single Resolution Fund (SRF) contribution is covered by the Corporate Center and is not charged back to the divisions.

The valuation of the issuer spread is recognized under the Corporate Center.

Deeply Subordinated Notes (DSNs) are classified as equity instruments, while interest expense on these instruments is not recognized in the income statement.

ROE and **ROTE** for Natixis and the business lines are calculated as follows:

- the result used to determine **Natixis' ROE** is net income (Group share), from which DSN interest expense is deducted, net of tax effects. The equity used is average annual shareholders' equity (Group share) under IFRS, after distribution of dividends, excluding average hybrid debt, eliminating unrealized or deferred gains and losses recognized in equity;
- the calculation of **business line ROE** is based on:

- as the numerator, the business line's pre-tax profit, as per the aforementioned rules, to which a normative tax is applied. This traces the business line's average tax conditions and is updated at the start of every fiscal year;
- as the denominator, regulatory capital, calculated on the basis of 10% of RWA assigned to the division, plus goodwill and intangible fixed assets related to the business line. Regarding Investment Solutions, as of 2016 a deferred tax liability related to goodwill is recognized following a change in accounting treatment in 2015.

- **Natixis' ROTE** is determined using, as the numerator, net income (Group share) minus interest paid on DSNs net of tax. The equity used is average annual shareholders' equity (Group share) under IFRS, after distribution of dividends, excluding average hybrid debt, average intangible fixed assets and average goodwill.

In summary, pro forma calculations were performed on 2015 data relative to the charging of certain cross-business function expenses to the SFS division.

4.1.2 Key events for the period

Over the first half of 2016, Natixis was impacted by the ongoing decline of long-term interest rates and the flattening of the yield curve, in a context of highly accommodating monetary policies and the market's aversion to risk. The equity markets remained highly volatility, the result of the UK referendum at the end of the period having taken its toll on the European indices.

Against this backdrop, Natixis continued to roll out New Frontier – a strategic plan aimed at turning Natixis into an entirely client-focused bank that offers high value-added financial solutions. In the first half of 2016, the plan achieved a milestone with the acquisition of 51% of the New York-based Peter J. Solomon Company, an independent consultancy specialized in mergers and acquisitions, capital structure and restructuring.

Natixis also bolstered its positions on its core businesses and continued to expand the operations of its main business lines, which cater to both the BPCE networks and its own clientele.

In mid-March 2016, **Corporate & Investment Banking** announced its plans to set up a new organization to improve customer support through enhanced strategic dialog, make headway in its originate-to-distribute model roll-out, and step up the international development of its business lines.

By the end of the project, Corporate & Investment Banking will have created two new business lines:

- **Global Finance,** incorporating the business lines Global Energy & Commodities, Aircraft, Export and Infrastructure Finance, and Real Estate Finance, the syndication for these three areas of expertise and, lastly, Portfolio Management;
- **Investment Banking**, incorporating the business lines Strategic Equity Transactions (operating as a joint venture with the Global Market business lines), Strategic Financing & Acquisitions, Capital & Rating Advisory, Primary Equity Markets, and Corporate Loan Structuring.

In the first half of 2016, Natixis consolidated its positioning on the primary bond market, the equity capital market and in structured financing:

- No. 1 bookrunner in France for capital increases by number of deals (*source: Bloomberg);*
- No. 1 bookrunner on the French EUR primary bond market *(source: Dealogic*);
- No. 2 bookrunner for real estate finance in the EMEA region (*source: Dealogic*);

- No. 3 in mergers and acquisitions advisory services in France by number of deals concluded in the first half of 2016 (*sources: Mergermarket/Dealogic*).

Natixis is recognized by its clients for the quality of its **research**: its credit research was awarded for the fifth year running and ranked "Best Credit Research" in 2016 in three categories (agencies and supranational issuers, covered bonds and utilities) in Europe (*source: Euromoney – Fixed Income Research Survey 2012, 2013, 2014, 2015 and 2016*). Natixis was also named "Commodities Research House of the Year" (*source: Energy Risk Awards 2016*), while its equity research was ranked No. 2 in France (*source: Thomson Reuters Analyst Awards 2016*). These awards honor to the expertise of Natixis' teams and their commitment to their clients.
For the second consecutive year, Natixis was recognized for its equity derivative solutions in the insurance sector in the EMEA region (*source: Structured Retail Products - 2016 European Structured Products Awards: Best Insurance Deal in EMEA for 2016*). The award highlighted a transaction carried out on behalf of a well-known insurance company, and recognized the expertise of the financial engineering, sales and trading teams and their understanding of customer requirements.
Corporate & Investment Banking made notable achievements in the first half of 2016, in line with the Bank's development strategy.

- **In addition, Natixis pursued the international development:**
  - of its primary bond franchise:
    - in the covered bonds segment, namely with the first EUR bond issue carried out for Singaporean bank **UOB**, and the first covered bond issue in Turkey for **Vakifbank**;
    - in USD bond issues, namely with the $2.5 billion USD bond issue for the **Sultanate of Oman** (the first issue since 1997);
  - in Asia:
    - with the launch of the Global Structured Credit & Solutions (GSCS) activity, its first transaction a capital call facility for a south-east Asian private equity fund. Natixis now offers global coverage in this type of product (from origination to structuring);
    - with the expansion of its sales force for Japan, Taiwan and Korea, in step with the continued growth of the business,
    - with the expansion of the infrastructure platform in Asia (already well established in Europe) and in aircraft assets, by signing two new cooperation agreements with top South Korean institutional investors (**KB Insurance Co. Ltd.** and **Samsung Life Insurance Co. Ltd / Samsung Asset Management Co. Ltd**) on a co-investment deal in infrastructure and aircraft debt vehicles originated by Natixis;
  - in the Americas:
    - in Latin America, a representative office was opened in Colombia;
    - strong levels of business activity in corporate loan securitization in the United States.

In mergers and acquisitions, and as previously stated, a 51% stake in Peter J. Solomon Company was acquired. The deal gives Natixis' M&A business entry into the US market and follows on from the acquisitions of Leonardo & Co. (now Natixis Partners) and 360 Corporate in Spain (now Natixis Partners España).

- **In equity derivatives, efforts to develop retail and institutional investor solutions continued:** Natixis extended its range of NXS indices and developed new value-added investment solutions in collaboration with the leading index providers (Euronext, STOXX, FTSE, Standard's & Poors). The Bank and Swiss Life Asset Managers also designed the fund Swiss Life Funds (LUX) Equity Global NXS Protect. Offering optimized exposure to international equity markets, the fund will help institutional investors meet their economic and regulatory priorities.

- **The Bank strengthened its support framework for mid cap clients** and organized in early 2016, in partnership with EnterNext, a training session on IPOs for its innovative and high-growth European corporate clients.

- **The Bank continued to develop its "cross-expertise" research** that combines equity, credit and economic research analysis into a single theme to provide clients with comprehensive market insights.

- **Lastly, Natixis played a leading role in a number of headline deals:**
  - equity capital markets: Natixis acted as global coordinator and joint bookrunner for a non-dilutive convertible bond issue of $600 million for **LVMH**, as well as a capital increase for **Vallourec** via an offering of preferential subscription rights (PSR) for an amount of €480 million.
  - mergers and acquisitions: Natixis acted as financial adviser to the Board of Directors of **Casino** as part of the sale of its stake (59%) in Big C Supercenter PCL (listed in Thailand) to the Thai conglomerate TCC, and as exclusive financial adviser to **Vivendi** for its acquisition of a 15% equity stake in Fnac, and to **Groupe PSA** for its acquisition of an equity stake in the innovative start-up Koolicar.
  - primary bond market: Natixis is consolidating its place as a key player on the primary market for euro-denominated bonds with all issuer types, with proven expertise in areas including covered bonds, green bonds and Euro PPs. Landmark deals included: **Salini Impregilo**'s exchange offer of a 2018 6.125% bond issue in exchange for a new five-year €300 million investment grade bond, with Natixis acting as active bookrunner; the issue of a €400 million high-yield bond for **Tereos**, with Natixis acting as global coordinator; and a Tier two subordinated bond issue for **Axa** for an amount of €1.5 billion, with Natixis acting as joint bookrunner.
  - securitization: Natixis acted as bookrunner for **Towd Point Mortgage Funding 2016 GR1** in what was the biggest UK prime residential mortgage loan securitization deal since the recession. In the US, Natixis acted as sole arranger and sole bookrunner for the **KKR CLO 14 Ltd** $508 million deal for asset manager KKR Fi.
  - acquisition financing: Natixis arranged large-scale cross-border deals by working with Chinese group ChemChina on two acquisitions in Europe: that of Swiss agrochemical company **Syngenta** (MLA bookrunner of €12.7 billion in financing) and of German company **KraussMaffei** (MLA bookrunner of €925 million in financing), the world leader in plastic material transformation equipment. Further afield, Natixis arranged several leveraged buyouts for private equity funds: it finalized the financing for Pacific Equity Partners' acquisition of **Academic Colleges Group**, marking a turnaround of the activity in Australia, and pursued its impressive growth in Scandinavia by arranging Nordic Capital's financing to acquire **GreenFood**.
  - infrastructure financing: Natixis extended its co-investment model in infrastructure debt vehicles to aircraft assets and Asia to allow four Korean investors to participate in the funding of the **Rabigh 1** thermal power station in Saudi Arabia. Natixis also consolidated its position in wind turbine infrastructure (No. 1 in offshore wind turbines in Europe in 2015, source: IJ Global) by arranging the **Beatrice** deal, an installation off the UK coast (£2.6 billion).
  - aircraft financing: Natixis confirmed its leading role on the global market of aircraft finance by arranging the financing ($646 million) of a 22 aircraft fleet for Hong Kong-based aircraft leasing company **Goshawk Aviation Limited**, and by assisting the launch of new French airline **French Blue** by financing its first aircraft.
  - Real estate finance: Natixis was very active in real estate financing in Europe (€300 million in mortgage refinancing of 11 office blocks in Paris for Foncière des Régions, €384 million in financing of a pan-European portfolio of 85 hotel assets for Eurazeo & Accor) and in the US

($285 million in financing [Hersha-Cindat NYC Hotel Portfolio] for seven hotels located Manhattan, and $120 million in refinancing for retail properties [Plaza Mexico] located in Lynwood, California).

As for Investment Solutions, the business highlights of Natixis Global Asset Management (NGAM) in the first half of the year were:

- The sale in early January of NGAM's 50% stake in Capital Growth Management (CGM) in the US.
- The sale in early January of NGAM's entire stake in Snyder in the US.
- Natixis and La Banque Postale's announcement at the end of February that they would be negotiating the terms of a merger of their real estate asset management companies AEW Europe and Ciloger (La Banque Postale). The merger would strengthen AEW Europe's position as one of the European leaders in real estate management, with combined assets under management in excess of €23 billion. The new structure would also be the third biggest player on the French consumer market. In the run-up to the merger, NGAM acquired a 40% stake in AEW Europe previously held by CDC, taking NGAM's stake from 60% to 100% in the second quarter of 2016. In the next phase of the deal, La Banque Postale will acquire a 40% stake in AEW Europe in exchange for the transfer of Ciloger by the end of 2016, subject to regulatory approval.
- The decision announced in April to close Aurora in the US.
- The increase in NGAM's stake in DNCA&Cie following the NGAM's purchase in the second quarter of a portion of the shares held by DNCA's managers in the company. NGAM now holds 74.4% of DNCA&Cie (71.0% at end-2015).
- NGAM's purchase in April 2016, in accordance with the acquisition protocol, of an additional 10% in the capital of Euro Private Equity. NGAM now holds 80% of its share capital.

In **Insurance**, in keeping with the Assurément#2016 schedule, the new life and personal protection insurance products were rolled out to the Caisse d'Epargne network at the end of January 2016. The first phases have been successfully completed, and the Caisses d'Epargne will offer the Natixis Assurances product range from October, making Natixis Assurances the exclusive insurer of new business generated by the network on these products. In parallel, the new BPCE-CNP partnership agreements came into effect in January 2016. Accordingly, the business has agreed to a quota-share reinsurance agreement at 10% of "Caisse d'Épargne" life insurance insured by CNP as at December 31, 2015 (€11.7 billion). Furthermore, BPCE Vie will co-insure 34% of new business generated on collective payment protection contracts distributed by the BPCE networks of which CNP is now the lead insurer.

Specialized Financial Services business lines continued to grow due to synergies with BPCE networks. They also maintained their strict control of operating expenses and use of scarce resources while implementing a strategy based on operational efficiency and innovation.
Also noteworthy is the integration of the SFS division into the company Midt Factoring (previously under Financial Investments) as of January 1, 2016.

The development of the three core businesses went hand-in-hand with strict financial management:

- liquidity needs remained contained over the first half of 2016 and posted a moderate 3% increase year-on-year;
- the consumption of Basel 3 RWA was down 2% year-on-year to €112.9 billion.

After factoring in a dividend forecast based on a rate of 50% of distributable net income, the ratios stood at follows:

- Natixis' CET1 regulatory ratio was at 11.1% at June 30, 2016 versus 11.0% at December 31, 2015.
- the CET1 ratio (full except DTAs) was at 11.3% at June 30, 2016 versus 11.2% at December 31, 2015.
- pro forma of the acquisition of PJSC (at December 31, 2015) and the application of a 40% phase-in rate of deferred taxes on tax loss carry forwards, it stood at 11.0% versus 10.6% at December 31, 2015.

Finally, at Natixis' General Shareholders' Meeting on May 24, 2016, a resolution was made to pay a dividend of €0.35 per share, equivalent to an ordinary dividend of €0.25 per share and a special dividend of €0.10 per share.

4.1.3 Consolidated results

Natixis				
(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change 2016/2015**	**(**)**
Net revenues	**4,274**	**4,491**	**– 4.8%**	**– 4.8%**
o/w Businesses (*)	***4,346***	***4,399***	***– 1.2%***	***– 1.2%***
Expenses	– 3,127	– 2,984	4.8%	4.8%
Gross operating income	**1,147**	**1,507**	**– 23.8%**	**– 23.8%**
Provision for credit losses	– 176	– 141	+24.5%	
Net operating income	**971**	**1,365**	**– 28.9%**	
Associates	14	22	– 35.7%	
Gains or losses on other assets	60	– 30		
Change in value of goodwill	– 75	0		
Pre-tax profit	**970**	**1,357**	**– 28.5%**	
Tax	– 383	– 551	– 30.5%	
Non-controlling interests	– 6	– 69	– 91.0%	
Net income (Group share)	**581**	**737**	**– 21.2%**	
Cost/income ratio	*73.2%*	*66.5%*		
Equity (Average)	*16,332*	*16,693*		
ROE	*6.7%*	*8.5%*		
ROTE	*8.4%*	*10.7%*		

(*) Core businesses and financial investments
(**) At constant exchange rates

Analysis of changes in the main items comprising the consolidated income statement

NET REVENUES

There was virtually no exchange rate effect in the first half of 2015 and the first half of 2016. Comments are established on the basis of current exchange rates.

Natixis' net revenues came to €4,274 million at June 30, 2016, down 4.8% on June 30, 2015. Revaluation of own senior debt accounted for -€26 million in net revenues during the first half. The return of foreign currency DSNs to the historic exchange rate weighed -€7 million on the first half of the year.

Net revenues generated by the business lines [(1)] was down 1.2% on the first half of 2015 to €4,346 million. All of the core businesses posted increased revenues on the whole, with +1% for Corporate & Investment Banking, a slight decrease of 1% for Investment Solutions and a 4% decrease for the SFS division. Net revenues from Financial Investments fell sharply, down -20%.

The **Corporate Center's net revenues** came out at -€39million in the first half of 2016 (excluding issuer spread and the return of foreign currency DSNs to the historic exchange rate).

(1) Core businesses and financial investments.

Meanwhile, revenue synergies achieved with the BPCE networks were in line with the strategic plan's linearized targets.

OPERATING EXPENSES AND HEADCOUNT

Recurring expenses of €3,127 million were up 4.8% on the first half of 2015. Costs increased 4% for the Corporate & Investment Banking and SFS divisions, while the Investment Solutions division’s expenses were down slightly by 1%. Financial Investments expenses were down by 9%. The expenses of the Corporate Center increased substantially to €204 million in the first half of 2016, versus €100 million in the first half of 2015, due to the impact of a larger contribution to the Single Resolution Fund.

Headcount at the end of the period stood at 20,575 FTE, down 1% year-on-year. The higher headcount in the core businesses (+3%) was offset by a lower headcount in Financial Investments (-10%), while the headcount of the Support Departments was stable.

GROSS OPERATING INCOME

Gross operating income stood at €1,147 million at June 30, 2016, down 23.8% versus June 30, 2015.

PRE-TAX PROFIT

The **provision for credit losses** was €176 million at June 30, 2016, up 24.5% compared to the first half of 2015. The provision for credit losses of core businesses as a percentage of assets amounted to 41 basis points at June 30, 2016 versus 38 basis points at June 30, 2015.

Gain or loss on other assets totaled €60 million at June 30, 2016. In the first quarter this item includes gains related to the sale of CGM and Snyder entities to Asset Management and Altus within Financial Investments, and in the second quarter, gains related to the sale of an apartment block to CEGC (€31 million). In the first half of 2015 this item posted an impairment loss of €30 million relating to the business activities of CDS (Corporate Data Solutions).

Change in the value of goodwill recorded an impairment loss of €75 million on the goodwill of Coface.

Pre-tax profit therefore amounted to €970 million at June 30, 2016 versus €1,357 million at June 30, 2015.

RECURRING NET INCOME (GROUP SHARE)

The recurring **tax** expense came to €383 million at June 30, 2016. The effective tax rate was 37.2% at June 30, 2016.

After incorporating -€6 million in **non-controlling interests**, **recurring net income (Group share)** amounted to €581 million.

Consolidated management ROE after tax was 8.3% at June 30, 2016 (excluding the IFRI21 impact and non-recurring items), giving an accounting ROE of 6.7%.

4.1.4.1 Investment Solutions

Investment Solutions				
(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change 2016/2015**	**(*)**
Net revenues	**1,656**	**1,669**	**– 0.8%**	**– 0.8%**
Asset Management	*1,249*	*1,272*	*– 1.8%*	*– 1.9%*
Private Banking	*67*	*70*	*– 3.3%*	*– 3.3%*
Private Equity funds	*18*	*31*	*– 42.2%*	*– 42.2%*
Insurance	*322*	*296*	*+8.8%*	*+8.8%*
Expenses	– 1,169	– 1,159	+0.9%	+0.9%
Gross operating income	**487**	**510**	**– 4.5%**	**– 4.5%**
Asset Management	*339*	*347*	*– 2.3%*	*– 2.3%*
Private Banking	*– 2*	*2*		
Private Equity funds	*14*	*27*	*– 47.0%*	*– 47.0%*
Insurance	*136*	*134*	*+1.3%*	*+1.3%*
Provision for credit losses	0	– 1		
Pre-tax profit	**509**	**518**	**– 1.6%**	
Cost/income ratio	*70.6%*	*69.4%*		
Equity (Average)	*4,366*	*4,034*		
ROE	*13.9%*	*16.2%*		

(**) At constant USD exchange rates

Investment Solutions revenues were down slightly (0.8%) in the first half of the year to €1,656 million.

Expenses increased by a moderate 0.9%.

Gross operating income fell 4.5% to €487 million.

The **division's ROE** was 13.9%, down 2.2% from the first half of 2015.

A ASSET MANAGEMENT

At December 31, 2015, Natixis Global Asset Management was ranked 16th largest asset manager in the world by Cerulli Associates (ranked 17th in the previous financial year).

NGAM achieved a number of distinctions over the last six months. The main awards are detailed below.

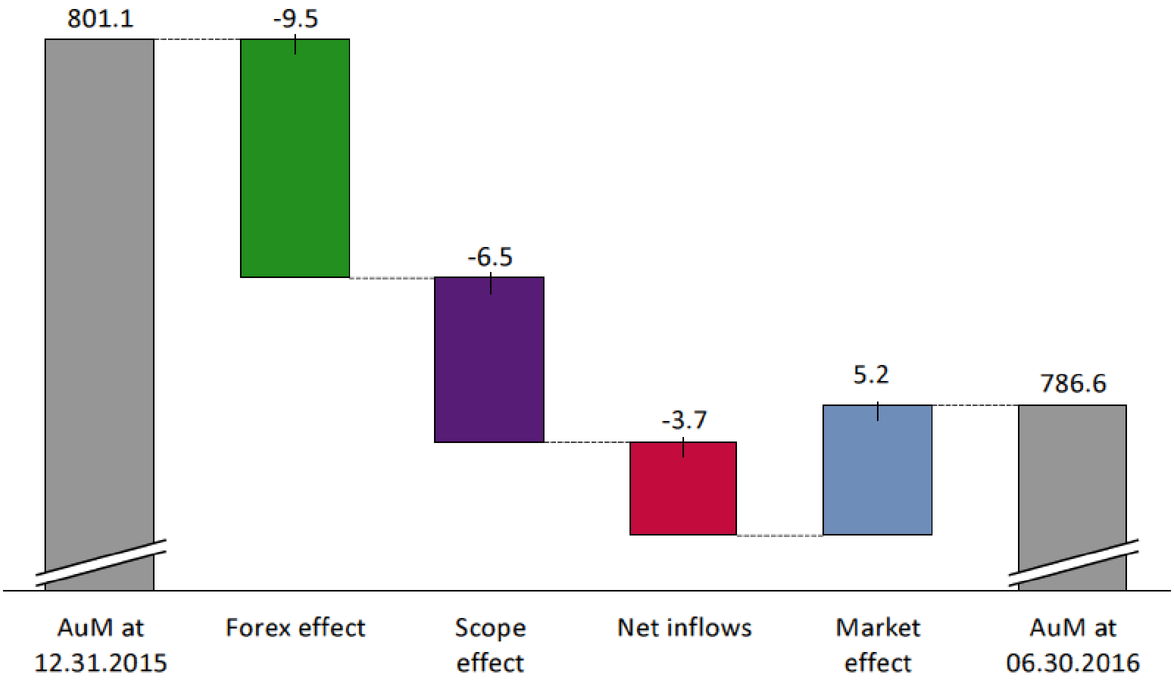
- Lipper Fund Awards: in the US, ASG won a Lipper award, while in Europe DNCA (four awards), H_2O (three awards), Dorval and VEGA IM (one award each) were awarded.
- Alpha Simplex received a CTA Intelligence US Performance Award for its Alpha Simplex Managed Futures Fund.
- NAM, DNCA Finance and Dorval were awarded *Mieux Vivre Votre Argent* certifications: NAM's Natixis Actions US Growth and DNCA's Gallica mutual funds received the Excellence certification

(five-year performance), while the Performance certification (five-year performance) was awarded to Dorval AM's Dorval Manageurs C and Dorval Convictions PEA funds, DNCA Finance's Eurose C fund, and Natixis Asset Management's Natixis Souverains Euro R and AAA Actions Agro-Alimentaire funds.

- Natixis Global Asset Management US Distribution was jointly named Advisory Solutions Established Manager of the Year with the Managed Portfolios Advisers (MPA) team in San Francisco during Money Management Institute (MMI)'s annual Industry Leaders award ceremony.
- Natixis Asset Management, H_2O Asset Management and DNCA were recognized at the 2016 European Funds Trophy: NAM was named Best French Asset Management Company in the "101 to 200 rated funds" category; H_2O was named Best European Asset Management Company in the "4 to 7 rated funds" category, DNCA was named Best Multi-Country Asset Management Company in the "16 to 25 rated funds" category and Best European Asset Management Company on the long term (7 years) in the "8 to 15 rated funds" category.
- The 2016 edition of the EXTEL survey conducted on professionals in the finance sector ranked Natixis Asset Management No. 2 (out of 64) in the French Asset Management Companies category.
- Mirova was awarded the AGEFI "Actif d'Or de la Performance" prize for its Actifs Impact ES Obligation Euro fund.
- At the *Le Revenu* magazine awards, the Mirova Ecureuil Bénéfices Environnement and NAM AAA Actions Agro-Alimentaire funds received the Gold Trophy for best sector-based equity range over three years (network banks category).
- At the Pyramides de la Gestion de Patrimoine awards held by *Investissement Conseils* magazine, DNCA was received the CGPI award while the H_20 Multibonds fund received the International Bonds award for its performance over five years.
- At the 2016 Morningstar Awards, DNCA was named Best European Equity Fund.

Assets under management at June 30, 2016 totaled €786.6 billion, down €4.9 billion on December 31, 2015 at constant exchange rates, due to net outflows of -€3.7 billion (-€9.9 billion in the US and +€6.7 billion in Europe), a positive market effect of €5.2 billion and the net outflow of €6.5 billion in assets under management at Aurora (-€2.8 billion), Capital Growth Management (-€2.7 billion) and Snyder (-€1.4 billion).

CHANGE IN ASSETS UNDER MANAGEMENT OVER THE SIX-MONTH PERIOD (IN BILLIONS OF EUROS)



Net outflows came to €3.7 billion and was uneven across the regions:

- the US posted net outflows of €9.9 billion, mainly from Harris on equity products (Loomis saw slightly positive inflows, and net outflows on bond products largely offset by net inflows on equity products);
- Europe recorded net inflows of €6.7 billion driven by NAM (€4.0 billion) and, to a lesser extent, AEW Europe (€0.9 billion), DNCA (€0.7 billion) and Mirova (€0.6 billion).

Average assets under management were €770.9 billion at the end of the first half of 2016, down 1.4% on the first half of 2015.

The average rate of return on assets under management was 28.5 bp, up from 28.1 bp in the first half of 2015.

Bond products, insurance products and equity products remained predominant in the product mix at the end of June 2016 (31%, 25% and 20%, respectively).

At June 30, 2016, **net revenues** were €1,249 million, down 2% on June 30, 2015, due to the concentration of incentive fees in Europe Q1-2016, and the decline in other revenues (sale of Reich & Tang in Q3-2015). Fees on assets under management dipped slightly, the decline in the US offset by Europe which was boosted by DNCA's inclusion in the scope.

B INSURANCE

Nearly all insurance branches posted very strong sales momentum in the first half of 2016.

With €3.1 billion in premiums, Life Insurance **inflows** gained 44% on the first half of 2015 following the approval of 10% of Caisse d'Epargne's life insurance insured by CNP (€538 million, excluding approval of opening AuM). Unit-linked policy premiums were up 42% to €619 million, making up 20% of total gross inflows. Inflows invested in the "Euro" fund increased by 45% to €2.4 billion.

The growth recorded in **Provident and Payment Protection insurance** premiums (€382 million, up +9.3% on the first half of 2015) was driven mainly by the ADE business whose premiums increased by 11%. This trend varied from network to network; the growth of the Banque Populaire network (+18%) was markedly higher than that of the Caisse d'Epargne network (+3%). Individual provident insurance premiums increased 4% (€87 million at June 30, 2016).

Operating on mature and highly competitive markets, the **Property and Casualty insurance** business continued to benefit from France's Hamon Act, and gained low-growth market shares: the 648,614 new policy subscriptions represented a 5% increase on the already satisfactory results of the first half of 2015. Earned premiums on Property and Casualty Insurance across the BP and CE networks were up 8.5% to €629 million, driven by growth on Multi-Risk Home Guarantees and Automotive Guarantees.

Despite a climate of falling interest rates and severe weather events in the second quarter, **net revenues of the insurance businesses** totaled €322 million, up 9% on 2015, owing to:

- strong net revenue growth in Life Insurance (€123 million, +25%), supported by rapid growth in assets (+5% excluding CNP approved AuM, +32% including the €11.7 billion in CNP approved AuM). Moreover, the revenues generated from the "Equity" portfolios and the company diversification in interest rate assets partially offset the dilution observed in yields on "vanilla" debt instruments.
- robust net revenue growth (+6% to €79 million) in Provident insurance and especially in Payment Protection insurance, driven by significant growth in premiums without a major deviation in claims;
- stable Property & Casualty Insurance revenue (€124 million, +0%), largely on account of the impact of severe weather events in the second quarter on the combined ratio of the multi-risk home insurance business. The overall combined ratio was up slightly at 92.8%, the deterioration of the multi-risk home combined ratio largely offset by the improvement of the Automotive combined ratio.

C PRIVATE BANKING

Private Banking posted **net inflows** of €1.0 billion in the first half of 2016. Inflows continued to be driven by the BPCE private banking networks, the excellent showings in wealth management, and the CGPI Sélection 1818 platform.

Assets under management totaled €28.5 billion at June 30, 2016, up 5% on the first half of 2015 by net inflows.

Net revenues from Private Banking totaled €67.4 million, up 3% from the first half of 2015.

4.1.4.2 Corporate & Investment Banking

Corporate & Investment Banking				
(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change 2016/2015**	**(*)**
Net revenues	**1,668**	**1,648**	**+1.2%**	**+1.2%**
Commercial Banking	*163*	*189*	*– 13.8%*	*– 13.8%*
Structured Financing	*551*	*588*	*– 6.4%*	*– 6.4%*
Capital Markets	*969*	*878*	*+10.3%*	*+10.3%*
Fixed Income & Cash Management	659	571	+15.3%	+15.2%
Equities	310	307	+1.1%	+1.1%
Other	*– 14*	*– 7*	*+90.1%*	*+90.1%*
Expenses	– 994	– 951	+4.5%	+4.4%
Gross operating income	**675**	**697**	**– 3.1%**	**– 3.1%**
Provision for credit losses	– 124	– 105	+18.2%	
Pre-tax profit	**558**	**601**	**– 7.1%**	
Cost/income ratio	*59.6%*	*57.7%*		
Equity (Average)	*6,854*	*7,515*		
ROE	*11.0%*	*10.6%*		

(*) At constant exchange rates

In the first half of 2016, Corporate & Investment Banking's **net revenues** were €1,668 million, up 1.2% from the first half of 2015.

At €163 million, **Commercial Banking** revenues were down 14% at current exchange rates. The 2015 first-half results included income from two sales for a total amount of €15 million. Restated for this income, revenues shed 6% due to pressure on margins in both Corporate vanilla Finance and Trade Finance activities, combined with the strict management of portfolio assets.

At €551 million, revenues from **Structured Financing activities** were up to 6% at current exchange rates from the first half of 2015. New loans had a difficult start to the year due to unfavorable market conditions. This was especially the case for commodity financing activities after the oil price hit a low of less than $30 a barrel at the end of January. Business picked up in the second quarter on the back of acquisition and real estate financing in the EMEA region. In addition, following two landmark deals in Asia the Aerospace business posted 23% growth in its revenues compared to the first half of 2015.

Capital market revenues totaled €969 million at June 30, 2016, up 10% compared to the first half of 2015.

Revenues from **Fixed Income, Forex, Credit, Commodities and Cash Management activities** were €659 million in the first half of 2016, up 15% from the first half of 2015. The following changes were observed in each segment:

- revenues from **Fixed Income and Forex** activities were up 27% to €332 million, a performance largely owed to Fixed Income activities which rose 42% to €182 million thanks to vibrant business activity in Asia;
- revenues from **Credit** activities were up 15% from the first half of 2015 to €227 million, spurred by the continued growth of the securitization and loan activities, and the development of the Solutions business in the secondary credit segment, which fared poorly in the first half of 2015. The primary activity was stable compared to the first half of 2015 after a strenuous start to the year that saw one market closed until mid-February and the intervention of the ECB.

At €310 million, **Equities** activities gained 1% year-on-year, driven by the **M&A** franchise whose revenues tripled over the year after the integration of the Natixis Partners subsidiary in France. In the **Equity Derivatives** segment, the performance of the Solutions business, up 88% year-on-year, offset the shortfalls observed in the Equity Finance and Flow activities.

In the first half of 2016, Corporate and Investment Banking's **expenses** amounted to €994 million, up 4.5% from the first half of 2015.

Gross operating income totaled €675 million, down 3% from the first half of 2015. The **cost/income ratio** for the first half of 2016 was 59.6%. Restated for IFRIC 21 impacts, the cost/income ratio for the first half of 2016 is 58.3%, a 1.9% rise from the first half of 2015 (56.4%).

At €124 million, the **provision for credit losses** increased 18% compared to the first half of 2015, concentrated to a limited number of corporates and to the oil sector.

On the basis of average risk-weighted assets (RWA), the **equity allocated** to Corporate & Investment Banking totaled €6.9 billion in the first half of 2016, down by nearly €0.7 billion on the back of strict management of RWAs.

ROE after tax was 11% in the first half of 2016, up 0.4% from the first half of 2015 (10.6%). Restated for IFRIC 21 impacts, ROE after tax in the first half of 2016 was 11.4%.

4.1.4.3 Specialized Financial Services

Specialized Financial Services			
(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change**
Net revenues	**684**	**659**	**+3.8%**
Specialized Financing	***425***	***395***	***+7.6%***
Factoring	*77*	*70*	*+9.6%*
Sureties & Financial Guarantees	*98*	*87*	*+12.0%*
Leasing	*109*	*97*	*+12.3%*
Consumer Financing	*131*	*131*	*– 0.3%*
Film Industry Financing	*11*	*9*	*+14.1%*
Financial Services	***258***	***264***	***– 2.0%***
Employee savings schemes	*67*	*67*	*– 0.3%*
Payments	*144*	*145*	*– 0.4%*
Securities services	*47*	*52*	*– 9.0%*
Expenses	– 446	– 429	+3.9%
Gross operating income	**238**	**230**	**+3.6%**
Provision for credit losses	– 29	– 34	– 13.3%
Pre-tax profit	**240**	**196**	**+22.4%**
Specialized Financing	***204***	***149***	***+36.6%***
Financial Services	***43***	***51***	***– 14.4%***
Cost/income ratio	*65.2%*	*65.1%*	
Equity (Average)	*1,628*	*1,691*	
ROE	*19.3%*	*14.9%*	

Specialized Financing sales activity remained solid, with earnings from sales up considerably from the first half of 2015. This growth is linked primarily to business with the BPCE networks, and to a lesser extent to business with its own customers.

As for the **Factoring** business, factoring revenues were up 22% from mid-2015, driven by an increase in Natixis' business customers and in the Caisse d'Épargne network.

Sureties and guarantees sustained its strong performance, with issued premiums up 5% from the already record levels of mid-2015. Despite a bearish market, the volume of guaranteed loans to retail customers remained solid owing to positive network momentum in real estate loans in a historically low interest rate environment that is conducive to high levels of refinancing.

Consumer Finance pursued the development of its revolving credit activities across the Banque Populaires banks and Caisses d'Épargne. At June 30, 2016, its outstandings were up 1% year-on-year to over €1.8 billion, a noteworthy contributing factor being the "Alerte dépassement" service launched in 2015. Average outstanding personal loans, administered by the business line but recognized in the network ledgers, totaled €17.2 billion in mid-2016, up 13% year-on-year.

New loans from **Equipment Leasing** posted an outstanding performance, up 36% year-on-year, taking outstandings at the end of the period up 2% to €11.6 billion.
Against this backdrop, net revenues from Specialized Financing activities came to €425 million, an 8% increase on the first half of 2015.

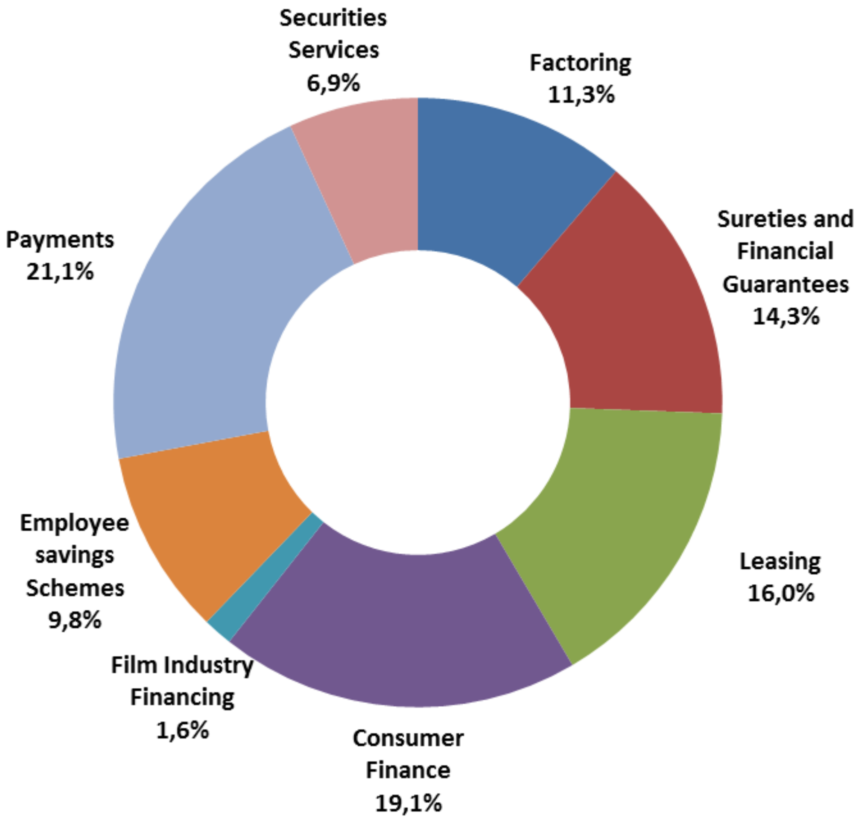
The performance of **Financial Services** was more contrasted.

In **Employee Savings Schemes**, the employee savings plan activity with the networks was strong in the first half of 2016. Assets under custody in collective pension plan (PERCO) rose 10% compared to the first half of 2015. Services vouchers continued to grow, with Chèque de Table® meal vouchers achieving market share of 16.3%, up 0.4% from mid-2015.

In the **Securities** business the number of transactions fell 28% compared to mid-2015 levels due to an environment that is persistently unfavorable to financial savings.

The **Payment** business continued to enjoy robust momentum in electronic banking, with clearing transactions up 9%.
In total, net revenues from Financial Services amounted to €258 million for the half-year period, a decline of 2% from the first half of 2015.

BREAKDOWN OF H1 2016 SFS NET REVENUES BY BUSINESS



The SFS division's **revenues** were €684 million, a rise of 4% from the first half of 2015. The **cost/income ratio** is stable 65.2%, thanks to a contained increase in expenses. **Gross operating income** came to €238 million, up 4% from the first half of 2015.

4.1.4.4 Financial Investments

Financial Investments			
(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change**
Net revenues	**338**	**423**	**– 20.2%**
Coface	*289*	*347*	*– 16.7%*
Corporate data solutions	*24*	*40*	*– 39.7%*
NPE	*– 3*	*– 2*	*+81.2%*
Natixis Algérie	*28*	*37*	*– 24.5%*
Ho Chi Minh	*0*	*1*	
Expenses	– 315	– 345	– 8.7%
Gross operating income	**23**	**78**	**– 70.8%**
Provision for credit losses	– 24	– 7	
Pre-tax profit	**– 65**	**43**	
Cost/income ratio	*93.2%*	*81.6%*	

A COFACE

Revenues for the first half stood at €717 million, down 5.7%. At constant exchange rates, the decrease came to 3.4% compared to the first half of 2015: credit insurance, making up 95% of revenues, fell 3.5% and factoring 1.5%.

The **loss ratio net of reinsurance** was 60.8% in the first half of 2016, compared to 52.0% in the first half of 2015, a deterioration of 8.8% due to an increase in claims in the emerging countries.

Net revenues in the first half of 2016 totaled €289 million, down 17% from the first half of 2015 and 15% at constant exchange rates.

Operating expenses were under control and shed 2% to €272 million (-0.2% at constant exchange rates).

B CORPORATE DATA SOLUTIONS

The business activities of Midt Factoring were transferred to the SFS division on January 1, 2016.

The business activities of Altus and HCP North America were sold at the end of March 2016 which generated a capital gain of €10.9 million.

At June 30, 2016 the Ellisphere entity and holding company are no longer part of CDS.

Net revenues in the first half of 2016 amounted to €24 million, up 6.4% from the first half of 2015 at constant scope (excluding Kompass, Midt Factoring and Altus).

At €22.9 million, Ellisphere's revenues were unchanged from first half 2015 levels, and its gross operating income was €1.1 million in the first half of 2016.

C NATIXIS PRIVATE EQUITY (NPE)

Natixis Private Equity continued its process of running off the main lines of its portfolio.

Compared to the first half of 2015, Natixis' share of commitments (or cash-at-risk) fell 13% to total €99 million at June 30, 2016.

Net revenues in the first half of 2016 was down €1.6 million to -€3.5 million compared to the first half of 2015.

D NATIXIS ALGÉRIE

At constant exchange rates, average loans outstanding for the first half of 2016 fell 9% from the first half of 2015, and off-balance sheet assets fell 14% due to the strict regulation of documentary credit assets. Customer deposits were up 10% in the same period.

Natixis Algérie posted a 24% decrease in **net revenues** on the first half of 2015 to €28 million. Excluding the exchange rate effect, net revenues were down 14%.

4.1.4.5 Corporate Center

Corporate Center

(in millions of euros)	**6M-2016**	**6M-2015 pro forma**	**Change**
Net revenues	**– 72**	**91**	
o/w Issuer Spread	*– 26*	*130*	
o/w Exchange rate fluctuations of DSNs issued in foreign currency	*– 7*	*24*	
Expenses	– 204	– 100	
Gross operating income	**– 276**	**– 8**	
Provision for credit losses	2	5	– 65.4%
Pre-tax profit	**– 272**	**– 0**	

Net revenues from the Corporate Center came out at -€72 million versus +€91 million at end-June 2015. Excluding issuer spread and exchange rate fluctuations of deeply subordinated notes issued in dollars, net revenues were -€39 million at end-June 2016 versus -€63 million at end June 2015.

Corporate Center **expenses** consisted of expenses that were not re-invoiced to the Natixis business lines. The Single Resolution Fund contribution is covered by the Corporate Center and came to €114 million in the first half of 2016 versus €48 million in the first half of 2015. Excluding this item, the expenses of the Corporate Center accounted for 3% of Natixis' total expenses.

Appendix to 4.1.3 – Consolidated Results

Reconciliation of management results to reported results.

Natixis (June 2016)

(in millions of euros)	**6M-2016 management excl. non-recurring items**	**Exceptional items**	**6M-2016 reported**
Net revenues	**4,307**	**– 33**	**4,274**
Expenses	– 3,127		– 3,127
Gross operating income	**1,180**	**– 33**	**1,147**
Provision for credit losses	– 176		– 176
Net operating income	**1,004**	**– 33**	**971**
Associates	14		14
Gains or losses on other assets	60		60
Change in value of goodwill	0	– 75	– 75
Pre-tax profit	**1,078**	**– 108**	**970**
Tax	– 395	11	– 383
Non-controlling interests	– 50	44	– 6
Net income (Group share)	**633**	**– 53**	**581**
Cost/income ratio	*72.6%*		*73.2%*

Natixis (June 2015)

(in millions of euros)	**6M-2015 management excl. non-recurring items**	**Exceptional items**	**6M-2015 reported**
Net revenues	**4,336**	**155**	**4,491**
Expenses	– 2,984		– 2,984
Gross operating income	**1,352**	**155**	**1,507**
Provision for credit losses	– 141		– 141
Net operating income	**1,211**	**155**	**1,365**
Associates	22		22
Gains or losses on other assets	– 0	– 30	– 30
Change in value of goodwill	0		0
Pre-tax profit	**1,232**	**125**	**1,357**
Tax	– 498	– 53	– 551
Non-controlling interests	– 69		– 69
Net income (Group share)	**665**	**72**	**737**
Cost/income ratio	*68.8%*		*66.5%*

4.1.4.6 Provision for credit losses

The **provision for credit losses** was -€176.2 million at June 30, 2016, of which -€150.5 million in respect of individual risk and -€25.7 million in collective provisions. At June 30, 2015, the provision for credit losses (excluding GAPC) totaled -€141.5 million.

Overall provision for credit losses by business

(in millions of euros)	06.30.2016	06.30.2015
Wholesale Banking	(124.3)	(105.2)
Investment Solutions	0.1	(0.5)
Specialized Financial Services	(29.0)	(33.6)
Financial Investments	(24.3)	(6.5)
Others	1.3	4.3
OVERALL PROVISION FOR CREDIT LOSSES	**(176.2)**	**(141.5)**

Overall provision for credit losses by geographic area

(in millions of euros)	06.30.2016	06.30.2015
Africa and the Middle East	(48.1)	(57.2)
Central and Latin America	45.5	(0.4)
North America	(65.4)	24.4
Asia-Pacific	(4.5)	(8.7)
Eastern Europe	6.0	(17.4)
Western Europe	(109.7)	(82.2)
OVERALL PROVISION FOR CREDIT LOSSES	**(176.2)**	**(141.5)**

4.1.4.7 Related parties

Financial information concerning transactions between related parties is provided in Note 8.4 to the interim consolidated financial statements presented in section 5.1 of the present updated version of the 2014 Registration Document.

4.2 Refinancing

SHORT-TERM REFINANCING

Following the key interest rate hike by the US Federal Reserve and the lowering of interest rates by the European Central Bank (ECB) in December 2015, monetary policies in the first half of 2016 were particularly accommodating in the face of fears raised by the emerging markets and the UK referendum on whether or not to leave the European Union.

In February 2016, the Bank of Japan set its excessive liquidity absorption rate into negative territory at -0.10%.
In March, the ECB announced a fresh decrease of its key interest rates, as well as an increase of its asset purchases from €60 billion a month to €80 billion a month, with the inclusion of the corporate sector in the program. The ECB also announced that from June 2016 it will implement a series of four-year refinancing operations at borrowing rates that decrease as lending to the real economy increases.
Accordingly, the euro zone's liquidity surplus increased from €650 billion to over €900 billion in the first half of 2016.

In this context, investors continue to opt for the longest possible investment horizons for their liquidity to mitigate the effect of negative interest rates and pre-empt the flattening of the yield curve.

In the United States, while the Federal Reserve postponed its key interest rate hike, short-term liquidity was mostly affected by the ongoing preparation of the money market fund reform, the definitive application of which is set for October.
Several asset management companies have transferred their investments from private debt to government bonds, which at times increased the prices paid by non-resident issuers. However, most of this transfer having taken place in the second half of 2015, US dollar liquidity remains abundant.

NATIXIS' SHORT-TERM ISSUANCE PROGRAM OUTSTANDINGS

(in millions of euros or euro equivalents)	Certificates of Deposit	Commercial Paper
Program amount	45,000*	25,511
Outstandings at 06.30.2016	21,560**	4,457

** French CDN program.*
***Including USCD outstandings.*

LONG-TERM REFINANCING

Following a series of new measures by the ECB (decrease of key interest rates, public sector purchase program, TLTRO II, etc.), long rates on euro zone bonds continuously declined over the first half of 2016. The yield on the 10-year Bund, which was at 0.60% at the start of the year, reached a historical low of -0.189% on July 8, 2016. Bank credit spreads were highly volatile throughout the first half of the year. The Brexit combined with the Italian government's support of its ailing banking sector resulted in a widening of credit spreads on unsecured senior debt. However, it was closely contained by the European Central Bank's intervention on the market.
In the United States, after seven years of growth, the Fed fund's interest rates are still at 0.50%, the Federal Reserve stating that market conditions are not quite right to start a cycle of key interest rate hikes (poor quality of employment, drop in the participation rate, slowdown in job creation, a weak global economy, Brexit, etc.).

In these market conditions, Natixis raised a total of €10.9 billion in funding in the first half of 2016 under its medium- and long-term refinancing program (versus €14.5 billion in 2015). As the only long-term issuer in the public issues segment, BPCE provided Natixis with financing for a total euro-equivalent amount of €6.5 billion.

— NATIXIS' MEDIUM- AND LONG-TERM DEBT ISSUANCE PROGRAM OUTSTANDINGS

(in millions of euros or euro equivalents)	***EMTN***	***BMTN***	***USMTN***	***Bond issues***
Issues at 06.30.2016	3,002	0	17	1,778
Outstandings at 06.30.2016	11,111	625	250	6,849

V SECTION 5: FINANCIAL DATA

5.1 Financial data (interim consolidated financial statements and notes)

CONSOLIDATED BALANCE SHEET
CONSOLIDATED INCOME STATEMENT
STATEMENT OF NET INCOME (LOSS) AND OTHER COMPREHENSIVE INCOME
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (from June 30, 2015 to June 30, 2016)
NET CASH FLOW STATEMENT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES
NOTE 2 CONSOLIDATION SCOPE
NOTE 3 NOTES TO THE BALANCE SHEET
NOTE 4 NOTES TO THE INCOME STATEMENT
NOTE 5 NOTES TO THE STATEMENT OF CHANGES IN GAINS AND LOSSES RECORDED DIRECTLY IN OTHER COMPREHENSIVE INCOME
NOTE 6 SEGMENT REPORTING
NOTE 7 RISK MANAGEMENT
NOTE 8 OTHER INFORMATION
NOTE 9 POST-CLOSING EVENTS

CONSOLIDATED BALANCE SHEET - ASSETS

(in millions of euros)	Notes	06.30.2016	12.31.2015
Cash, central banks		27,911	21,190
Financial assets at fair value through profit or loss	*3.1*	192,072	191,639
Hedging derivatives		2,138	1,035
Available-for-sale financial assets	*3.2*	55,318	52,673
Loans and receivables due from banks	*3.5*	54,108	71,462
o/w institutional operations			
Customer loans and receivables	*3.5*	144,267	107,189
o/w institutional operations		*680*	*682*
Revaluation adjustments on portfolios hedged against interest rate risk			
Held-to-maturity financial assets	*3.6*	2,232	2,298
Current tax assets		356	483
Deferred tax assets		2,196	2,316
Accrual accounts and other assets		47,467	42,967
Non-current assets held for sale			22
Deferred profit-sharing			
Investments in associates		678	698
Investment property		1,168	1,274
Property, plant and equipment		691	680
Intangible assets		756	770
Goodwill	*3.7*	3,524	3,559
Total assets		**534,882**	**500,257**

CONSOLIDATED BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY

(in millions of euros)	Notes	06.30.2016	12.31.2015
Due to central banks			
Financial liabilities at fair value through profit and loss	*3.1*	164,785	158,990
Hedging derivatives		3,786	1,918
Due to banks	*3.5*	106,472	113,743
o/w institutional operations		*46*	*46*
Customer deposits	*3.5*	84,710	64,090
o/w institutional operations		*739*	*818*
Debt securities	*3.8*	35,526	40,426
Revaluation adjustments on portfolios hedged against interest rate risk		291	227
Current tax liabilities		387	539
Deferred tax liabilities		538	426
Accrual accounts and other liabilities		44,243	39,937
o/w institutional operations		*3*	*4*
Liabilities on assets held for sale			9
Insurance companies' technical reserves		67,322	52,915
Provisions	*3.9*	1,651	1,668
Subordinated debt	*3.10*	5,191	4,869
Shareholders' equity (group share)		18,764	19,160
- Share capital and reserves		*10,869*	*10,812*
- Consolidated reserves		*6,509*	*6,088*
- Gains and losses recorded directly in equity		*919*	*995*
- Non-recyclable gains and losses recorded directly in equity		*(114)*	*(78)*
- Net income/(loss)		*581*	*1,344*
Non-controlling interests		1,219	1,341
Total liabilities and shareholders' equity		**534,882**	**500,257**

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	*Notes*	**H1 2016**	**H1 2015**
Interest and similar income	*4.1*	2,484	2,423
Interest and similar expenses	*4.1*	(1,234)	(1,292)
Fee and commission income	*4.2*	2,522	2,542
Fee and commission expenses	*4.2*	(1,029)	(913)
Net gains or losses on financial instruments at fair value through profit and loss	*4.3*	862	1,341
Net gains or losses on available-for-sale financial assets	*4.4*	130	375
Income from other activities	*4.5*	16,294	3,540
Expenses from other activities	*4.5*	(15,756)	(3,524)
Net revenues		**4,274**	**4,491**
Operating expenses	*4.6*	(3,014)	(2,877)
Depreciation, amortization and impairment on property, plant and equipment and intangible assets		(113)	(107)
Gross operating income		**1,147**	**1,507**
Provision for credit losses	*4.7*	(176)	(141)
Net operating income		**971**	**1,365**
Share in income of associates		14	22
Gains or losses on other assets		60	(30)
Change in value of goodwill	*1.3*	(75)	
Pre-tax profit		**970**	**1,357**
Income tax	*4.8*	(383)	(551)
Net income/(loss) from discontinued operations			
Net income/(loss) for the period		**587**	**806**
o/w: - Attributable to equity holders of the parent		581	737
- Non-controlling interest share		6	69
Earnings/(loss) per share in euros			
Net income/(loss) attributable to shareholders (see note 8.1.2) - group share - per share, calculated on the basis of the average number of shares over the period, excluding treasury shares		0.17	0.23
Diluted earnings/(loss) per share in euros			
Net income/(loss) attributable to shareholders (see note 8.1.2) – group share – per share, calculated on the basis of the average number of shares over the period, excluding treasury shares and including shares that could be issued on the exercise of stock options and bonus shares		0.17	0.23

STATEMENT OF NET INCOME (LOSS) AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	H1 2016	H1 2015
Net income		**587**	**806**
Revaluation adjustments on defined-benefit plans		(54)	47
Tax impact on items not recyclable to income		19	(17)
Share of gains and losses recognized directly in the equity of associates not recyclable to income			0
Items not recyclable to income		**(35)**	**31**
Translation adjustments		(157)	349
Revaluation of available-for-sale financial assets		228	(147)
Revaluation of hedging derivatives		(95)	115
Tax impact on items recyclable to income		(39)	13
Share of gains and losses recognized directly in the equity of associates recyclable to income		3	(1)
Items recyclable to income		**(60)**	**328**
Gains and losses recognized directly in items of comprehensive income (net of tax)		**(96)**	**359**
TOTAL INCOME		**491**	**1,165**
Group share		470	1,087
Non-controlling interests		22	77

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital and reserves		Consolidated reserves			Gains/(losses) recorded directly in equity							
						Recyclable			Non-recyclable				
	Capital	Reserves related to share capital (1)	Other equity instruments issued (2)	Elimination of treasury stock	Other consolidated reserves	Translation adjustments	Available-for-sale assets	Hedging derivatives	Revaluation adjustments on defined-benefit plan commitments	Net income (group share)	Shareholders' equity (group share)	Non-controlling interests	Total consolidated equity
Equity as at December 31, 2014 after appropriation of income	**4,986**	**5,780**	**989**	**-11**	**6,689**	**393**	**697**	**-527**	**-125**	**0**	**18,871**	**1,289**	**20,158**
Impact of change in method (3)					**15**						**15**	**0**	**16**
Capital increase	5	-5									**0**		**0**
Elimination of treasury stock				1	1						**2**		**2**
Equity component													
of share-based payment plans					2						**2**		**2**
2014 dividend paid in 2015					-1,059						**-1,059**	-73	**-1,133**
Total activity related to relations with shareholders	**5**	**-5**	**0**	**1**	**-1,057**						**-1,056**	**-73**	**-1,129**
Issuance and redemption of deeply subordinated notes and preference shares			0		0						**0**		**0**
Interest paid on deeply subordinated notes and preference shares (7)					-26						**-26**		**-26**
Change in gains and losses recorded directly in equity						377	-267	250			**360**	8	**369**
Change in actuarial gains and losses under IAS19 R									31		**31**		**31**
Income/(loss) as at June 30, 2015										737	**737**	69	**806**
Impact of acquisitions and disposals (4)					-193						**-193**	-1	**-194**
Other (5)					-386	-40					**-426**	0	**-427**
Shareholders' equity as at June 30, 2015	**4,991**	**5,775**	**989**	**-10**	**5,042**	**730**	**430**	**-277**	**-94**	**737**	**18,313**	**1,293**	**19,607**
Capital increase	14	31									**45**		**45**
Elimination of treasury stock				-2	-1						**-2**		**-2**
Equity component													
of share-based payment plans					1						**1**		**1**
Exceptional 2014 dividend paid in 2015					0						**0**	0	**0**
Total activity related to relations with shareholders	**14**	**31**	**0**	**-2**	**0**						**44**	**0**	**43**
Issuance and redemption of deeply subordinated notes and preference shares			224		0						**224**		**224**
Interest paid on deeply subordinated notes and preference shares (7)					-30						**-30**		**-30**
Change in gains and losses recorded directly in equity						96	27	-13			**111**	-16	**95**
Change in actuarial gains and losses under IAS19 R									15		**15**	2	**18**
Income/(loss) as at June 30, 2015										607	**607**	89	**695**
Impact of acquisitions and disposals					13	-1	0	0	0		**13**	-27	**-14**
Other (6)					-140	0	2	1	0		**-136**	-1	**-137**
Shareholders' equity as at December 31, 2015	**5,005**	**5,807**	**1,213**	**-12**	**4,886**	**825**	**459**	**-289**	**-78**	**1,344**	**19,160**	**1,341**	**20,500**
Appropriation of 2015 earnings		57			1,287					-1,344			
Shareholders' equity as at December 31, 2015	**5,005**	**5,864**	**1,213**	**-12**	**6,173**	**825**	**459**	**-289**	**-78**	**0**	**19,160**	**1,341**	**20,500**
Capital increase	2	-2									**0**		**0**
Elimination of treasury stock				16	1						**17**		**17**
Equity component													
of share-based payment plans					0						**0**		**0**
2015 dividend paid in 2016					-1,094						**-1,094**	-111	**-1,205**
Total activity related to relations with shareholders	**2**	**-2**	**0**	**16**	**-1,093**	**0**	**0**	**0**	**0**	**0**	**-1,077**	**-111**	**-1,188**
Issuance and redemption of deeply subordinated notes and preference shares			398		0						**398**		**398**
Interest paid on deeply subordinated notes and preference shares (7)					-37						**-37**		**-37**
Change in gains and losses recorded directly in equity						-115	142	-62			**-34**	16	**-19**
Change in actuarial gains and losses under IAS19 R									-35		**-35**		**-35**
Income/(loss) as at June 30, 2016										581	**581**	6	**587**
Impact of acquisitions and disposals (8)					-139	-42	0				**-181**	-34	**-214**
Other (6)					-10						**-10**	0	**-10**
Shareholders' equity as at June 30, 2016	**5,007**	**5,862**	**1,611**	**5**	**4,894**	**668**	**602**	**-351**	**-114**	**581**	**18,764**	**1,218**	**19,982**

1. Issue premiums, legal reserve, contractual reserves, long-term capital gains reserve and other Natixis reserves.
2. Other equity instruments issued: undated deeply subordinated notes. At June 30, 2016,
   the "Other consolidated reserves" line includes a capital gain of €257 million resulting from the reclassification of certain deeply subordinated notes, compared with €259 million at December 31, 2015;
3. Impacts of the change in method associated with the implementation of IFRIC 21;
4. The call options awarded to the minority shareholders of DNCA France and Natixis Partners were recorded under equity for -€181 million;
5. Including -€385 million related to the recognition of a deferred tax liability on the tax amortization of goodwill;
6. Including -€142 million related to the withdrawal of capital gains on reclassification following the repayment of a line of undated deeply subordinated notes subscribed for by BPCE as at December 31, 2015, and -€2 million at June 30, 2016;
7. The gross amount of deeply subordinated note redemptions stood at €41 million at June 30, 2015 (€26 million net of tax) and €88 million at December 31, 2015 (€56 million net of tax), compared with €57 million at June 30, 2016 (€37 million net of tax);
8. Shareholders' equity group share included the following:
   - -€70 million in call options granted to minority shareholders in Peter J. Solomon Company (PJSC);
   - -€61 million related to the revaluation of purchase options granted to minority shareholders of DNCA France;
   - -€18 million for the acquisition of 40% of AEW Europe;
   - -€44 million in translation adjustments following the repayment of USD 400 million in retained earnings by the New York branch.

NET CASH FLOW STATEMENT

The balance of cash and cash equivalents consists of the net balances on cash and amounts due from central banks, as well as on demand deposits with and loans from credit institutions.

Changes in cash generated by operating activities consist of cash flows generated by Group activities, with the exception of those relating to held-to-maturity financial assets and investment property.

Changes in cash related to investment operations result from cash flows related to acquisitions and disposals of investments in consolidated and non-consolidated affiliates, tangible and intangible fixed assets, and acquisitions and disposals of investment property, property provided under operating leases and financial assets held to maturity.

(in millions of euros)	H1 2016	FY 2015	H1 2015
Pre-tax profit	**969**	**2,473**	**1,357**
+/- Net charge to depreciation and amortization of property, plant and equipment and intangible assets	143	282	140
+/- Writedown of goodwill and other non-current assets	76	5	2
+/- Net charge to other provisions (including insurance companies' technical reserves)	13,596	2,875	1,868
+/- Share in income of associates	(14)	(46)	(22)
+/- Net loss/(gain) on investing operations	(216)	(264)	(114)
+/- Net loss/(gain) on financing operations	74	137	63
+/- Other activity	(11,370)	948	209
= Total non-cash items included in pre-tax profit and other adjustments	***2,289***	***3,939***	***2,147***
+/- Decrease/(increase) in interbank and money market items	12,571	(14,074)	3,825
+/- Decrease/(increase) in customer items	(3,949)	3,419	(3,265)
+/- Decrease/(increase) in financial assets or liabilities	(300)	(24,452)	(19,704)
+/- Decrease/(increase) in non-financial assets or liabilities	(329)	(955)	(247)
- Income taxes paid	(256)	(286)	(72)
= Net decrease/(increase) in operating assets and liabilities	***(7,736)***	***(36,349)***	***(19,464)***
Net cash provided/(used) by operating activities	**10,993**	**(29,937)**	**(15,960)**
+/- Decrease/(increase) in financial assets and equity interests [(1)]	1	139	(339)
+/- Decrease/(increase) in investment property	68	98	53
+/- Decrease/(increase) in property, plant and equipment and intangible assets	(74)	(283)	(138)
Net cash provided/(used) by investing operations	**(4)**	**(46)**	**(424)**
+/- Cash received from/(paid to) shareholders [(2)]	(1,199)	(1,088)	(1,123)
+/- Other cash provided/(used) by financing operations [(3)]	201	701	(180)
Net cash provided/(used) by financing operations	**(998)**	**(387)**	**(1,303)**
Cash flow of assets and liabilities held for sale		**15**	**76**
Impact of exchange rate changes on cash and cash equivalents	**(99)**	**3,281**	**2,940**
Net increase/(decrease) in cash and cash equivalents	**9,891**	**(27,075)**	**(14,670)**
Net cash provided/(used) by operating activities	10,993	(29,937)	(15,960)
Net cash provided/(used) by investing operations	(4)	(46)	(424)
Net cash provided/(used) by financing operations	(998)	(387)	(1,303)
Cash flow of assets and liabilities held for sale		15	76
Impact of exchange rate changes on cash and cash equivalents	(99)	3,281	2,940
Cash and cash equivalents at beginning of period	**25,656**	**52,732**	**52,732**
Cash and balances with central banks	21,190	56,598	56,598
Interbank balances	4,466	(3,866)	(3,866)
Cash and cash equivalents at end of period	**35,548**	**25,656**	**38,062**
Cash and balances with central banks	27,911	21,190	33,826
Interbank balances	7,636	4,466	4,236
Change in cash and cash equivalents	**9,891**	**(27,075)**	**(14,670)**

(1) Decrease/(increase) in financial assets and investments in associates, including in particular:
- flows related to assets held to maturity (+€113 million);
- flows related to investments in consolidated affiliates totaling -€133 million, corresponding to the acquisition of Peter J. Solomon Company (-€71 million), 40% of AEW Europe and Coinvest (-€41 million), the disposal of Snyder Capital Management (+€1 million) and Capital Growth Management (+€16 million), the partial exercise of the put option on DNCA (-€37 million) and Euro Private Equity (-€1 million);
- flows related to investments in non-consolidated affiliates for +€21 million.

(2) Flows received from/(paid to) shareholders included dividends paid to BPCE in the amount of -€780 million and dividends paid to non-group entities in the amount of -€419 million.

(3) Flows from financing activities can be broken down as follows:
- issuance of subordinated debt (+€300 million) subscribed for by BPCE;
- interest paid on subordinated notes for -€62 million;
- interest paid on deeply subordinated notes recorded as equity for -€37 million.

NOTE 1 ACCOUNTING PRINCIPLES

1.1 Applicable standards

Natixis' consolidated half-year financial statements at Thursday, June 30, 2016 include a set of condensed financial statements prepared and presented pursuant to the provisions of IAS 34 "Interim financial statements". These condensed financial statements must be read in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2015, filed with the Autorité des Marchés Financiers (AMF - French Financial Markets Authority) on March 10, 2016. They consist of:

- the balance sheet;
- the income statement;
- the statement of net income/(loss) and other comprehensive income;
- the statement of changes in shareholders' equity;
- the net cash flow statement;
- and a selection of notes to the financial statements.

They are presented with a comparison to December 31, 2015 and/or June 30, 2015.

The accounting principles and methods used to prepare the consolidated interim financial statements of Natixis at June 30, 2016 are identical to those used to prepare the consolidated financial statements for the fiscal year ended December 31, 2015, prepared in accordance with IFRS as adopted in the European Union and detailed in Note 1 "Basis of presentation" to the consolidated financial statements for fiscal year 2015 (presented in Chapter 5.2 "Financial data - consolidated financial statements and notes" of the 2015 Registration Document), with the exception of the following amendments and interpretations applicable as from January 1, 2016:

- the amendment to IAS 19 "Employee benefits" entitled "Defined benefit plans: employee contributions" adopted by the European Commission on December 17, 2014, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment applies to contributions by employees and third parties to defined benefit plans. The aim is to clarify and simplify accounting for contributions that are independent of employee seniority (e.g. employee contributions calculated as a fixed percentage of salary). These may be recognized as a reduction in the cost of services for the period during which the service is rendered instead of being allocated to the periods of service. This amendment had no impact on Natixis' financial statements;

- the amendment entitled "Annual improvements to IFRS, 2010-2012 cycle", adopted by the European Commission on December 17, 2014, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment stems from the annual improvement process aimed at simplifying and clarifying international accounting standards. The following standards have been amended: IFRS 2 "Share-based payment", IFRS 3 "Business combinations", IFRS 8 "Operating segments", IAS 16 "Property, plant and equipment" and IAS 24 "Related party disclosures". This amendment had no impact on Natixis' financial statements;

- the amendment to IFRS 11 "Joint Arrangements" entitled "Accounting for Acquisitions of Interests in Joint Operations" adopted by the European Commission on November 24, 2015, with mandatory prospective application from January 1, 2016 to Natixis' financial statements. This amendment clarifies how to account for the acquisition of an interest in a joint operation that constitutes a business as defined under IFRS 3 "Business Combinations". Accordingly, IFRS 3 guidelines should be applied in respect of the interest acquired; This amendment had no impact on Natixis' financial statements;

- The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" entitled "Clarification of Acceptable Methods of Depreciation and Amortization", adopted by the European Commission on December 2, 2015, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment stipulates that the use of revenue-based methods to calculate the depreciation or amortization of an asset is not appropriate and should not be used for property, plant and equipment. This amendment had no impact on Natixis' financial statements;

- The amendment entitled "Annual improvements to IFRS, 2012-2014 cycle", adopted by the European Commission on December 15, 2015, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment stems from the annual improvement process aimed at simplifying and clarifying international accounting standards. The following standards have been amended: IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", IFRS 7 "Financial Instruments: Disclosures", IAS 19 "Employee Benefits" and IAS 34 "Interim Financial Reporting". This amendment had no impact on Natixis' financial statements;

- The amendment to IAS 1 "Presentation of Financial Statements" entitled "Disclosure Initiative" adopted by the European Commission on December 18, 2015, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment aims to encourage companies to apply professional judgment in determining what information to disclose in their financial statements and to improve the effectiveness of disclosure. This amendment had no impact on Natixis' financial statements;

- The amendment to IAS 27 "Separate Financial Statements" entitled "Equity Method in Separate Financial Statements" adopted by the European Commission on December 18, 2015, with mandatory application from January 1, 2016 to Natixis' financial statements. This amendment allows entities to use the equity method described in IAS 28 "Investments in Associates" to account for investments in subsidiaries, joint-ventures and associates in their separate financial statements. This amendment had no impact on Natixis' consolidated financial statements.

In July 2014, the IASB published the full and final version of IFRS 9 “Financial Instruments”, which will mandatorily replace IAS 39 from January 1, 2018. The new standard introduces:

- a new classification model for financial assets, based on the type of instrument (debt or equity instrument). For debt instruments, the standard revises the distinction between amortized cost and fair value, based on the business model within which the assets are held and their contractual cash flow characteristics. Only instruments with simple or standardized cash flow characteristics may be classified at amortized cost (if they are held under a “hold to collect” business model) or at fair value through other comprehensive income (if they are held under a “hold to collect and sell” business model);
- for financial liabilities designated at fair value through profit and loss, the requirement to recognize changes in fair value attributable to internal credit risk in other comprehensive income (except where such recognition would create or enlarge an accounting mismatch in profit or loss);
- a single impairment model that is forward-looking and based not on incurred credit losses but on expected credit losses calculated across all portfolios recognized at amortized cost or at fair value through other comprehensive income (recyclable). Under the new framework, it will no longer be necessary to identify an event of default to record an impairment. IFRS 9 generally requires one-year expected loss to be recorded upon initial recognition, and subsequently, if the counterparty risk has deteriorated significantly since initial recognition, expected losses at maturity should be recognized. Thirdly, if credit quality deteriorates to the point that recoverability is threatened, a provision must be set aside for expected loss at maturity, which is the same as the requirement under IAS 39 for individual impairment of loans in default;
- a new hedge accounting model that is more in line with risk management activities.

The European Union has not yet adopted IFRS 9. However, given the importance of the changes introduced by this standard, Natixis began work on analyzing the standard and applying it operationally in the first half of 2015 as part of the organization of a project involving all affected business lines and support functions. This work will continue in 2016 and will include implementing the necessary IT developments for the standard to be properly applied.

IFRS 15 “Revenue from Contracts with Customers” will replace the current standards and interpretations on revenue recognition. It will be applicable retrospectively as of January 1, 2018, subject to adoption by the European Union.

Under IFRS 15, the entity must recognize income arising from ordinary activities at an amount that reflects the consideration that the entity expects to receive in exchange for the transfer of goods and services promised to customers.

IFRS 15 applies to all contracts with customers except for leases (covered by IAS 17), insurance contracts (covered by IFRS 4) and financial instruments (covered by IFRS 9).

Natixis will begin assessing the impact of the new standard in 2016.

In addition, in drawing up the consolidated financial statements at June 30, 2016, Natixis also took the following into account:

- with regard to the valuation of financial instruments, the recommendation published on October 15, 2008 by the AMF, the Conseil National de la Comptabilité (CNC - French National Accounting Board), the Commission Bancaire (French Banking Commission) and the Autorité de Contrôle des Assurances et des Mutuelles (ACAM - French insurance regulator), and the guide published by the IASB on October 31, 2008, entitled “Measuring and disclosing the fair value of financial instruments in markets that are no longer active”. These two texts underline the importance of using judgment to determine fair value in illiquid markets. As a result of this recommendation, as at June 30, 2016, Natixis does not systematically apply models using observable data, as with previous reporting periods, in view of the lack of market liquidity affecting some asset classes;

- with regard to financial reporting on risk exposure, the recommendations applicable in France resulting from the Financial Stability Forum (FSF). This information, presented in the format recommended by the Commission Bancaire in a document entitled "Presentation of the French implementation of the recommendations issued by the FSF on financial transparency", published on May 29, 2008, has been incorporated in section 3.11 of the chapter on "Risk Management and Capital Adequacy" in the updated Registration Document.

1.2 H1 2016 Key events

Groupe BPCE and CNP Assurances have signed a new partnership agreement that took effect on January 1, 2016. It follows the expiry of the distribution agreements between the two companies on December 31, 2015 and Groupe BPCE's decision to assign the design and management of all savings and pension fund contracts sold by the Caisse d'Epargne network to Natixis Assurance from January 1, 2016.

The new partnership covers a seven-year period and includes the following provisions:

- The establishment of an exclusive collective payment protection insurance partnership between CNP Assurances and Natixis Assurances on the one hand, and all the Groupe BPCE networks on the other; This partnership is based on a co-insurance agreement (66% for CNP Assurances and 34% for Natixis Assurances);
- The implementation of specific provident insurance partnerships with (i) an offer from CNP Assurances covering the main collective provident insurance guarantees for Groupe BPCE's professional and corporate customers, coupled with a dependency component; and (ii) a targeted partnership for dependency and tenant guarantees as part of the individual provident insurance range;
- A gradual withdrawal by CNP Assurances from the savings and pension fund activities performed with the Caisses d'Epargne, including the progressive phasing out of new subscriptions in 2016, the ongoing collection of subsequent payments into existing contracts and provisions to align the interests of CNP Assurances and Groupe BPCE regarding the management of existing policy assets. Outstanding savings contracted with the Caisses d'Epargne have been transferred to Natixis Assurances under a 10% quota share reinsurance agreement, including related transfers (see Note 3.5.2);
- Conversely, CNP Assurances reinsures 40% of new euro pension fund contracts distributed by Caisse d'Epargne network and issued by Natixis Assurances over the period 2016-2019.

On June 30, 2016, Natixis, via Natixis North America LLC, finalized the acquisition of the US advisory firm Peter J. Solomon Company (PJSC), which provides advisory services on mergers and acquisitions and corporate restructuring.
At June 30, 2016 Natixis held 51% of PJSC's capital, and has the option to acquire the remaining shares by 2026 by exercising share purchase and sale promises.
Via Natixis North America LLC, Natixis exercises control over PJSC within the meaning of IFRS 10, and fully consolidates the entity.
This transaction generated goodwill of €72 million, as determined using the partial goodwill method.

In July 2015, the French government decided to transfer the management of State export guarantees to Bpifrance. The principle of the transfer is recognized in Article 103 of the amended Finance Act for 2015, which will come into force on a date set by decree and no later than December 31, 2016. The transfer will involve the sale to Bpifrance of the standalone State guarantees business, consisting of dedicated teams and resources (IT, contracts, etc.) as well as its corresponding assets and liabilities.

The draft agreement signed by the French government, BPI Group and Coface on July 29, 2015 includes pre-tax compensation of €89.7 million, broken down into a payment of €77.2 million and a transfer of liabilities with an estimated value at end-December 2015 of €12.5 million.

This compensation will allow Coface to absorb immediate depreciation charges (estimated at €16.3 million before tax) and will help to absorb the margin loss (€12.6 million) and the remaining fixed costs (€20.3 million) borne by Coface (pre-tax amount at December 31, 2015).

Coface will continue to be remunerated by the French government until the transfer of this activity becomes effective.

1.3 Use of estimates

In preparing its financial statements, Natixis is required to make certain estimates and assumptions based on available information that is likely to require expert judgment. These estimates and assumptions constitute sources of uncertainty which may affect the calculation of income and expenses in the income statement, the value of assets and liabilities in the balance sheet and/or certain disclosures in the notes to the financial statements. As a result, future results of certain operations may differ significantly from the estimates used in the financial statements at June 30, 2016.

Accounting estimates which require assumptions to be made are mainly used to measure the items set out below:

- **Financial instruments recorded at fair value**

The fair value of hybrid market instruments not traded on an active market is calculated using valuation techniques. Valuations produced using valuation models are adjusted, depending on the instruments in question and the associated risks, to take account of the bid and ask price for the net position, modeling risks, assumptions regarding the funding cost of future cash flows from uncollateralized or imperfectly collateralized derivatives, as well as counterparty and input risks. The fair values obtained from these methods may differ from the actual prices at which such transactions might be executed in the event of a sale on the market.
The valuation models used to price financial instruments for which liquidity has dried up as a result of the financial crisis are described in Note 1.4.

- **Impairment of loans and receivables**

At the reporting date, Natixis assesses whether or not there is any objective evidence of impairment for loans and receivables, either on an individual basis or collectively by risk category. To identify evidence of impairment, Natixis analyzes trends in a number of objective criteria, but also relies on the judgment of its own expert teams. Similarly, Natixis may use its expert judgment to establish the likely timing of recoveries (where the aim is to calculate the amount of individual impairment losses), or to adjust the amount of expected losses under the Basel framework, on which the amount of collective impairment is based.

- **Valuation of unlisted equity instruments classified as "Available-for-sale financial assets"**

Unlisted equity instruments classified as available-for-sale financial assets primarily consist of investments in non-consolidated companies. The fair value of investments in unlisted non-consolidated companies is obtained principally by using valuation methods based on multiples or DCF (discounted cash flow). Use of these methods requires certain choices and assumptions to be made in advance (in particular, projected expected future cash flows and discount rates).

- **Value of cash-generating units (CGUs)**

All goodwill is assigned to a CGU so that it may be tested for impairment. Permanent impairment tests are performed whenever objective evidence of impairment points to the existence of such a risk, and in any event at least once a year. The tests conducted by Natixis consist in comparing the carrying amount of each CGU (including goodwill) with its recoverable amount. Where the recoverable amount equals the value in use, it is determined by discounting annual free cash flows to perpetuity (excluding the Private Equity CGU). For the Coface CGU, as in previous years, value in use was supplemented by other approaches using market data, including market multiples, stock market prices and brokers' target prices. An average valuation is determined by weighting the different approaches. Value in use is determined principally by discounting the expected future cash flows from the CGU.
As such, use this method involves:

- estimating future cash flows. Natixis has based these estimates on forecasts included in its business units' medium-term plans spanning five years;
- projecting cash flows for the last year of the plan to perpetuity, at a rate reflecting the expected annual growth rate;
- discounting cash flows at a specific rate for each CGU.

At June 30, 2016, tests were performed on the Coface CGU and an entity from the former Corporate Data Solution CGU whose valuation seemed to be the most sensitive to a number of parameters (such as the effective achievement of the business plan). For the Coface CGU, the decline in the loss ratio mentioned in the press release dated July 4, 2016 was also an indication of a deterioration in the CGU's recoverable value.

The calculation of the value in use of Coface using the recoverable cash flow method was based on the last known business plan, to which a discount was applied to take into account the loss ratio announced by the company on July 4, 2016. Spot prices and brokers' target prices were also taken into account following the publication of the press release referred to above. These tests led to the impairment of goodwill on Coface in the amount of €75 million (€31 million group share). The net amount of goodwill after impairment amounted to €281 million at June 30, 2016 versus €357 million at December 31, 2015.

The discount rates taken into account for these calculations were determined as follows:

- For the Coface CGU, by considering the risk-free interest rate of the euro zone-Bund, averaged over a depth of 10 years, plus a risk premium calculated according to a sample of comparable companies active in insurance, services and factoring;
- for the former CDS CGU, the 10-year risk-free interest rates of the countries in which the various entities do business, plus a risk premium calculated according to a sample of companies that are representative of the sector and an additional risk premium to account for the relative size of the entity in comparison with sample references.

A 20 bp increase in discount rates (assumption based on the historical annual variability observed over the past four years) combined with a 50 bp reduction in perpetual growth rates would help to reduce the value in use of CGUs by:

- ✓ -4.1% for the Coface CGU;
- ✓ -6.3% for the former CDS CGU

and would lead to the recognition of an additional goodwill impairment of €44 million on Coface.

Similarly, the sensitivity of the recoverable amount to future business plan cash flows is as follows:

- ✓ for Coface, the primary sensitivity vector is the loss ratio. A target level of 54% for this ratio (net of reinsurance) was applied to conduct the CGU's impairment test at June 30, 2016. A one-point increase in the loss ratio would lead to the recording of an additional impairment on the CGU. Furthermore, a valuation at the lowest price in the first half of 2016 would lead to a limited impact on the weighted average valuation;
- ✓ for the former CDS CGU entity, the primary factor in sensitivity is the degree of the business plans' achievement. A -5% variation in said plans would not lead to the recognition of any impairment.

- **Fair value of loans and receivables recognized at amortized cost (excluding loans reclassified under the amendment to IAS 39 and IFRS 7)**

The fair value of loans not quoted on an active market is determined using the discounted cash flow method. The discount rate is based on an assessment of the rates used by the institution during the period for groups of loans with similar risk characteristics. Loans have been classified into groups with similar risk characteristics based on statistical research enabling factors having an impact on credit spreads to be identified. Natixis also relies on expert judgment to refine this segmentation.

- **Employee benefits**

Natixis calls on independent actuaries to calculate its principal employee benefits. These commitments are determined using assumptions such as the salary growth rate, discount rates and rates of return on plan assets. These discount rates and rates of return are based on observed market rates at the reporting date (e.g. the yield curve on AA Corporate bonds for discount rates). When applied to long-term benefit obligations, these rates introduce uncertainty into the valuations.

- **Insurance-related liabilities**

Insurance technical reserves are calculated using assumptions and estimates that may lead to adjustments in amounts reported over the subsequent period:

- for personal protection insurance, claims reserves are calculated by modeling claims experience;
- for life insurance, underwriting reserves are computed based on economic and financial assumptions, mortality and morbidity tables, and behavioral statistics, for example concerning surrenders;
- for credit insurance, claims reserves include an estimate of claims reported but not settled at the reporting date. In addition to the amount of claims payable, a provision is set aside for unknown claims, calculated on a statistical basis in reference to the final amount of claims to be paid following settlement of risks and any debt recovery measures. Provisions for debt recovery procedures, representing estimates of expected recoveries, are calculated by applying a terminal recovery rate to all subscription periods not yet settled.

- **Deferred profit-sharing**

The participation rate used to calculate deferred profit-sharing is determined based on payout ratios projected over the term of the medium-term plan and in line with the actual pay-out ratio for the previous fiscal year.

In the event of a deferred profit-sharing asset, a recoverability test is carried out to verify that liquidity requirements arising from an unfavorable economic environment do not force the sale of assets and generate unrealized losses. This recoverability test relies on projected future cash flows based on different economic assumptions about historical redemptions and inflows.

Application of the shadow accounting mechanism resulted in the recognition of a deferred profit-sharing liability at June 30, 2016; consequently, no recoverability test was performed.

- **Deferred taxes**

Natixis records a net deferred tax asset linked to its ability to generate taxable income over a given period (10 years maximum), while tax loss carry forwards are deductible with no time limitation in France and the UK or over very long periods (20 years in the US).
To this end, Natixis prepares tax business plans over rolling periods as from the last tax reporting period, and based on growth assumptions used in the medium-term plans for the business lines.
Adjustments for special tax schemes are also implemented.

- **Other contingency reserves**

Provisions recognized in the consolidated balance sheet, other than those relating to financial instruments, employee benefits and insurance policies, mainly concern provisions for litigation, fines and penalties, as well as a provision for restructuring recorded at December 31, 2013 in respect of a workforce adaptation plan.

A provision is raised when it is likely that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and when the amount of the obligation can be reliably estimated. In order to calculate this amount, Management is required to assess the probability of the risk occurring. Future cash flows are discounted where the impact of discounting is material.

1.4 Fair value measurement

1.4.1 General principles

The fair value of an instrument (asset or liability) is the price that would be received to sell an asset or paid to transfer a liability in a standard arm's length transaction between market participants at the measurement date.

Fair value is therefore based on the exit price.

The fair value of an instrument on initial recognition is normally the transaction price, i.e. the price paid to acquire the asset or received to assume the liability.

In subsequent measurements, the estimated fair value of assets and liabilities must be based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction.

In this case, fair value consists of a mid-market price and additional valuation adjustments determined according to the instruments in question and the associated risks.

The mid-market price is obtained based on:

- if the instrument is quoted on an active market, fair value is its quoted price. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring transactions on an arm's length basis on the main market or, failing that, the most advantageous market;

- if the market for a financial instrument is not active, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of non-observable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of hybrid instruments or non-observable data when no pricing or market data are available.

Additional valuation adjustments incorporate factors related to valuation uncertainties, such as market, credit and liquidity risks in order to account, in particular, for the costs resulting from an exit transaction on the main market. Similarly, a Funding Value Adjustment (FVA) aiming to account for - through assumptions - costs associated with the funding cost of the future cash flows of uncollateralized derivatives or imperfectly collateralized derivatives is also taken into account.

The main additional Funding Value Adjustments are as follows:

Bid/ask adjustment– Liquidity risk:
This adjustment is the difference between the bid price and the ask price corresponding with the selling costs. It reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

Adjustment for model uncertainty:
This adjustment takes into account the imperfections of the valuation techniques used - in particular, the risk factors that are not considered, even when observable market inputs are available. This is the case where risks inherent to various instruments differ from those considered by the observable inputs used to value them.

Adjustment for input uncertainty:
Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may be too regularly unavailable to determine the selling price. Under these circumstances, an adjustment may be necessary to reflect the probability that market participants might adopt different values for the same inputs when evaluating the financial instrument's fair value.

Value adjustment for counterparty risk (Credit Valuation Adjustment – CVA):
This adjustment applies to valuations that do not account for the counterparty's credit quality. It corresponds to the expected loss related to a counterparty's default risk and aims to account for the fact that Natixis cannot recover all of the transactions' market value.
The method for determining the CVA is primarily based on the use of market inputs in connection with professional market practices for all counterparty segments included in this calculation. In the absence of liquid market inputs, the method made use of proxies by type of counterparty, rating and geographic area.

Value adjustment for internal credit risk (Debit Valuation Adjustment – DVA):
The DVA is symmetrical to the CVA and represents the expected loss, from the counterparty's perspective, on liability valuations of derivative financial instruments. It reflects the impact of Natixis' credit quality on the valuation of these instruments. The adjustment is made by observing credit spreads on a sample of comparable entities, taking into account the liquidity of Natixis' CDS spread over the period (no material impact on the income statement at June 30, 2016). The funding valuation adjustment (FVA) is taken into account in the DVA calculation

The following criteria are used to determine whether or not a market is active:

- the level of activity and trend of the market (including the level of activity on the primary market);
- the length of historical data of prices observed in similar market transactions;
- scarcity of prices recovered by a service provider;
- sharp bid-ask price spread;
- steep price volatility over time or between different market participants.

Control system

The calculation of fair value is subject to control procedures aimed at verifying that fair values are determined or validated by an independent function.
Fair values determined by reference to external quoted prices or market parameters are validated by an independent unit (the market data monitoring department). Second-level controls are carried out by the Risk Department.
On less liquid markets, other market information, primarily observable data, is used to validate the fair value of instruments.

The factors taken into account include the following:

- the origin of the external source (stock market pages, content contribution services, etc.);
- the consistency of the various sources;
- the frequency at which the data are updated;
- the representative nature of inputs based on recent market transactions.

For fair values determined using valuation models, the control system consists of the independent validation of model construction and of the inputs incorporating these models.
This is carried out under the responsibility of the Risk Department.
It involves verifying that the model is consistent with and relevant to its intended function (price setting, valuation, coverage, measurement and control of risk) and the product to which it applies, based on:

- the theoretical approach: the financial and mathematical foundations of the model;
- the application of the model: the pricing models used to generate risk and earnings data;
- the stability of the model under parametric stress;
- an assessment of the stability and consistency of the numerical methods used;
- the independent re-implementation of the model as part of algorithm validation;
- the comparative analysis of the calibration of model parameters;
- an assessment of the modeling risk, particularly the comparative analysis of the model with other valuation models, in order to ensure the adequacy of the model and the payoff;
- the implementation of an adjustment in respect of modeling risk to account for potential deficiencies in the model or its calibration;
- integration of the model in information systems.

The methods for determining fair value are monitored by a number of bodies including the Observability and Inputs Committee, the Valuation Committee, the Impairment Committee and the Model Validation Committee, which comprise representatives of the Risk Department, the Finance Department, and the Market Data and Valuations Monitoring Department.

- **Fair value hierarchy**

For financial reporting purposes, IFRS 13 requires fair value measurements applied to financial and non-financial instruments to be allocated to one of three fair value levels:

a) Level 1: Fair value measurement using prices quoted on liquid markets

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.
This mainly includes securities listed on a stock exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and shares of UCITS whose NAV is determined and reported on a daily basis.

b) Level 2: Fair value measurement using observable market data

Level 2 fair value comprises instruments other than those mentioned in Level 1 fair value and instruments measured using a valuation technique incorporating inputs that are either directly observable (prices) or indirectly observable (price derivatives) through to maturity. This mainly includes:

Simple instruments:

Most over-the-counter derivatives, swaps, forward rate agreements, caps, floors and plain vanilla options are traded in active markets, i.e. liquid markets in which trades occur regularly.
These instruments are valued using generally accepted models (discounted cash flow method, Black & Scholes model, interpolation techniques), and on the basis of directly observable inputs.
For these instruments, the extent to which models are used and the observability of inputs has been documented.

Instruments measured using level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not quoted on an active market whose fair value is determined based on observable market data. e.g. use of market data published by listed peer companies or the multiple method from techniques commonly used by market participants;
- Greek and Portuguese sovereign securities, whose fair value was recorded under Level 2 given the wide bid-ask price spread on market prices;
- shares of UCITS whose NAV is not determined and published on a daily basis, but are subject to regular reporting or offer observable data from recent transactions;
- debt issues measured at fair value through profit and loss. The valuation of the “issuer credit risk” component is based on the discounted cash-flow method, using inputs such as yield curves, revaluation spreads, etc. For each issue, this valuation represents the product of its remaining notional amount and its sensitivity, taking into account the existence of calls, and based on the difference between the revaluation spread (based on BPCE’s cash reoffer curve at June 30, 2016, as on previous reporting dates) and the average issue spread. Changes in the issuer spread are generally not material for issues with an initial maturity of less than one year.

Complex instruments:

Some more hybrid and/or long-maturity financial instruments are measured using a recognized model on the basis of market inputs derived from observable data such as yield curves, implied volatility layers of options, market consensus data or active over-the-counter markets.

The main models for determining the fair value of these instruments are described below by type of product:

- *Equity products:* complex products are valued using:
    - market data;
    - the “payoff”, i.e. a calculation of positive or negative cash flows attached to the product at maturity;
    - a model of changes in the underlying asset.

  The products traded may be mono-underlying, multi-underlying or hybrid (e.g. fixed income/equity) products.

  The main models used for equity products are local volatility, local volatility combined with the one-factor Hull & White (H&W1F) model, as well as the Tskew and Pskew models.

The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

The hybrid local volatility combined with H&W1F consists of combining the local volatility model described above with a one-factor Hull & White model, described below (see fixed-income products).

The Tskew model is a valuation model for mono and multi-underlying options. Its principle is to calibrate the distribution of the underlying asset or assets at maturity to standard option prices.

The Pskew model is similar to the Tskew model. It is used in particular for simple ratchet equity products such as capped or floored ratchet products.

- *Fixed-income products:* fixed-income products generally have specific characteristics which justify the choice of model. The valuation of the payoff will take into account all underlying risk factors.

  The main models used to value and manage fixed-income products are Hull & White models (one-factor and two-factor models or one-factor Hull & White stochastic volatility model), the Hunt Kennedy model and the “smiled” BGM model.

  The Hull & White models are simple pricing models for plain vanilla fixed-income products and can be calibrated easily. Products valued using these models generally contain a Bermudan-type cancellation option (i.e. one that may be exercised at certain dates set at the beginning of the contract).

  SBGM and Hunt Kennedy models are used to value fixed-income products that are sensitive to volatility smiles (i.e. implied change in volatility relative to the exercise price) and to autocorrelation (or correlation between interest rates).

- *Currency products:* currency products generally have specific characteristics which justify the choice of model.
  The main models used to value and manage currency products are local volatility and stochastic models, as well as the hybrid models combining an underlying currency model with two one-factor Hull & White models to understand fixed-income factors.

Inputs relating to all such Level 2 instruments were demonstrated to be observable and documented. From a methodology perspective, observability is based on four inseparable criteria:

- inputs are derived from external sources (primarily a recognized contributor, for example);
- they are updated periodically;
- they are representative of recent transactions;
- their characteristics are identical to the characteristics of the transaction. If necessary, a proxy may be used, provided that the relevance of such an arrangement is demonstrated and documented.

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity risk (bid-ask), counterparty risk, internal credit risk (measurement of liability derivative positions), modeling risk and input risk.

The margin generated when these instruments begin trading is immediately recognized in income.

c) Level 3: Fair value measurement using non-observable market data

Level 3 comprises instruments measured using unrecognized models and/or models based on non-observable market data, where they are liable to materially impact the valuation. This mainly includes:

- unlisted shares whose fair value could not be determined using observable inputs;
- private equity securities not listed on an active market, measured at fair value with models commonly used by market participants, in accordance with International Private Equity Valuation (IPEV) standards, but which are sensitive to market fluctuations and whose fair value determination necessarily involves a judgment call;
- structured or representative of private investment portfolios, held by the insurance business line;
- hybrid fixed-income and currency instruments that are not classified in Level 2;
- instruments with a deferred day-one margin;
- shares of UCITS for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) in respect of the low liquidity observed for such shares;
- instruments carried at fair value on the balance sheet and for which data are no longer available due to a freeze in trading in the wake of the financial crisis, which were not reclassified as “Loans and receivables” pursuant to the amendment to IAS 39 and IFRS 7 published on October 13, 2008 (see below). When there is a significant drop in trading in a given market, a valuation model is used based on the only available relevant data.

In accordance with the decree of February 20, 2007, amended by the decree of November 23, 2011, relating to regulatory capital requirements applicable to credit institutions and investment firms, and in accordance with the European CRR Regulation of June 26, 2013 on requirements resulting from Basel 3, a description of crisis simulations and ex-post controls (validation of the accuracy and consistency of internal models and modeling procedures) is provided for each model used in Section 3.6 of Chapter III, “Risk Management and Capital Adequacy”.

Under IAS 39, day-one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, i.e. only if the model and parameters input into the valuation are observable.

If the selected valuation model is not recognized by current market practices, or if one of the inputs significantly affecting the instrument’s valuation is not observable, the trading profit on the trade date cannot be recognized immediately in the income statement, but is taken to income on a straight-line basis over the life of the transaction or until the date the inputs become observable. Any losses incurred at the trade date are immediately recognized in income.

At June 30, 2016, instruments for which the recognition of day-one profit/loss has been deferred included:

- multi-underlying structured equity and index products;
- synthetic financing;
- options on funds (multi-asset and mutual funds);
- structured fixed-income products;
- securitization swaps.

For these instruments, the following table provides the main unobservable inputs as well as value ranges.

Instrument class	Main types of products comprising level 3 within the instrument class	Valuation techniques used	Main unobservable data	Data ranges unobservable among relevant level 3 products
Credit derivative instruments	CDOs, Index tranche	Technique for estimating defaults given correlation effects and recovery modeling	Correlation curve specific to the portfolio underlying the CDO	5% - 95% (a)
	Private Finance Initiative CDS (other than CDS on securitization assets)	Extrapolation from prices based on the recovery assumption	Recovery rate	60% - 100%
Interest rate derivatives	Securitization swaps	Discounted cash flow expected based on the underlying portfolio's early redemption assumption	Early redemption rate	3% - 18%
	Sticky CMS/Volatility Bond	Valuation models for interest rate options	Mean reversion parameters	1% - 5%
	Callable Spread Option and Corridor Callable Spread Option	Model representing several interest rate curve factors	Spread mean-reversion	10% - 30%
	Spread Lock Swap and Spread Lock Option	Bivariate normal model to understand the time value of Spread Lock options, and replication for CMS and TEC Forwards	Spread Lock curve TEC Forward Volatility and TEC/CMS correlation	Spread Lock: 3bp/+15bp Volatility: 50%/70% TEC/CMS correlation: 90%/95%
Capital protected note	Mono-underlying payoffs, with capital guarantee, indexed on an issuer cash/CDS basis, including a call at par clause at Natixis' discretion	Modeling which inputs the volatility of the cash/CDS basis, rescaled for price volatility, and reinput to a Black model combined with a numeric method capable of incorporating early exercise.	Volatility of cash/CDS basis	2% - 4%
Repos and general collateral TRS	TRS and repos indexed to a basket of general collateral equities	Synthetic modeling of the underlying general collateral basket (with an estimated repo) and actuarial valuation for TRS or with a standard hybrid Equity/Fixed Income model for TRS autocall	Repo curve for general collateral baskets	-1%/0.70%
Helvetix derivatives	Strip of long-term options, Strip of quanto options, Strip of digital options Options spread and digital options spread	Black & Scholes model Gaussian copula	Forex/forex correlation Long-term USD/CHF & EUR/CHF volatility	EURUSD/USDCHF correlation: -84.98%; -76.52% Long-term volatility: 10% - 15%
Fund-based derivatives	Payoffs as Target Volatility strategy and CPPI on Mutual Funds	The approach used is a hybrid model coupling the local volatility-type multi-underlying equity model with a one-factor Heath-Jarrow-Morton (HJM1F) interest rate model	Fund data	Interest rate - Index correlation: 22% - 44%
Collateralized derivatives	Multi-underlying payoffs	Valuation model based on the futures shortfall and share volatility parameters	Futures shortfall	
Hybrid fixed income/forex derivatives	Long-term PRDC/PRDKO/TARN	Hybrid fixed income/forex options valuation model	Correlation between foreign exchange rates and interest rates as well as long-term volatility levels	AUDJPY/USDJPY correlation: 30% - 60% long-term volatility: 10% - 17%
Hybrid derivative instruments Equity/Fixed Income/Forex (FX)	Long (15Y) callable range accrual note on several asset classes (equity+forex+fixed income)	Hybrid model coupling plant an equity diffusion, an FX diffusion and a fixed income diffusion	Correlation parameters (equity-FX, equity-fixed income, fixed income-FX)	(55%, [36%, 45%], 27%)
Hybrid fixed income/credit	Long (15Y) callable range accrual note on fixed income and credit (default event)	Hybrid model coupling a fixed income diffusion and a credit diffusion	Fixed income-credit and credit volatility correlation parameters	([-50%, 20%], [45%, 65%])
Equity derivatives	Multi-underlying payoffs with long maturities	Model for valuing volatility options incorporating correlation between assets	Correlation inputs	52% - 80%

(a) As all transactions including this kind of data are back-to-back derivatives; the correlation input, which justifies the level-3 classification, is thus fully hedged.

Natixis' policy on transfers between fair value levels

Transfers between fair value levels are reviewed and validated by ad hoc committees of representatives of various functions, particularly Finance, Risk and Business Lines. The Committee considers various indicators of market activity and liquidity as described in the General Principles.
A review is undertaken for any instrument that ceases to meet these criteria or once again complies with the criteria. Transfers to and from Level 3 are subject to prior validation.

Pursuant to this procedure, multi-underlying equity products with residual maturity of between 4 and 5 years were transferred to Level 3 of the fair value hierarchy in the first half of 2016 (see Note 3.4.1.2).

- **Instruments affected by the financial crisis**

a) CDS contracted with credit enhancers (monoline insurers and CDPCs)

Since December 31, 2015, the valuation model used to measure write-downs on CDS contracted with monoline insurers has moved more in line, in terms of method, with the adjustment made for counterparty risk (Credit Valuation Adjustment – CVA). It also takes account of the expected depreciation of exposures and the counterparty spread implied from the market data.

The current method for determining provisions for contracts with CDPCs (Credit Derivatives Product Companies) was refined by applying a transparency-based approach to the underlying assets, based on an estimate of exposure at the time of default, with the PD and LGD based on the tranche's maturity. A stress factor of 1.2 was applied to the probabilities of default thus determined for the underlyings, based on a recovery rate of 27%. Counterparties are associated with a probability of default whenever the losses resulting from the calculation exceed the CDPC's net available assets.
In addition to these provisions, a general reserve also takes into account the volatility of the fair value of the contracts.

b) Other instruments not exposed to US housing risk measured by Natixis using a valuation model

The section below describes the underlying principles used to value assets resulting from securitization transactions for which no market prices could be identified and which were therefore measured using valuation models:

CLOs:
A scoring model was used defining the level of risk associated with certain structures based on a series of criteria.

Trust Preferred Securities (Trups) CDOs
The valuation model is based on projected future cash flows and default rates determined according to a statistical approach that deduces the default probability of banks according to their financial ratios. For other sectors, default rates are estimated considering the current ratings of assets.

Private Finance Initiative CDS (PFI CDS):
The valuation model used, for Private Finance Initiative (PFI) CDS, is based on an approach calibrated to the market prices of underlying PFI bonds and the use of a uniform collection rate.

1.4.2 Loans classified as “Loans and receivables” and amounts payable under finance leases

The majority of Natixis’ loans are variable-rate loans, and their fair value is determined on the basis of discounted future cash flows. The discount rate applied for a given loan is the rate at which Natixis would grant a loan with similar characteristics to a similar counterparty at the reporting date. As these are primarily variable-rate loans, the contractual rate is adjusted according to the trend in market lending rates and in counterparty risk.
If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is considered to be their carrying amount. This is also generally the case for financial assets with a term of one year or less and current accounts.

1.5 Guarantee mechanism for the assets of the former GAPC hive-off vehicle

On November 12, 2009, an arrangement was introduced by BPCE to protect assets of a portion of the former segregated GAPC hive-off portfolios with retroactive effect at July 1, 2009. With this guarantee mechanism, Natixis was able to free up a significant portion of its equity allocated to segregated assets and to protect itself against the risk of loss from these portfolios subsequent to June 30, 2009. This protective arrangement is based on two mechanisms:

- a sub-participation with the characteristics of a financial guarantee, covering 85% of the face value of assets recognized in “Loans and receivables” and “Available-for-sale financial assets”. Under this guarantee, Natixis is protected from the very first euro in default up to 85% of the default amount;

- two Total Return Swaps (TRS), one in euros and one in US$, transferring to BPCE 85% of unrealized and realized gains and losses on the portfolio of instruments at fair value through profit and loss (cash and derivatives) since July 1, 2009. TRS are derivatives and are therefore carried at fair value on the balance sheet, with a matching entry to income. At the same time, Natixis purchases an option from BPCE which, if exercised, allows it to recover the net gains on this portfolio after a ten-year period in return for the payment of a premium estimated at €367 million. The premium is also recognized at fair value.

The amount of the premium paid by Natixis in return for the financial guarantee amounted to €1,183 million.

Since the unrealized capital losses or write-downs on the assets covered by the guarantee have already been recorded in income, the premium was not immediately taken to income or recognized on a straight-line basis.
Instead, the premium is initially recognized on the accruals line and taken to income over the same period, in the same amount and on the same line as:

- reversals of provisions for impairment (in Provision for credit losses);
- deferred recognition of the discount (under net revenues) arising on October 1, 2008 on assets reclassified as “Loans and receivables” at that date pursuant to the amendment to IAS 39 and IFRS 7 published on October 13, 2008.

NOTE 2 CONSOLIDATION SCOPE

2.1 Key events

Key events for the period are presented in Note 1.2.

2.2 Changes in consolidation scope since January 1, 2016

The main changes in scope since January 1, 2016 were as follows:

2.2.1 Corporate and Investment Banking

- Newly consolidated entities

  - Acquisition of 75% of the share capital and voting rights in Natixis Capital Partners Spain on January 29, 2016;
  - Creation of the SPG Sicav on April 21, 2016;
  - Acquisition of 51% of the share capital and voting rights in the following entities on June 7, 2016:
    - Peter J. Solomon Company LP;
    - Peter J. Solomon Securities Company LLC.

2.2.2 Investment Solutions

- Newly consolidated entities

  - Consolidation of ABP Vie Mandat FCPI, a private equity fund, in the second quarter of 2016, when ownership interest thresholds were crossed.

- Deconsolidated entities

  - The following entities were disposed of on January 2, 2016:
    - Capital Growth Management LP;
    - Snyder Capital Management Inc;
    - Snyder Capital Management LP.

  - The following entities were liquidated in January 2016:
    - MC Management Inc;
    - MC Management LP;
    - Kobrick Funds LLC.

  - Deconsolidation of the asset management fund Natixis Credit Opportunities I/A EUR in the first quarter of 2016 as the percentage interest fell below eligible levels.

- Changes in percentage interest

  - The interest in Ecureuil Vie Développement increased from 49% to 51% following the acquisition of the 2% previously held by CNP Assurances in the first quarter of 2016;

  - In June 2016 NGAM purchased the 40% stake in AEW Europe previously owned by

CDC. NGAM's percentage interest in the following entities therefore rose from 60% to 100%: AEW Europe SA, AEW Coinvest, NAMI AEW Europe, AEW Europe SGP, AEW Europe Sarl (formerly AEW Luxembourg), AEW Global Ltd, AEW Global UK Ltd, AEW Europe Advisory Ltd, AEW Europe CC Ltd, AEW Europe LLP, AEW Europe Investment Ltd, AEW Europe Partnership, AEW Europe Holding Ltd, AEW Central Europe, AEW Europe Italian Branch, AEW Europe German Branch, AEW Central Europe CZECH, AEW Central Europe Romania, EPI SLP LLC, EPISO SLP LLC. Its interest in AEW UK Investment Management LLP increased from 30% to 50%;

- In the second quarter of 2016, the percentage interest in DNCA Management increased from 8% to 42% following the buyout of shares owned by the company's managers. This transaction increased the interest in DNCA's entities, which rose from 71% to 74% for the following entities: DNCA & Cie, DNCA Finance, DNCA Courtage, DNCA Luxembourg;

- In the second quarter of 2016, the interest in Euro Private Equity SA and Euro Private Equity France increased from 70% to 80% following the acquisition of an additional 10% of the share capital in accordance with the initial protocol agreement signed on the entity's acquisition;

- In the second quarter of 2016, the ownership interest in Sélection 1818 increased from 75% to 100% following the exercise of put options on minority shareholders;

- The holding in Ossiam rose from 62% to 64% following the purchase of 900 shares from one of the entity's managers on June 13, 2016.

2.2.3 Financial Investments

- Deconsolidated entities

  - Disposal of HCP NA LLC and Altus GTS Inc on March 31, 2016.

2.3 Entities held for sale

The assets and liabilities of controlled entities which Natixis intends to sell within a maximum period of 12 months, and for which it is actively seeking a buyer, are identified separately on two specific lines of the consolidated balance sheet as non-current assets and liabilities.

On December 31, 2014, Natixis initiated discussions regarding the sale of its subsidiary Altus GTS Inc. At December 31, 2014 and December 31, 2015, Natixis maintained the full consolidation of its subsidiary and combined, in accordance with the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of that entity under two separate balance sheet line items: "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". As the disposal was completed in the first half of 2016, with an impact of €10.9 million on "Gains and losses on other assets", this entity was no longer included in Natixis' consolidation scope as at June 30, 2016.

Furthermore, at December 31, 2015, Snyder Capital Management, a fully consolidated subsidiary of the Investment Solutions division, was also treated in accordance with IFRS 5, with the presentation of its assets and liabilities organized into the two balance sheet items: "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". As the disposal was completed in the first half of 2016, with an impact of €2.3 million on “Gains and losses on other assets”, the subsidiary was no longer included in Natixis’ consolidation scope as at June 30, 2016.

Finally, at December 31, 2015, Capital Growth Management, a subsidiary of the Investment Solutions division consolidated using the equity method, was also treated in accordance with IFRS 5, and the stake recorded under “Non-current assets held for sale”. In accordance with IFRS 5, securities were measured at their net book value, without taking into account the share of income generated after the classification as “Non-current assets held for sale”. As the disposal was completed in the first half of 2016, with an impact of €17.5 million on “Gains and losses on other assets”, this entity was no longer included in Natixis’ balance sheet as at June 30, 2016.

NOTE 3 NOTES TO THE BALANCE SHEET

3.1 Financial assets and liabilities designated at fair value through profit and loss

These assets and liabilities are measured at fair value at the reporting date, with changes in value, including interest, recognized in income under "Net gains or losses on financial instruments at fair value through profit and loss".

3.1.1 Financial assets at fair value through profit or loss

The table below shows the breakdown of financial assets at fair value through profit and loss by instrument type.

(in millions of euros)	*Notes*	06.30.2016	12.31.2015
Securities held for trading		**42,927**	**48,489**
Fixed-income securities		17,982	19,916
Variable-income securities (1)		24,945	28,573
Loans and receivables held for trading		**2,354**	**2,621**
Banks		1,551	1,709
Customers		803	912
Derivative instruments not eligible for hedge accounting (2)		**80,430**	**70,546**
Securities at fair value through profit and loss	*3.1.3.1*	**60,869**	**64,460**
Securities services		13,332	13,202
Fixed-income		*2,975*	*3,554*
Variable-income (1)		*10,357*	*9,648*
Reverse repos (2)		47,537	51,257
Loans and receivables at fair value through profit and loss	*3.1.3.1*	**5,492**	**5,523**
Banks		1,396	1,100
Customers		4,096	4,424
Total		**192,073**	**191,639**

(1) Including shares in mutual funds.
(2) The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see Note 3.3).

3.1.2 Financial liabilities designated at fair value through profit and loss

Financial liabilities at fair value through profit and loss primarily comprise derivatives not used as hedging instruments.
Securities classified as instruments held for trading essentially comprise short sales of financial assets.

(in millions of euros)	Notes	06.30.2016	12.31.2015
Instruments held for trading		**101,408**	**94,153**
Securities services		23,799	23,181
Derivative instruments not eligible for hedge accounting (1)		77,178	70,207
Other liabilities		431	765
Instruments designated at fair value through profit and loss	*3.1.3.2*	**63,377**	**64,837**
Securities services		16,799	15,531
Repurchased securities (1)		45,243	48,080
Other liabilities		1,335	1,225
Total		**164,785**	**158,990**

(1) The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see Note 3.3).

3.1.3 Financial assets and liabilities designated at fair value through profit and loss

Conditions for classification of financial assets and liabilities designated at fair value through profit and loss

Financial assets and liabilities are designated at fair value through profit and loss when this choice provides more pertinent information or when the instruments incorporate one or more significant and separable derivatives.
The use of the fair value option is assumed to provide more pertinent information in two situations:

- where there is an accounting mismatch between economically linked assets and liabilities. This is particularly the case between an asset or liability and a hedging derivative when hedge accounting conditions are not met: in such cases, changes in the fair value of the hedged item automatically offset changes in the fair value of the hedging derivative;
- where a portfolio of financial assets and liabilities is managed and recognized at fair value as part of a documented policy of asset and liability management.

Financial assets measured at fair value through profit and loss consist primarily of long-term structured repos indexed to a basket of equities whose risks are managed globally and dynamically, as well as financial assets representative of unit-linked policies from insurance activities and, to a lesser extent, assets with embedded derivatives for which the principle of separation was not adopted.

Liabilities valued using the fair value through profit and loss option consist mainly of long-term structured repos indexed to a basket of equities whose risks are managed globally and dynamically, as well as issues originated and structured for customers whose risks and hedges are managed collectively. These issues include significant embedded derivatives for which changes in value are neutralized by those of the derivative instruments hedging them.

3.1.3.1 Financial assets designated at fair value

	06.30.2016				12.31.2015			
(in millions of euros)	**Carrying amount**	**Accounting mismatch**	**Managed on a fair value basis**	**Embedded derivatives**	**Carrying amount**	**Accounting mismatch**	**Managed on a fair value basis**	**Embedded derivatives**
Loans and receivables due from banks	**1,395**	1,395			**1,100**	1,100		
Loans and receivables due from customers	**4,098**	152	540	3,405	**4,424**	141	530	3,753
Fixed-income securities	**2,975**	1,669	378	928	**3,554**	1,659	379	1,515
Variable-income securities	**10,356**	8,386	1,970		**9,648**	7,890	1,758	
o/w repurchased securities	**47,537**		47,537		**51,257**		51,257	
Total	**66,361**	**11,602**	**50,425**	**4,333**	**69,983**	**10,790**	**53,925**	**5,268**

3.1.3.2 Financial liabilities designated at fair value through profit and loss

	06.30.2016				12.31.2015			
(in millions of euros)	**Carrying amount**	**Accounting mismatch**	**Managed on a fair value basis**	**Embedded derivatives**	**Carrying amount**	**Accounting mismatch**	**Managed on a fair value basis**	**Embedded derivatives**
Due to banks	**51**	51			**90**	90		
Customer deposits	**29**			29	**29**			29
Debt securities	**16,702**	14,046		2,656	**15,437**	12,877		2,560
Subordinated debt	**97**			97	**95**			95
o/w repurchased securities	**45,243**	936	44,307		**48,080**	647	47,433	
Other liabilities	**1,255**	1,255			**1,106**	1,106		
Total	**63,377**	**16,288**	**44,307**	**2,782**	**64,837**	**14,720**	**47,433**	**2,684**

Some liabilities issued and recognized at fair value through profit and loss are covered by a guarantee. The effect of this guarantee is incorporated into the fair value of the liabilities.

3.2 Available-for-sale financial assets

The table below shows available-for-sale financial assets by type of instrument. It discloses the gross value before impairment, the amount of impairment and the carrying amount net of impairment.
Available-for-sale financial assets are tested for impairment at the end of each reporting period (i.e. every quarter). When there is objective evidence of impairment and a reduction in fair value has previously been recognized in equity, the aggregate impairment loss is removed from equity and taken to income.

(in millions of euros)	06.30.2016	12.31.2015
Loans outstanding	**17**	**17**
- Loans and receivables	17	17
- Accrued interest		
Securities services	**55,864**	**53,194**
- Fixed-income	48,782	45,541
- Variable-income (1)	6,534	7,086
- Accrued interest	549	567
Total available-for-sale financial assets before impairment	**55,881**	**53,211**
Impairment of available-for-sale assets	**(563)**	**(538)**
- Loans and receivables	(15)	(15)
- Fixed-income securities	(34)	(32)
- Variable-income securities (2)	(513)	(491)
Total	**55,318**	**52,673**

(1) Including shares in UCITS.
(2) In first-half 2016, permanent impairment of variable-income securities stood at €36 million compared with €17 million at June 30, 2015. This expense involves insurance portfolios for €29 million (€11 million at June 30, 2015), the impact of which is neutralized given the profit-sharing mechanism.
The first-half 2016 expense can be broken down into additional impairment on securities previously impaired for €11 million including €4 million on insurance portfolios (vs. €14 million at June 30, 2015 including €8 million on insurance portfolios) and an allowance of €25 million for newly impaired securities in accordance with the application of analysis criteria, exclusively applicable to insurance portfolios (vs. €3 million at June 30, 2015, in accordance with automatic criteria as defined in the accounting principles and methods, exclusively applicable to insurance portfolios).

3.3 Offsetting financial assets and liabilities

The table below presents the amounts offset on the Natixis balance sheet meeting the criteria set out in IAS 32, as well as the impacts linked to the existence of an enforceable right of set-off under a master netting arrangement or similar agreements that do not meet the criteria set out in IAS 32 dealing with offsetting.
The gross offset amounts reflect derivatives and repurchase agreements with clearing houses for which the criteria set out in IAS 32 are met:

- for derivatives, the information is presented in consideration of the effects of the currency offset between asset valuations and liability valuations of the derivatives handled through the “LCH Clearnet Ltd” clearing house via the “Swapclear” clearing system;
- as regards repurchase agreements, Natixis records on its balance sheet the net value of repurchase and reverse repurchase agreements that:
  - ✓ are entered into with the same clearing house;
  - ✓ have the same maturity date;
  - ✓ involve the same custodian;
  - ✓ are made in the same currency.

The impacts linked to the existence of an enforceable right of set-off under master netting arrangements or similar agreements correspond to derivative amounts or outstanding repos covered by master arrangements under which the net settlement criterion or the simultaneous settlement of

assets and liabilities cannot be demonstrated or for which the right to set-off cannot be exercised except in the event of the default, insolvency or bankruptcy of one or more counterparties. These amounts are not offset on the balance sheet.
Guarantees received and given in the form of the securities shown in the “Financial instruments” column are recognized at fair value.

3.3.1 Financial assets

(in millions of euros)	06.30.2016			12.31.2015		
	Gross amount of financial assets recognized in the balance sheet (1) (a)	Gross amount of offset financial liabilities (b)	Net amount of financial assets recognized in the balance sheet (c) = (a) - (b)	Gross amount of financial assets recognized in the balance sheet (1) (a)	Gross amount of offset financial liabilities (b)	Net amount of financial assets recognized in the balance sheet (c) = (a) - (b)
Financial assets at fair value through profit and loss	**135,575**	**32,862**	**102,713**	**125,409**	**28,039**	**97,370**
Derivatives	83,701	23,631	60,070	71,231	17,943	53,288
Repurchase agreements	51,874	9,231	42,643	53,386	10,095	43,290
Other financial instruments	0	0	0	792	-	792
Hedging derivatives	**4,719**	**4,363**	**356**	**1,636**	**1,254**	**382**
Loans and receivables due from banks	**5,387**	**0**	**5,387**	**10,623**		**10,623**
Repurchase agreements	5,385	0	5,385	8,739		8,739
Other financial instruments	2	0	2	1,884		1,884
Customer loans and receivables	**39,769**	**1,295**	**38,474**	**27,990**	**3,971**	**24,020**
Repurchase agreements	38,643	1,295	37,348	27,958	3,971	23,988
Other financial instruments	1,126	0	1,126	32		32
TOTAL	**185,450**	**38,520**	**146,930**	**165,658**	**33,264**	**132,394**

(1) Gross amount of financial assets offset or covered by a master netting or similar arrangement.

(in millions of euros)	06.30.2016				12.31.2015			
		Amounts not offset related to (a) (d)				Amounts not offset related to (a) (d)		
	Net amount of financial assets recognized in the balance sheet (c)	Financial instruments (1)	Guarantees received in cash	Net exposure (e) = (c) - (d)	Net amount of financial assets recognized in the balance sheet (c)	Financial instruments (1)	Guarantees received in cash	Net exposure (e) = (c) - (d)
Derivatives	60,426	38,608	14,368	7,451	53,669	36,358	12,414	4,897
Repurchase agreements	85,376	84,873	84	419	76,017	75,421	167	429
Other financial instruments	1,128	0	0	1,128	2,708	1,492		1,215
TOTAL	**146,930**	**123,481**	**14,452**	**8,998**	**132,394**	**113,271**	**12,582**	**6,542**

(1) Including collateral received in the form of securities.

3.3.2 Financial liabilities

(in millions of euros)	06.30.2016			12.31.2015		
	Gross amount of financial liabilities recognized in the balance sheet (1) (a)	Gross amount of offset financial assets (b)	Net amount of financial liabilities recognized in the balance sheet (c) = (a) - (b)	Gross amount of financial liabilities recognized in the balance sheet (1) (a)	Gross amount of offset financial assets (b)	Net amount of financial liabilities recognized in the balance sheet (c) = (a) - (b)
Financial liabilities designated at fair value through profit and loss	**128,778**	**32,887**	**95,891**	**115,026**	**27,830**	**87,196**
Derivatives	81,246	23,656	57,590	70,158	17,734	52,423
Repurchase agreements	47,532	9,231	38,301	44,765	10,095	34,670
Other financial instruments	0	0	0	103		103
Hedging derivatives	**5,043**	**4,338**	**705**	**1,994**	**1,463**	**531**
Due to banks	**12,543**	**0**	**12,543**	**12,883**		**12,883**
Repurchase agreements	12,543	0	12,543	12,597		12,597
Other financial instruments	0	0	0	286		286
Customer deposits	**39,245**	**1,295**	**37,950**	**29,466**	**3,971**	**25,495**
Repurchase agreements	39,245	1,295	37,950	29,466	3,971	25,495
Other financial instruments	0	0	0	0		0
TOTAL	**185,609**	**38,520**	**147,089**	**159,369**	**33,264**	**126,105**

(1) Gross amount of financial liabilities offset or covered by a master netting or similar arrangement.

(in millions of euros)	06.30.2015				12.31.2015			
		Amounts not offset related to (a) (d)				Amounts not offset related to (a) (d)		
	Net amount of financial liabilities recognized in the balance sheet (c)	Financial instruments (1)	Guarantees received in cash	Net exposure (e) = (c) - (d)	Net amount of financial liabilities recognized in the balance sheet (c)	Financial instruments (1)	Guarantees received in cash	Net exposure (e) = (c) - (d)
Derivatives	58,295	38,849	14,630	4,815	52,954	36,349	12,145	4,460
Repurchase agreements	88,794	88,196	51	547	72,762	72,397	20	345
Other financial instruments	0	0	0	0	390	222		167
TOTAL	**147,089**	**127,045**	**14,681**	**5,362**	**126,105**	**108,968**	**12,164**	**4,973**

(1) Including collateral received in the form of securities.

3.4 Fair value of financial assets and liabilities carried at fair value in the balance sheet

The table below presents the fair value of all financial assets recognized at fair value in the balance sheet.
The fair value of financial assets carried at fair value in the balance sheet is broken down according to the hierarchy of inputs used to value the assets, as described in Note 1.4.1.

3.4.1 Fair value of financial assets carried at fair value in the balance sheet

Assets (in millions of euros)	At June 30, 2016				At December 31, 2015			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Financial assets held for trading	**125,711**	**39,048**	**83,335**	**3,329**	**121,656**	**42,385**	**75,338**	**3,933**
Securities held for trading	**42,927**	**38,455**	**4,014**	**458**	**48,489**	**41,958**	**6,189**	**343**
o/w fixed-income securities	17,982	14,928	2,596	458	*19,916*	*16,217*	*3,357*	*343*
o/w variable-income securities	24,945	23,527	1,418		*28,573*	*25,741*	*2,832*	
Derivative instruments not eligible for hedge accounting (positive fair value)	**80,429**	**593**	**77,728**	**2,109**	**70,546**	**427**	**67,263**	**2,856**
o/w interest rate derivatives	50,385		50,210	175	*44,113*		*43,250*	*863*
o/w currency derivatives	20,845		20,182	663	*18,280*	*5*	*17,746*	*529*
o/w credit derivatives	1,865		976	889	*2,305*		*1,188*	*1,117*
o/w equity derivatives	6,022	496	5,149	376	*4,499*	*332*	*3,824*	*343*
o/w other	1,312	97	1,211	5	*1,349*	*89*	*1,255*	*5*
Other financial assets held for trading	**2,354**		**1,593**	**762**	**2,621**		**1,886**	**735**
Financial assets at fair value through profit and loss	**66,360**	**8,789**	**54,477**	**3,094**	**69,983**	**8,393**	**58,237**	**3,353**
Securities at fair value through profit and loss	**13,332**	**8,789**	**2,383**	**2,159**	**13,202**	**8,393**	**2,462**	**2,348**
o/w fixed-income securities	2,975	574	1,137	1,265	3,554	906	1,239	1,409
o/w variable-income securities	10,357	8,216	1,246	895	9,648	7,487	1,222	939
Other financial assets at fair value through profit and loss	**53,029**		**52,094**	**935**	**56,781**		**55,775**	**1,006**
Hedging derivatives (assets)	**2,138**		**2,138**		**1,035**		**1,035**	
o/w interest rate derivatives	2,138		2,138		1,035		1,035	
o/w currency derivatives								
Available-for-sale financial assets	**55,318**	**44,336**	**7,227**	**3,756**	**52,673**	**41,787**	**7,205**	**3,681**
Available-for-sale securities - Equity investments	879	**3**		**876**	**883**	**3**		**880**
Other available-for-sale securities	**54,438**	**44,333**	**7,227**	**2,878**	**51,787**	**41,784**	**7,205**	**2,798**
o/w fixed-income securities	49,293	40,230	6,296	2,767	46,075	37,432	5,960	2,683
o/w variable-income securities	5,144	4,103	931	111	5,712	4,352	1,245	116
Other available-for-sale financial assets	**2**			**2**	**2**			**2**
Total	**249,528**	**92,173**	**147,177**	**10,178**	**245,347**	**92,565**	**141,815**	**10,967**

3.4.1.1 Financial assets at fair value measured using level 3 of the fair value hierarchy

At June 30, 2016

(in millions of euros)	Level 3 opening balance 01.01.2016	Gains and losses recognized in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance 06.30.2016
		Income statement (1)		Gains and losses recognized directly in equity	Purchases/ Issues	Sales/ Redemptions	From level 3	To level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed at the reporting date									
Financial assets at fair value through profit and loss - Trading	**3,933**	**(41)**	**(256)**		**1,131**	**(861)**	**(346)**		**(218)**		**(15)**	**3,329**
Fixed-income securities held for trading	**343**	**(6)**			**221**	**(96)**	**(2)**				**(1)**	**458**
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,856**	**(37)**	**(256)**		**286**	**(166)**	**(345)**		**(218)**		**(12)**	**2,109**
o/w interest rate derivatives	863	(56)	(131)			(50)	(345)		(105)			175
o/w currency derivatives	529	162				(20)			(8)			663
o/w credit derivatives	1,117	(47)	(65)			(10)			(105)		(1)	889
o/w equity derivatives	343	(96)	(60)		286	(86)					(12)	376
o/w other	5											5
Other financial assets held for trading	735	2			624	(598)					(1)	762
Financial assets at fair value through profit and loss	**3,353**	**(128)**	**34**		**555**	**(831)**		**135**			**(27)**	**3,094**
Fixed-income securities at fair value through profit and loss	1,409	(103)	2		13	(55)					(1)	1,265
Variable-income securities at fair value through profit and loss	939	(1)	14		20	(71)					(6)	895
Other financial assets at fair value through profit and loss	1,006	(23)	18		523	(705)		135			(19)	935
Hedging derivatives												
Available-for-sale financial assets	**3,681**	**8**	**6**	**67**	**208**	**(197)**	**(125)**	**111**			**(3)**	**3,756**
Available-for-sale securities - Equity investments	**880**	**8**	**3**	**5**	**17**	**(35)**					**(3)**	**876**
Other available-for-sale securities	**2,798**		**2**	**62**	**191**	**(162)**	**(125)**	**111**				**2,878**
o/w fixed-income securities	2,683			62	190	(154)	(125)	111				2,767
o/w variable-income securities	116		2		1	(7)						111
Other available-for-sale financial assets	2											2
Total financial assets recorded at fair value	**10,967**	**(161)**	**(216)**	**67**	**1,895**	**(1,888)**	**(471)**	**246**	**(218)**		**(43)**	**10,178**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.

At December 31, 2015

(in millions of euros)	Level 3 opening balance 01.01.2015	Gains and losses recognized in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance 12.31.2015
		Income statement (1)		Gains and losses recognized directly in equity	Purchases/ Issues	Sales/ Redemptions	From level 3	To level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed at the reporting date									
Financial assets at fair value through profit and loss - Trading	**3,315**	**242**	**(397)**		**1,357**	**(1,247)**	**(68)**	**669**			**63**	**3,933**
Fixed-income securities held for trading	**444**	**1**	**3**		**452**	**(544)**	**(29)**	**6**			**9**	**343**
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,494**	**241**	**(400)**		**171**	**(327)**	**(39)**	**663**			**53**	**2,856**
o/w interest rate derivatives	1,353	4	(442)			(173)	(33)	154				863
o/w currency derivatives	8		1			(4)	(2)	527				529
o/w credit derivatives	1,000	265	(5)			(147)					4	1,117
o/w equity derivatives	133	-33	46		171	(3)	(4)	(17)			49	343
o/w other		5										5
Other financial assets held for trading	**376**				**734**	**(376)**					**1**	**735**
Financial assets at fair value through profit and loss	**3,885**	**33**	**(43)**		**1,985**	**(2,718)**	**(22)**	**50**	**3**		**180**	**3,353**
Fixed-income securities at fair value through profit and loss	**1,290**	77	(1)		302	(290)		29	1		2	**1,409**
Variable-income securities at fair value through profit and loss	**996**	2	(16)		54	(124)		2	2		23	**939**
Other financial assets at fair value through profit and loss	**1,600**	(46)	(26)		1,629	(2,303)	(22)	20			155	**1,006**
Hedging derivatives												
Available-for-sale financial assets	**3,750**	**(7)**	**28**	**(41)**	**1,397**	**(997)**	**(540)**	**103**	**(4)**	**(11)**	**3**	**3,681**
Available-for-sale securities - Equity investments	**955**	**10**	**28**	**(28)**	**36**	**(109)**		**0**	**(2)**	**(11)**	**0**	**880**
Other available-for-sale securities	**2,775**	**1**		**(13)**	**1,361**	**(888)**	**(540)**	**103**	**(2)**		**3**	**2,798**
o/w fixed-income securities	2,616	1		(13)	1,357	(873)	(486)	80				2,683
o/w variable-income securities	158			1	3	(16)	(55)	23	(2)		3	116
Other available-for-sale financial assets	**20**	**(18)**										**2**
Total financial assets recorded at fair value	**10,950**	**268**	**(412)**	**(41)**	**4,739**	**(4,963)**	**(630)**	**822**	**(1)**	**(11)**	**246**	**10,967**

(1) The main impacts recognized in the income statement are mentioned in Note 4.3.

3.4.1.2 Financial assets at fair value: transfer between fair value levels

At June 30, 2016

(in millions of euros)		At June 30, 2016				
	From	Level 1	Level 2	Level 2	Level 3	Level 3
	To	Level 2	Level 1	Level 3	Level 1	Level 2
Financial assets held for trading		**53**	**393**			**346**
Securities held for trading		53	393			2
o/w fixed-income securities		53	54			2
o/w variable-income securities			339			
Derivative instruments not eligible for hedge accounting (positive fair value)						345
o/w interest rate derivatives						345
o/w currency derivatives						
o/w credit derivatives						
o/w equity derivatives						
o/w other						
Other financial assets held for trading						
Financial assets at fair value through profit and loss				**135**		
Securities at fair value through profit and loss						
o/w fixed-income securities						
o/w variable-income securities						
Other financial assets at fair value through profit and loss				135		
Hedging derivatives (assets)						
Available-for-sale financial assets		**931**	**666**	**111**		**125**
Available-for-sale securities - Equity investments						
Other available-for-sale securities		931	666	111		125
o/w fixed-income securities		931	616	111		125
o/w variable-income securities			50			
Other available-for-sale financial assets						

The transfer amounts are as determined in the last valuation prior to the change in level of the fair value hierarchy.

At December 31, 2015

(in millions of euros)		At December 31, 2015				
	From	Level 1	Level 2	Level 2	Level 3	Level 3
	To	Level 2	Level 1	Level 3	Level 1	Level 2
Financial assets held for trading		**386**	**901**	**669**		**68**
Securities held for trading		386	901	6		29
o/w fixed-income securities		83	901	6		29
o/w variable-income securities		302				
Derivative instruments not eligible for hedge accounting (positive fair value)				663		39
o/w interest rate derivatives (1)				154		33
o/w currency derivatives				527		2
o/w credit derivatives						
o/w equity derivatives (2)				(17)		4
o/w other						
Other financial assets held for trading						
Financial assets at fair value through profit and loss				**50**		**22**
Securities at fair value through profit and loss				30		
o/w fixed-income securities				29		
o/w variable-income securities				2		
Other financial assets at fair value through profit and loss				20		22
Hedging derivatives (assets)						
Available-for-sale financial assets		**77**	**49**	**103**		**540**
Available-for-sale securities - Equity investments						
Other available-for-sale securities		77	49	103		540
o/w fixed-income securities		69	49	80		486
o/w variable-income securities		8		23		55
Other available-for-sale financial assets						

(1) For Helvetix derivatives, the contribution of valuation adjustments became very significant with respect to the fair value of these instruments taken as a whole. Natixis therefore transferred them to Level 3 of the fair value hierarchy in 2015.
(2) TRS and repos indexed to a basket of equities were transferred to Level 3 of the fair value hierarchy in 2015 subsequent to a change in the valuation model based on proprietary data.
The transfer amounts are as determined in the last valuation prior to the change in level of the fair value hierarchy.

Sensitivity analysis of the fair value of financial instruments measured according to level 3 – Assets and Liabilities

A fair value sensitivity analysis was performed on June 30, 2016 on instruments valued using unobservable inputs. Changes to the assumptions used for these inputs would lead to a variation in the market value of these instruments. The sensitivity analysis uses probably assumptions to estimate the uncertainty inherent in the use of judgment to calculate these inputs. This estimate was performed using:

- a "standardized[1]" variation in unobservable inputs related to assumptions of additional valuation adjustments for fixed income, currency and equity instruments. The resulting sensitivity was €15.5 million;

- a flat variation of:
  - +/-1% in the recovery rate for unsecured debt on uncollateralized derivatives;
  - +/-10% in the price of the assets underlying secured debt;
  - +/-50 basis points applied to the margin used for the discounted cash flow expected on TruPS CDOs.

  i.e. a sensitivity impact representing a valuation increase of €47.6 million (reflecting an improvement in the above-mentioned inputs) or a valuation decrease of €47.2 million (reflecting a deterioration in said inputs)[2].

3.4.2 Fair value of financial liabilities carried at fair value in the balance sheet

Liabilities (in millions of euros)	At June 30, 2016				At December 31, 2015			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities held for trading	**101,407**	**23,536**	**76,956**	**915**	**94,153**	**23,213**	**69,380**	**1,560**
Securities issued for trading purposes	**23,799**	**23,069**	**725**	**6**	**23,181**	**22,707**	**450**	**24**
Derivative instruments not eligible for hedge accounting (negative fair value)	**77,177**	**467**	**75,801**	**909**	**70,207**	**506**	**68,165**	**1,536**
o/w interest rate derivatives	44,739	16	44,460	263	41,525	75	40,743	707
o/w currency derivatives	23,190	9	23,162	19	19,876	8	19,851	17
o/w credit derivatives	1,325		923	402	1,639		1,135	504
o/w equity derivatives	7,298	339	6,734	224	6,199	352	5,540	308
Other	625	103	522		968	72	896	
Other financial liabilities held for trading	**431**		**431**		**765**		**765**	
Financial liabilities at fair value through profit and loss	**63,377**		**62,399**	**979**	**64,837**	**87**	**64,038**	**712**
Securities at fair value through profit and loss	16,799		16,766	33	15,531		15,496	36
Other financial liabilities at fair value through profit and loss	46,578		45,633	946	49,306	87	48,543	676
Hedging derivatives (liabilities)	**3,786**		**3,786**		**1,918**		**1,918**	
o/w interest rate derivatives	3,786		3,786		1,918		1,918	
o/w currency derivatives								
o/w credit derivatives								
Total	**168,571**	**23,536**	**143,141**	**1,894**	**160,907**	**23,300**	**135,336**	**2,272**

3.4.2.1 Financial liabilities at fair value measured using level 3 of the fair value hierarchy

At June 30, 2016

(in millions of euros)		Gains and losses recognized in the period			Transactions carried out in the period		Reclassifications in the period					
		Income statement										
	Level 3 opening balance 01.01.2016	On outstanding transactions at the reporting date	On transactions expired or redeemed at the reporting date	Gains and losses recognized directly in equity	Purchases/ Issues	Sales/ Redemptions	From level 3	To level 3	Other reclassifications	Change in consolidation scope	Translation adjustments	Level 3 closing balance 06.30.2016
Financial liabilities at fair value through profit and loss - Trading	**1,560**	**253**	**(365)**		**15**	**(325)**	**1**		**(223)**			**915**
Securities issued for trading purposes	24					(18)						6
Derivative instruments not eligible for hedge accounting (negative fair value)	**1,536**	**253**	**(365)**		**15**	**(307)**	**1**		**(223)**			**909**
o/w interest rate derivatives	707	9	(225)		11	(15)	(0)		(223)			263
o/w currency derivatives	17	10	(12)		4							19
o/w credit derivatives	504	42	(125)			(18)						402
o/w equity derivatives	308	192	(3)		1	(274)	2					224
o/w other derivatives												
Other financial liabilities held for trading												
Financial liabilities at fair value through profit and loss	**712**	**19**	**(19)**		**944**	**(680)**		**3**				**979**
Securities at fair value through profit and loss	36	1	(1)		32	(34)						33
Other financial liabilities at fair value through profit and loss	676	19	(18)		912	(646)		3				946
Hedging derivatives												
Total financial liabilities recognized at fair value	**2,272**	**272**	**(384)**		**959**	**(1,004)**	**1**	**3**	**(223)**			**1,894**

[1] i.e. the standard deviation of consensus prices used to measure the inputs.
[2] Impact determined before taking the BPCE guarantee into account.

At December 31, 2015

(in millions of euros)	Level 3 opening balance 01.01.2015	Gains and losses recognized in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance 12.31.2015
		Income statement		Gains and losses recognized directly in equity	Purchases/ Issues	Sales/ Redemptions	From level 3	To level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed at the reporting date									
Financial liabilities at fair value through profit and loss - Trading	**2,254**	**430**	**(573)**		**106**	**(163)**	**(594)**	**93**			**6**	**1,560**
Securities issued for trading purposes	10		1		64	(52)						24
Derivative instruments not eligible for hedge accounting (negative fair value)	**2,244**	**430**	**(574)**		**42**	**(111)**	**(594)**	**93**			**6**	**1,536**
o/w interest rate derivatives	1,597	288	(535)			(110)	(569)	35				707
o/w currency derivatives	9	(3)	1			(1)		12				17
o/w credit derivatives	526	44	(74)		1						6	504
o/w equity derivatives	113	100	34		41		(26)	46				308
o/w other derivatives												
Other financial liabilities held for trading												
Financial liabilities at fair value through profit and loss	**14**	**3**	**79**			**(145)**	**(4)**	**765**				**712**
Securities at fair value through profit and loss		3				(1)		33				36
Other financial liabilities at fair value through profit and loss	14		79			(144)	(4)	731				676
Hedging derivatives												
Total financial liabilities recognized at fair value	**2,269**	**433**	**(494)**		**106**	**(308)**	**(598)**	**858**			**6**	**2,272**

3.4.2.2 Financial liabilities at fair value: transfer between fair value levels

At June 30, 2016

		At June 30, 2016			
(in millions of euros)	**From**	**Level 1**	**Level 2**	**Level 2**	**Level 3**
	To	**Level 2**	**Level 1**	**Level 3**	**Level 2**
Financial liabilities held for trading		**6**	**1**		**1**
Securities issued for trading purposes		6	1		
Derivative instruments not eligible for hedge accounting (negative fair value)					1
o/w interest rate derivatives					0
o/w currency derivatives					
o/w credit derivatives					
o/w equity derivatives					2
Other					
Other financial liabilities held for trading					
Financial liabilities at fair value through profit and loss				**3**	
Securities at fair value through profit and loss					
Other financial liabilities at fair value through profit and loss				3	
Hedging derivatives (liabilities)					

The transfer amounts are as determined in the last valuation prior to the change in level of the fair value hierarchy.

At December 31, 2015

		At December 31, 2015			
(in millions of euros)	**From**	**Level 1**	**Level 2**	**Level 2**	**Level 3**
	To	**Level 2**	**Level 1**	**Level 3**	**Level 2**
Financial liabilities held for trading		**29**	**15**	**93**	**594**
Securities issued for trading purposes		29	15		
Derivative instruments not eligible for hedge accounting (negative fair value)				93	594
o/w interest rate derivatives (1)				35	569
o/w currency derivatives				12	
o/w credit derivatives					
o/w equity derivatives (2)				46	26
Other					
Other financial liabilities held for trading					
Financial liabilities at fair value through profit and loss (2)				**765**	**4**
Securities at fair value through profit and loss				33	
Other financial liabilities at fair value through profit and loss				731	4
Hedging derivatives (liabilities)					

(1) For Helvetix derivatives, the contribution of valuation adjustments became very significant with respect to the fair value of these instruments taken as a whole. Natixis therefore transferred them to Level 3 of the fair value hierarchy in 2015.

(2) TRS and repos indexed to a basket of equities were transferred to Level 3 of the fair value hierarchy in 2015 subsequent to a change in the valuation model based on proprietary data.

The transfer amounts are as determined in the last valuation prior to the change in level of the fair value hierarchy.

3.5 Loans and receivables due from banks and customers and Due to banks and customer deposits

3.5.1 Loans and receivables due from banks

(in millions of euros)	06.30.2016	12.31.2015
Outstanding	**54,178**	**71,535**
Performing loans	54,105	71,455
Non-performing loans	73	80
Provisions	**(70)**	**(73)**
Total	**54,108**	**71,462**

The fair value of loans and receivables due from banks totaled €54,643 million at June 30, 2016, compared with €72,005 million at December 31, 2015.

3.5.2 Customer loans and receivables

(in millions of euros)	06.30.2016	12.31.2015
Outstanding	**146,397**	**109,436**
Performing loans (1)	141,939	104,880
Non-performing loans (2)	4,458	4,556
Provisions	**(2,130)**	**(2,247)**
Total	**144,267**	**107,189**

(1) The variation mainly corresponds to a cash deposit of €11.9 billion with CNP Assurances as part of the reinsurance treaty covering 10% of CNP's savings outstandings. This cash deposit is backed by technical reserves for an amount identical to the balance sheet assets representing obligations in respect of policyholders. (see Note 1.2).

(2) Non-performing loans were covered by sureties amounting to €1,823 million at June 30, 2016, compared with €1,466 million at December 31, 2015.

The fair value of loans and receivables due from customers totaled €145,339 million at June 30, 2016, compared with €108,496 million at December 31, 2015.

3.5.3 Due to banks

(in millions of euros)	06.30.2016	12.31.2015
Current accounts and accrued interest	7,333	5,974
Accounts and deposits	84,200	93,818
Repurchased securities	14,760	13,750
Other liabilities	54	18
Accrued interest	125	183
Total	**106,472**	**113,743**

The fair value of amounts due to banks totaled €106,807 million at June 30, 2016, compared with €114,064 million at December 31, 2015.

3.5.4 Customer deposits

(in millions of euros)	06.30.2016	12.31.2015
Current accounts	25,156	24,827
Accounts and deposits	16,477	10,902
Repurchased securities	39,565	25,987
Special savings accounts	167	122
Factoring accounts	2,077	1,079
Accrued interest	47	42
Other	1,221	1,131
Total	**84,710**	**64,090**

The fair value of customer payables amounted to €84,723 million at June 30, 2016, compared with €64,119 million at December 31, 2015.

3.6 Held-to-maturity financial assets

(in millions of euros)		06.30.2016	12.31.2015
Government securities			
Gross value		1,090	1,102
Provisions			
	Net government securities	**1,090**	**1,102**
Bonds			
Gross value		1,145	1,199
Provisions		(2)	(2)
	Net bonds	**1,142**	**1,197**
Total		**2,232**	**2,298**

The fair value of held-to-maturity financial assets totaled €2,725 million at June 30, 2016, compared with €2,800 million at December 31, 2015.

3.7 Goodwill

At June 30, 2016

	01.01.2016	06.30.2016						
(in millions of euros)	Opening balance	Acquisitions during the period	Allocations	Disposals	Write-downs	Translation adjustments	Reclassification and other activity	Closing balance
Corporate & Investment Banking (1)	**5**	**76**				**2**		**82**
Investment Solutions	**3,106**			**(1)**		**(36)**		**3,070**
Natixis Asset Management	2,927			(1)		(36)		2,891
Natixis Assurance	93							93
Private Banking	72							72
Private Equity - third party management	13							13
Specialized Financial Services	**59**					**0**	**6**	**64**
Natixis Interépargne	31							31
Sureties and Guarantees	12							12
Natixis Consumer Finance	10							10
Natixis Intertitres	6							6
Factoring						0	6	6
Financial Investments	**357**				**(75)**	**(0)**	**(1)**	**281**
Coface (2)	357				(75)	(0)	(1)	281
Other activities	**31**						**(5)**	**26**
Total	**3,558**	**76**		**-1**	**-75**	**-35**		**3,524**

(1) Including €3.4 million in goodwill recorded on the acquisition of Natixis Capital Partners Spain (previously named Espagnol 360 C), which provides M&A advisory services, and €72.4 million in goodwill recorded on the acquisition of PJSC, specialized in M&A and restructuring advisory services.
(2) At June 30, 2016 an impairment charge was recorded on goodwill on Coface, in the amount of €75 million (see Note 1.3). The €281 million in goodwill recorded at June 30, 2016 includes €116 million in group share, and €165 million for non-controlling interests;

Goodwill on entities consolidated using the equity method amounted to €27.1 million at June 30, 2016.
Certain goodwill recorded on the United States gives rise to a tax amortization over 15 years due to the difference between the book value of the goodwill and its fiscal value. This difference generated a deferred tax liability of €504.1 million at June 30, 2016 (see Note 8.3).

At December 31, 2015

	01.01.2015	12.31.2015					
(in millions of euros)	**Opening balance**	**Acquisitions during the period[(1)]**	**Disposals**	**Write-downs**	**Translation adjustments**	**Reclassification and other activity**	**Closing balance**
Corporate & Investment Banking		**5**					**5**
Investment Solutions	**2,365**	**581**	**(2)**		**153**	**9**	**3,106**
Natixis Asset Management	2,186	581	(2)		153	9	2,927
Natixis Assurance	93						93
Private Banking	72						72
Private Equity - third party management	13						13
Specialized Financial Services	**59**						**59**
Natixis Interépargne	31						31
Sureties and Guarantees	12						12
Natixis Consumer Finance	10						10
Natixis Intertitres	6						6
Financial Investments	**356**				**1**		**357**
Coface	356				1		357
Other activities	**27**					**4**	**31**
Total	**2,807**	**586**	**(2)**		**154**	**13**	**3,558**

(1) including €579.5 million for the goodwill recorded on the acquisition of DNCA Finance during 2015.

Goodwill on entities consolidated using the equity method amounted to €27.8 million at December 31, 2015.
Certain goodwill recorded on the United States gives rise to a tax amortization over 15 years due to the difference between the book value of the goodwill and its fiscal value. This difference generated a deferred tax liability of €483.5 million at December 31, 2015 (see Note 8.3).

3.8 Debt securities

Debt securities (interest-bearing notes, interbank market securities, etc.) are broken down by type of security, excluding subordinated securities which are included within "Subordinated debt".
These debts are initially recorded at their fair value and then valued at amortized cost.

(in millions of euros)	06.30.2016	12.31.2015
Money market instruments	**31,266**	**36,097**
Bonds	**2,476**	**2,474**
Other debt securities	**1,741**	**1,824**
Accrued interest	**43**	**30**
Total	**35,526**	**40,426**

The fair value of debt securities amounted to €35,539 million at June 30, 2016, compared with €40,415 million at December 31, 2015.

3.9 Provisions and impairment

3.9.1 Summary of provisions and impairment

(in millions of euros)	01.01.2016	Increase	Reversal (utilized provisions) (1)	Reversal (surplus provisions) (2)	Translation adjustments	Changes in scope	Other (3)	06.30.2016
Provisions for impairment deducted from assets	**3,334**	**369**	**(174)**	**(175)**	**(19)**	**16**	**(104)**	**3,247**
Impairment of loans and receivables (1) (2)	2,320	284	(128)	(161)	(15)		(132)	2,169
Impairment losses taken on available-for-sale financial assets	538	36	(14)		(1)	2	1	563
Other impairment	476	49	(32)	15	(3)	14	26	515
Provisions recognized in liabilities	**1,907**	**75**	**(115)**	**(19)**	**(19)**	**2**	**57**	**1,888**
Contingency reserves	1,668	74	(115)	(19)	(18)	2	60	1,651
Provisions for current tax	239	2	(0)	(0)	(0)		(3)	238
Total	**5,241**	**445**	**(290)**	**(194)**	**(37)**	**18**	**(47)**	**5,135**

The amounts shown in the above table include write-downs of assets held by life insurance companies. They are shown without the impact of changes in insurance company technical reserves.

(1) Including €42 million in reversals used due to disposals of receivables during the first half (vs. €139 million at December 31, 2015);

(2) Including €1 million in reversals not used due to disposals of receivables during the first half (vs. €30 million at December 31, 2015);

(3) Including €53.8 million in the first half of the year relating to changes in actuarial assumptions for employee benefits recorded directly in non-recyclable equity.

3.9.2 Contingency reserves

(in millions of euros)	01.01.2016	Increase	Reversal (surplus provisions)	Reversal (utilized provisions)	Translation adjustments	Changes in scope	Others	06.30.2016
Counterparty risks	**751**	**5**	**(11)**	**(32)**	**(18)**		**1**	**695**
Financing and guarantee commitments	54	3	(6)	(0)	(1)		0	50
Legal disputes (1)	680	0	(1)	(27)	(17)			635
Other provisions	17	1	(5)	(4)	(0)		1	10
Impairment risks	**67**	**4**	**(1)**	**(4)**	**(0)**		**(0)**	**66**
Long-term investments	53	1	(1)	(3)	(0)		(0)	51
Other provisions	14	2	(0)	(1)			(0)	15
Employee benefit obligations	**568**	**49**	**(2)**	**(60)**	**(0)**	**2**	**56**	**613**
Operational risks (2)	**281**	**17**	**(5)**	**(20)**	**0**	**(0)**	**3**	**276**
Total	**1,668**	**74**	**(19)**	**(115)**	**(18)**	**2**	**60**	**1,651**

(1) of which €461 million in provisions at June 30, 2016 in respect of Madoff net outstandings, compared with €475 million at December 31, 2015;

(2) of which €8.9 million at June 30, 2016 in respect of the workforce adjustment plan completed in 2015, versus €14.7 million at December 31, 2015.

3.10 Subordinated debt

Subordinated debt differs from advances and bonds issued in that it is repaid after all senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated securities. Subordinated debt is valued at amortized cost.

(in millions of euros)	06.30.2016	12.31.2015
Dated subordinated debt (1)	4,864	4,551
Undated subordinated debt	261	261
Accrued interest	66	57
Total	**5,191**	**4,869**

(1) Subordinated debt issue agreements do not incorporate a clause providing for early redemption in the event that the covenants are not observed.

The fair value of debt securities amounted to €5,393 million at June 30, 2016, compared with €5,108 million at December 31, 2015.

Changes in subordinated debt over the period

(in millions of euros)	01.01.2016	Issues (1)	Redemptions	Translation adjustments	Changes in scope	Other (2)	06.30.2016
Other dated subordinated debt	**4,551**	**300**		**1**		**11**	**4,864**
Subordinated notes	1,145	0		1		6	1,153
Subordinated loans	3,406	300				5	3,711
Other undated subordinated debt	**261**						**261**
Deeply subordinated notes							
Subordinated notes	10						10
Subordinated loans	251						251
Total	**4,812**	**300**		**1**		**11**	**5,125**

This table does not include accrued interest.

(1) Issues concerned:

- a loan of €300 million from BPCE.

(2) Other changes mainly pertained to the revaluation of debts subject to hedging and variations in intra-group securities held by Natixis Funding for the purposes of market making with respect to Natixis' debt on the secondary market.

NOTE 4 NOTES TO THE INCOME STATEMENT

4.1 Interest margin

"Interest and similar income" and "Interest and similar expenses" comprise interest on fixed-income securities recognized as available-for-sale financial assets, and interest on loans and receivables to and from banks and customers.
These line items also include interest on held-to-maturity financial assets.
Financial assets and liabilities valued at amortized cost give rise to the recognition of interest calculated using the effective interest rate method.

(in millions of euros)	H1 2016			H1 2015		
	Income	Expenses	Net	Income	Expenses	Net
Central banks	**105**	**(32)**	**73**	**69**	**(1)**	**68**
Securities	**575**	**(155)**	**420**	**580**	**(184)**	**396**
Loans and receivables	**1,654**	**(657)**	**997**	**1,510**	**(660)**	**850**
Banks	*195*	*(341)*	*(146)*	*287*	*(427)*	*(140)*
Customers	*1,281*	*(309)*	*973*	*1,038*	*(218)*	*820*
Finance leases	*177*	*(6)*	*171*	*185*	*(15)*	*170*
Subordinated debt	**0**	**(74)**	**(74)**	**0**	**(63)**	**(63)**
Hedging instruments	**142**	**(316)**	**(174)**	**254**	**(385)**	**(130)**
Interest accrued or due on derivatives	*142*	*(316)*	*(174)*	*254*	*(385)*	*(130)*
Interest accrued on impaired loans and receivables (including restructured items)	**7**	**0**	**7**	**9**	**0**	**9**
Total	**2,484**	**(1,234)**	**1,250**	**2,423**	**(1,292)**	**1,130**

4.2 Net fee and commission income

The method of accounting for fees and commissions received in respect of services or financial instruments depends on the ultimate purpose of the services rendered and the method of accounting for the financial instruments to which the service relates. Fees and commissions for one-off services, such as business provider commissions, are recognized in income as soon as the service is provided. Fees and commissions for ongoing services such as guarantee commissions or management fees are recognized over the service period.
Fiduciary or similar fees and commissions are those that result in assets being held or invested on behalf of individual customers, pension schemes or other institutions. In particular, trust transactions cover Asset Management and custody activities performed on behalf of third parties.
Fees and commissions that form an integral part of the effective yield on an instrument, such as fees on financing commitments given or loan set-up fees, are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognized as interest income rather than fee and commission income.

(in millions of euros)	H1 2016			H1 2015		
	Income	Expenses	Net	Income	Expenses	Net
Interbank transactions	1	(17)	**(16)**	1	(15)	**(13)**
Customer transactions	318	(2)	**317**	331	(7)	**324**
Securities transactions	64	(94)	**(30)**	90	(72)	**18**
Payment services	179	(22)	**158**	175	(23)	**152**
Financial services	175	(354)	**(179)**	161	(318)	**(157)**
Fiduciary transactions	1,512	0	**1,512**	1,486	0	**1,486**
Financing, guarantee, securities and derivative commitments	111	(73)	**38**	124	(65)	**59**
Others	162	(468)	**(307)**	173	(413)	**(240)**
Total	**2,522**	**(1,029)**	**1,493**	**2,542**	**(913)**	**1,629**

The premium paid to BPCE in respect of the guarantee given against former GAPC assets classified as "Loans and receivables" and "Available-for-sale financial assets" is recognized in expenses pro rata

to the write-back of the provisions and the discounts recognized in respect of reclassifications during the period.
At June 30, 2016, the expense in respect of the premium as recognized under guarantee commissions was -€0.2 million versus -€0.2 million at June 30, 2015.

4.3 Gains and losses on financial instruments at fair value through profit and loss

This item includes gains and losses on financial assets and liabilities at fair value through profit and loss, whether held for trading or designated at fair value through profit and loss, including interest.
Hedging derivatives and revaluation of hedged items include changes in the fair value of derivatives classified as fair value hedges, including interest, plus the symmetrical revaluation of the items hedged. They also include the "ineffective" portion of cash flow hedges.

(in millions of euros)	H1 2016	H1 2015
Net gains/(losses) on financial assets and liabilities excluding hedging derivatives	**862**	**1,331**
Net gains/(losses) on financial assets and liabilities held for trading (2)	1,394	680
Net gains/(losses) on other financial assets and liabilities at fair value through profit and loss (4)	(560)	589
Other (3)	28	62
Hedging instruments and revaluation of hedged items	**0**	**10**
Ineffective portion of cash flow hedges (CFH)	0	14
Ineffective portion of fair value hedges (FVH)	1	(4)
Changes in fair value of fair value hedges	*(181)*	*49*
Changes in fair value of hedged items	*182*	*(53)*
Total (1)	**862**	**1,341**

(1) Insofar as the expenses and income presented in the income statement are classified by type and not by function, the net income of activities on financial instruments at fair value through profit and loss should be considered as a whole. The results presented above do not include the refinancing cost of these financial instruments, which is recorded in interest income or expenses.

(2) "Net gains/(losses) on financial assets and liabilities held for trading" include:

- Impairments taken against the fair value of CDS entered into with monoline insurers, which led to an increase of €17 million in cumulative impairments in first-half 2016, versus income of €3.9 million at June 30, 2015 (excluding the currency impact and the impact of the BPCE guarantee), bringing cumulative impairments to €111.7 million at June 30, 2016 versus €108 million at June 30, 2015;
- A €0.1 million reversal at June 30, 2016 of the portfolio-based provision recorded on exposures in respect of CDPCs (Credit Derivatives Product Companies), bringing the cumulative balance to €4.3 million versus €4.4 million at December 31, 2015.

  At June 30, 2015, a €1.2 million reversal was carried out, bringing the cumulative balance of the portfolio-based provision on exposures to €10.8 million.
- At June 30, 2016, recognized own credit risk adjustments to derivatives (debit valuation adjustments or DVAs) stood at -€22.2 million versus income of €10.6 million at June 30, 2015.

  Furthermore, credit risk adjustments related to the valuation of counterparty risk (credit valuation adjustments or CVAs) on financial assets amounted to -€40.8 million at June 30, 2016 versus income of €0.5 million at June 30, 2015.
- The Funding Valuation Adjustment (FVA) used on uncollateralized derivatives or imperfectly collateralized derivatives is also recognized on this line in the amount of €48.4 million at June 30, 2016 versus -€26.2 million at June 30, 2015.

(3) O/w +€47.1 million corresponding to the recycling of foreign exchange gains and losses arising on the reimbursement by certain entities of capital in foreign currencies or equity items treated as capital;

(4) Net gains and losses include the valuation of the issuer spread on issues carried out by Natixis and designated at fair value through profit and loss, with an impact of -€29.6 million (gross amount) on H1 2016 income (for a fiscal impact of +€9.7 million), versus income of +€130.6 million at June 30, 2015 (with a fiscal impact of -€42.2 million at this date);

Note that the valuation of senior issues classified as "financial liabilities designated at fair value through profit and loss" included in the issuer spread referred to above amounted to -€25.7 million (gross amount, and a fiscal impact of +€8.4 million) at June 30, 2016, compared with +€130.3 million (gross amount, and a fiscal impact of -€42.1 million) at June 30, 2015.

4.4 Net gains or losses on available-for-sale financial assets

Net gains or losses on available-for-sale financial assets principally comprise gains or losses on sales of securities, and permanent losses in value on variable-income securities.
Variable-income securities classified as available-for-sale are tested for impairment whenever their carrying value exceeds their recoverable value.
Impairment of fixed-income securities is charged to the "Provision for credit losses".
Loans outstanding with a theoretical syndication date expired as at June 30, 2016 were analyzed on a case-by-case basis in order to take into account any market discounts observed at the end of the reporting period.
This line item also includes dividends payable on variable-income securities.

(in millions of euros)	H1 2016	H1 2015
Dividends	78	91
Gains or losses on disposals	87	292
Impairment of variable-income securities	(36)	(17)
Discounts on syndicated loans	1	9
Total	**130**	**375**

4.5 Other income and expenses

Income and expenses from other operations mainly comprise income and expenses relating to finance leases and investment property.
This item also includes income and expenses relating to insurance and reinsurance activities, in particular life insurance premium income, paid benefits and claims, and changes in insurance liabilities.

(in millions of euros)	H1 2016			H1 2015		
	Income	Expenses	Net	Income	Expenses	Net
Finance leases	165	(179)	**(14)**	190	(184)	**7**
Investment property	90	(44)	**46**	55	(25)	**30**
Sub-total Real Estate Activities	**255**	**(223)**	**31**	**245**	**(209)**	**36**
Insurance income and expenses (1)	**15,783**	**(15,385)**	**398**	**3,067**	**(3,095)**	**(28)**
Simple leases	42	(31)	**11**	38	(30)	**8**
Other related income and expenses	215	(117)	**98**	190	(191)	**(1)**
Total	**16,294**	**(15,756)**	**538**	**3,540**	**(3,524)**	**15**

(1) The share in insurance income and expenses relating to the partnership with CNP Assurances regarding receivables arising on reinsurance activities linked to reinsured policies amounted to €11.7 billion at June 30, 2016 (see Note 1.2).

4.6 Operating expenses

Operating expenses mainly comprise payroll costs, including wages and salaries net of rebilled expenses, social security expenses and employee benefits such as pensions (defined benefit plans), and expenses relating to share-based payment recognized in accordance with IFRS 2.
This item also includes all administrative expenses and external services.

(in millions of euros)		H1 2016	H1 2015
Payroll costs	Wages and salaries (1)	(1,251)	(1,257)
	o/w share-based payments (2)	*(12)*	*(46)*
	Pensions and other long-term employee benefits	(116)	(118)
	Social security expenses	(290)	(288)
	Incentive and profit-sharing plans	(81)	(80)
	Payroll-based taxes	(78)	(78)
	Other (3)	(6)	21
Total payroll costs		**(1,823)**	**(1,799)**
Other operating expenses	Taxes other than on income (4)	(224)	(162)
	External services	(923)	(881)
	Other	(44)	(36)
Total other operating expenses		**(1,191)**	**(1,079)**
Total		**(3,014)**	**(2,877)**

(1) Of which €3.2 million in respect of the Competitiveness and Employment Tax Credit at June 30, 2016 versus €3.2 million at June 30, 2015;
(2) The amount recognized in H1 2016 in respect of the retention and performance plans includes an expense of €11.7 million for the portion of compensation paid in cash and indexed to the Natixis share price and an additional expense of €0.1 million for the portion of compensation settled in Natixis shares;
(3) Including a contribution of €114.1 million to the Single Resolution Fund (SRF) at June 30, 2016, versus €47.6 million at June 30, 2015;
Including the tax of €29.1 million on systemic banking risks (SBT) at June 30, 2016 versus €31.3 million at June 30, 2015.
Including the corporate Social Security and Solidarity Contribution (C3S) for €27.8 million at June 30, 2016, compared with €24.7 million at June 30, 2015.

4.7 Provision for credit losses

This line item mainly reflects net risk recorded on lending transactions: net provisions for reversals of individual and collective provisions, loans and receivables written off during the period and recoveries on bad debts written off.
It also includes any impairments recorded in respect of proven default risks associated with counterparties of OTC instruments.

(in millions of euros)	H1 2016					H1 2015				
	Charges	Net reversals	Write-offs not covered by provisions	Recoveries of bad debts written off	Net	Charges	Net reversals	Write-offs not covered by provisions	Recoveries of bad debts written off	Net
Contingency reserves	**(5)**	**11**			**7**	**(19)**	**18**			**(1)**
Financing commitments	(3)	6			3	(14)	6			(8)
Others	(1)	6			4	(5)	12			7
Provisions for impairments of financial assets	**(268)**	**97**	**(30)**	**18**	**(183)**	**(265)**	**96**	**(29)**	**58**	**(141)**
Provision for credit losses	**(273)**	**109**	**(30)**	**18**	**(176)**	**(285)**	**114**	**(29)**	**58**	**(141)**

			H1 2016	H1 2015
o/w	*Reversals of surplus impairment provisions*		*109*	*114*
	Reversals of utilized impairment provisions		*191*	*143*
	Sub-total reversals	sub-total reversals:	***300***	***257***
	Write-offs covered by provisions		- *191*	*(143)*
	Total net reversals:	total net reversals:	***109***	***114***

4.8 Gain or loss on other assets

This item comprises capital gains and losses on the disposal of property, plant and equipment and intangible assets used in operations, as well as capital gains and losses on the disposal of investments in consolidated companies.

(in millions of euros)	06.30.2016			06.30.2015		
	Investments in consolidated companies (1)	Property, plant and equipment and intangible assets (2)	TOTAL	Investments in consolidated companies (3)	Property, plant and equipment and intangible assets	TOTAL
Net capital gains/(losses) on disposals	30	30	60	(29)	(0)	(30)
Total	**30**	**30**	**60**	**(29)**	**(0)**	**(30)**

(1) Including +€10.9 million on the disposal of HCP NA LLC and Altus, +€17.5 million on the disposal of Capital Growth Management, +€2.3 million on the disposal of Snyder and -€0.6 million relating to the dissolution of Kobrick Funds LLC;
(2) Including a capital gain of +€31.5 million (+€20.6 million net of tax) on the sale of a building in the first half of 2016;
(3) Including a -€29.6 million impairment charge on Kompass International, a consolidated subsidiary treated under IFRS 5 at June 30, 2015, which was sold in July 2015. No tax impact was recorded at June 30, 2015.

4.9 Reconciliation of the tax expense in the financial statements and the theoretical tax expense

(in millions of euros)	**H1 2016**	**H1 2015**
+ Net income/(loss) group share	581	737
+ Net income/(loss) attributable to non-controlling interests	6	69
+ Income tax charge	383	551
+ Impairment of goodwill	75	0
- Share in income of associates	(14)	(22)
= Consolidated net income/(loss) before tax, goodwill, amortization and share in income of associates	**1,031**	**1,335**
+/- Permanent differences (1)	148	92
= Consolidated taxable income/(loss)	**1,179**	**1,427**
x Theoretical tax rate	33.33%	33.33%
= Theoretical tax charge	**(393)**	**(476)**
+ Contributions and minimum annual tax charges	(5)	(9)
+ Income taxed at reduced rates	0	(1)
+ Losses for the period not recognized for deferred tax purposes	(14)	(5)
+ Impact of tax consolidation (2)	0	25
+ Differences in foreign subsidiary tax rates	(1)	(8)
+ Tax credits	20	19
+ Prior year tax (3)	49	(51)
+ Other items (4)	(39)	(45)
= Tax charge for the period	**(383)**	**(551)**
o/w: taxes payable	(166)	(241)
deferred tax	(217)	(310)

(1) The main permanent differences consist of capital gains taxed under the long-term scheme and tax-exempt earnings of foreign subsidiaries in Luxembourg, Belgium and the United States. Permanent differences also included the impacts of the SBT and SRF, both of which are non-deductible expenses.
(2) From the 2016 financial year, in light of the revised Finance Bill for 2015 (reflecting the consequences of European

jurisprudence (CJEU 2-9-2015 aff. C-386/14, Steria group), the share of expenses relative to dividends received by a tax-integrated company from another integrated company is no longer neutralized in the tax consolidation. The tax rate on this share is 1%. This rate also applies to dividends received by a company that is part of a tax consolidation group for its holding in a company subject to corporate tax in a European Union member state or another member of the European Economic Area which, if it were located in France, would meet the conditions to be considered part of a tax consolidation group.

(3) Of which: +€48.5 million resulting from the recognition of deferred tax income from previous years. This reflects +€42.5 million in tax income from previous years arising from legal decisions (in particular the decision of the French Constitutional Council of February 3, 2016 and the favorable conclusions of the Council of State's legal advisor), which make it almost certain that it will be possible to correct the tax treatment of dividend income received and taxed in 2012 At June 30, 2015, an impact of -€51 million for the derecognition of the previous tax loss on the tax consolidation group in France.

(4) Of which: -€21 million in dividend taxes (-€31 million at June 30, 2015).

NOTE 5 STATEMENT OF CHANGES IN GAINS AND LOSSES RECORDED DIRECTLY IN OTHER COMPREHENSIVE INCOME

(in millions of euros)	H1 2016	H1 2015
Revaluation adjustments on defined-benefit plans	***(54)***	***47***
Other changes	*(54)*	*47*
Items not recyclable to income	**(54)**	**47**
Translation adjustments	**(157)**	**349**
Reclassification to income	*(43)*	*0*
Other changes	*(114)*	*349*
Revaluation of available-for-sale financial assets	***228***	***(147)***
Reclassification to income	*(11)*	*(81)*
Other changes	*239*	*(67)*
Revaluation of hedging derivatives	***(95)***	***115***
Reclassification to income	*42*	*79*
Other changes	*(138)*	*36*
Share of gains and losses recognized directly in the equity of associates recycled to income	***3***	**(1)**
Reclassification to income	*0*	*(0)*
Other changes	*2*	*(1)*
Items recyclable to income	**(21)**	**315**
Tax	**(20)**	**(4)**
TOTAL	**(96)**	**359**

NOTE 6 SEGMENT REPORTING

In 2012, in light of regulatory constraints and the persistently uncertain economic environment, Natixis forged ahead with its transformation policy. In particular, in terms of Corporate and Investment Banking, its organization was adapted to place customer relations at the core of development and, as a result, the division previously named Wholesale Banking is now known as “Corporate & Investment Banking”.

The entity is organized around three core business lines:

- **Corporate and Investment Banking**, which advises businesses, institutional investors, insurance companies, banks and public sector entities and offers them a diversified line of financing solutions as well as access to the capital markets. Its duties are threefold: to strengthen the bank’s customer orientation, to serve as a meeting place between issuers and investors and to roll out the “Originate to Distribute” model to optimize the rotation of the bank’s balance sheet via active management of the loan book;
- **Investment Solutions**, which includes Asset Management, Insurance, Private Banking and the Private Equity for third party clients business line that resulted from the spin-off of Natixis Private Equity in 2010;
- **Specialized Financial Services**, which includes Factoring, Lease Financing, Consumer Credit, Guarantees, Film Industry Finance, Employee Benefits Planning, and Payment and Securities Services. These services are the key growth drivers for the retail banking business of Groupe BPCE.

This organizational structure was confirmed as part of Natixis’ 2014-2017 Strategic Plan, “**New Frontier**”.

Coface, Corporate Data Solutions, Private Equity businesses (proprietary funds and share of sponsored funds) and **Natixis Algérie** are managed as financial holdings due to their lower synergies with Natixis’ other businesses. The Ho Chi Minh branch was sold to BPCE International in October 2015.

In 2011, **Coface** refocused on its core business lines (credit insurance and factoring in Germany and Poland), grouped under **Coface**.
Non-strategic activities (primarily service activities) stemming from Coface have been grouped under **Corporate Data Solutions** and are now managed directly by Natixis’ Finance Department.

Based on this new organization, Management monitors divisional performance, draws up business plans and manages the business from an operational perspective. In accordance with IFRS 8 “Operating Segments”, this is the segmentation used by Natixis to define its operating segments.

6.1 Corporate & Investment Banking

Corporate & Investment Banking advises businesses, institutional investors, insurance companies, banks and public sector entities and offers them a diversified line of customized financing solutions as well as access to the capital markets.

Building on the technical expertise of its teams, combined with its widely recognized, award-winning research capabilities, Natixis designs tailored solutions for its customers incorporating the most recent market developments.

It is structured into two sub-divisions with complementary objectives:

- **Coverage and Advisory**, whose role is to develop customer relationships and contribute to strengthening synergies between Natixis' business lines. It includes M&A Advisory Services, Primary Equity, Vanilla Finance and Coverage. Coverage, in partnership with all of Natixis' business lines, designs innovative, tailored solutions designed to meet the specific requirements of each of its customers - from vanilla finance to the most sophisticated arrangements;

- **The Financing & Global Markets Department**, which combines:

    - Global Markets, which includes the Equity, Fixed Income, Credit, Currency, Commodities and Global Structured Credit and Solutions business lines;
    - Structured Financing, which originates and develops financing for aircraft, exports and infrastructure, energy and commodities, Strategic and Acquisition Finance, Real Estate Finance and Strategic Equity Finance;
    - Global Transaction Banking, which is tasked with developing the flow offering and Trade Finance,
    - Portfolio Management, which is tasked with optimizing the financing portfolio. This department is an essential part of the Originate to Distribute model,
    - Oversight of international platforms, in line with the bank's overall objectives: Americas, Asia-Pacific and EMEA (Europe (except France), Middle East and Africa).

6.2 Specialized Financial Services

This business line combines a number of service-oriented businesses primarily serving the Caisse d'Epargne and Banque Populaire networks, as well as Natixis customers:

- **Factoring**: provides companies with credit management solutions such as financing, insurance, and collection. Natixis Factor uses the Banque Populaire and Caisse d'Epargne networks, which account for a significant portion of its business;

- **Sureties & Financial Guarantees**: this business line is operated by Compagnie Européenne de Garanties et Cautions (CEGC). It notably includes: guarantees for mortgage loans granted to retail and business customers by the Caisse d'Epargne Network, and more recently the Banque Populaire network, along with legal guarantees and financial guarantees;

- **Consumer Finance**: this Natixis business line includes a broad range of activities across the entire value chain for revolving loans (marketing, origination, administrative management, out-of-court collection, etc.) and administrative management services for personal loans. These activities are operated by Natixis Financement, which manages revolving loans granted by the Groupe BPCE networks, and manages personal loans granted by the Caisses d'Epargne and by the Banque Populaire banks;

- **Leasing**: this business line provides financing solutions for real estate and non-real estate assets under finance leases or other long-term leasing arrangements;

- **Employee Benefits Planning**: this business line offers a comprehensive range of B2B employee benefits planning products based on employee savings (administration of employee accounts, fund administration and accounting) and securities services;

- **Securities Services**: this business line offers back and middle office services for retail securities custody (account administration, back office outsourcing, office services, depositary control) for the BPCE networks and external clients;

- **Payments**: this business line provides payments tools, infrastructure and services, including electronic banking, issuance and collection of high-volume electronic transfers and check processing;

- **Film Industry Financing**: this business line is operated via Coficiné, a subsidiary specializing in structured loans for film and audiovisual activities in France and Europe.

6.3 Investment Solutions

- **Asset Management**: asset management activities are combined within Natixis Global Asset Management. They cover all asset categories and are carried out mainly in the US and France. These activities are performed by autonomous entities (specialized asset management companies and specialized distribution units) coordinated by a holding company that ensures the organization's consistency by overseeing its strategic direction. These companies are thus able to focus on their core business and on achieving robust performance, while retaining the option of developing their own institutional clientele and drawing on the business line's other support functions, based on appropriate economic models. A number of them have forged a strong reputation, such as Loomis Sayles, Harris Associates, AEW, DNCA and Natixis Asset Management.
  Together, these specialized asset management companies enable the Group to provide a full range of expertise meeting demand from all customer segments. Coverage of the various customer segments is optimized by the organization of distribution around the NGAM Distribution platform and the business franchises developed over the long term by the Asset Management companies, mainly with various client groups. The management companies continue to handle distribution via the shareholder retail banking networks in France;

- **Insurance:** Natixis Assurances is a holding company for various operating insurance subsidiaries. In March 2014, in accordance with the plan to develop the bancassurance model, Natixis Assurance acquired PPI and casualty insurance subsidiary BPCE Assurances. It offers a comprehensive range of individual and collective life insurance, personal protection insurance and property and casualty insurance solutions. These diversified, customized solutions are designed for retail and small business customers, farmers, companies and associations;

- **Private Banking**: this business line encompasses wealth management activities in France and Luxembourg, financial planning solutions, and services for independent wealth management advisors (IWMAs). Banque Privée 1818, created from the merger between Banque Privée Saint Dominique (BPSD) and La Compagnie 1818, has taken its place as a major player on the French market. The bank mainly develops its customer base from the clientele of the Caisses d'Epargne and Banque Populaire banks, and to a lesser extent from that of Natixis. Private Banking offers advisory services, financial planning and expertise, and fund management solutions;

- **Private Equity for third party clients**: at the start of 2014, NCI's asset management companies were transferred to Natixis Global Asset Management and a sponsoring vehicle was set up to monitor Natixis' commitments in the funds. The teams have extensive expertise in equity financing for generally unlisted, small and medium-sized enterprises in France and Europe via sponsored equity holdings. This business line covers the Private Equity segments for third party investors, such as Private Equity deals (top-line funding for mature companies), venture capital (new, innovative companies) and funds of funds.

6.4 Coface

Coface's main activities are credit insurance, international factoring solutions, business information and ratings (credit and marketing), receivables management (from issuance through to collection), and management of public procedures on behalf of the French State. Most of Coface's revenue is derived from its international operations.
Since 2011, Coface has refocused on its core business lines (credit insurance and factoring in Germany and Poland).
Natixis carried out an initial public offering on 58.65% of Coface's share capital in June 2014.

6.5 Other financial investments

Other financial investments notable include:

- The Private Equity business (non-core activities), covering proprietary private equity transactions and Natixis' share of certain sponsored funds not held by Natixis. Since the October 2010 sale to AXA Private Equity of the majority of the proprietary operations in France, the international segment (divided into several small teams of investors) has been gradually divested, with the most recent divestment carried out in the second quarter of 2015. The teams have extensive expertise in equity financing for generally unlisted, small and medium-sized enterprises outside France via equity holdings.

- Corporate Data Solutions: Coface's non-core activities (service activities mainly) were grouped under Corporate Data Solutions at the beginning of 2013. At the end of June 2016, the main entity is Ellisphere;

- Natixis' subsidiary in Algeria.

6.6 Corporate Center

The Corporate Center operates alongside the operating divisions. As such, it recognizes the central funding mechanisms and income from Natixis' asset and liability management. It also records income on the bank's portfolio of equity investments not belonging to a division, and the revaluation of the Group's own debt.
In terms of costs, the Corporate Center recognizes the bank's structural costs and certain restructuring costs not allocated to the businesses.

6.7 Segment reporting in the income statement

06.30.2016							
(in millions of euros)	**Corporate & Investment Banking**	**Investment Solutions ***	**Specialized Financial Services**	**Coface**	**Other financial investments**	**Corporate Center**	**Total**
Net revenues	**1,669**	**1,656**	**684**	**289**	**48**	**-72**	**4,274**
2015/2016 change	1%	-1%	4%	-17%	-36%		-5%
Expenses	-994	-1,169	-446	-272	-43	-204	-3,127
2015/2016 change	4%	1%	4%	-2%	-37%	104%	5%
Gross operating income	**675**	**487**	**238**	**17**	**6**	**-276**	**1,147**
2015/2016 change	-3%	-4%	4%	-76%	-28%		-24%
Provision for credit losses	-124	0	-29	-3	-21	2	-176
2015/2016 change	18%		-13%	-8%		-66%	25%
Pre-tax profit	**558**	**509**	**240**	**-61**	**-4**	**-272**	**970**
2015/2016 change	-7%	-2%	22%		-82%		-29%
Net income (Group share)	**376**	**304**	**157**	**-30**	**-3**	**-224**	**581**
2015/2016 change	-6%	-7%	25%		-89%		-21%

This pro forma information for 2015 is presented according to the analytical structure of businesses adopted by Natixis at June 30, 2016.

(*) o/w for asset management:
Net revenues: €1,249 million
Expenses: -€909 million
Gross operating income: €339 million
Provision for credit losses: €0 million
Pre-tax profit: €211 million

Breakdown of net revenues

(in millions of euros)	**Net revenues**	*2015/2016 change*
Corporate & Investment Banking	**1,669**	1%
Capital Markets (1)	969	10%
Structured Financing	551	-6%
Commercial Banking	163	-14%
Other	-14	100%
Investment Solutions	**1,656**	-1%
Asset Management	1,249	-2%
Insurance	322	9%
Private Banking	67	-4%
Other	18	-42%
Specialized Financial Services	**684**	4%
Specialized financing	425	8%
Financial services	258	-2%
Coface	**289**	-17%
Other financial investments	**48**	-36%
Corporate Center	**-72**	-179%
Total	**4,274**	**-5%**

(1) Including €943 million excluding the net revenues of the XVA desks, which breaks down into €633 million in net revenues for FICT and €310 million for Equities.

06.30.2015 - pro forma							
(in millions of euros)	Corporate & Investment Banking	Investment Solutions (*)	Specialized Financial Services	Coface	Other financial investments	Corporate Center	Total
Net revenues	**1,648**	**1,669**	**659**	**347**	**76**	**91**	**4,491**
Expenses	-951	-1,159	-429	-277	-68	-100	-2,984
Gross operating income	**697**	**510**	**230**	**70**	**8**	**-8**	**1,507**
Provision for credit losses	-105	-1	-34	-3	-3	5	-141
Pre-tax profit	**601**	**518**	**196**	**67**	**-25**	**0**	**1,357**
Net income (Group share)	**400**	**326**	**126**	**13**	**-29**	**-99**	**737**

(*) o/w for asset management:	Net revenues:	€1,272 million
	Expenses:	-€925 million
	Gross operating income:	€347 million
	Provision for credit losses:	€0 million
	Pre-tax profit:	€219 million

Breakdown of net revenues

(in millions of euros)	**Net revenues**
Corporate & Investment Banking	**1,648**
Capital Markets (1)	878
Structured Financing	588
Commercial Banking	189
Other -	7
Investment Solutions	**1,669**
Asset Management	1,272
Insurance	296
Private Banking	70
Other	31
Specialized Financial Services	**659**
Specialized financing	395
Financial services	264
Coface	**347**
Other financial investments	**76**
Corporate Center	**91**
Total	**4,491**

(1) Including €881 million excluding the net revenues of the XVA desks, which breaks down into €574 million in net revenues for FICT and €307 million for Equities.

This pro forma information for 2015 is presented according to the analytical structure of businesses adopted by Natixis at June 30, 2016.

06.30.2015 - Registration Document							
(in millions of euros)	Corporate & Investment Banking	Investment Solutions	Specialized Financial Services	Coface	Natixis Private Equity	Other activities	Total
Net revenues	**1,648**	**1,669**	**659**	**347**	**-2**	**169**	**4,491**
Expenses	-951	-1,159	-426	-277	-5	-166	-2,984
Gross operating income	**697**	**510**	**233**	**70**	**-7**	**3**	**1,507**
Pre-tax profit	**601**	**518**	**200**	**67**	**-6**	**-22**	**1,357**
Net income (Group share)	**400**	**327**	**128**	**13**	**-6**	**-124**	**737**

NOTE 7 RISK MANAGEMENT

7.1 Credit risk and counterparty risk

The information on risk management required under IFRS 7, with the exception of the disclosures given below, is presented in section 3.4 of Chapter 3, "Risk Management and Capital Adequacy".

7.1.1 Gross exposure to credit risk

The following table sets out the exposure of all of Natixis' financial assets to credit risk. This exposure does not take into account guarantees, sureties, credit default swaps, collateral on OTC financial instruments, the impact of netting agreements and other credit enhancements. It corresponds to the net value of the financial assets on the balance sheet, after taking all impairments into account (individually or collectively assessed).

(in millions of euros)	Performing loans	Non-performing loans	Write-downs	Net outstandings 06.30.2016	Net outstandings 12.31.2015
Financial assets at fair value through profit and loss (excluding variable-income securities)	156,771	0	0	156,771	153,418
Hedging derivatives	2,138	0	0	2,138	1,035
Available-for-sale financial assets (excluding variable-income securities)	49,347	1	(49)	49,299	46,078
Loans and receivables due from banks	54,104	74	(70) *	54,108	71,462
Customer loans and receivables	141,939	4,458	(2,130) *	144,267	107,189
Held-to-maturity financial assets (1)	2,235	0	(3)	2,232	2,298
Financing commitments given	65,075	91	(1)	65,165	60,558
Financial guarantee commitments given	22,454	219	(49)	22,624	22,389
Total gross exposure	**494,063**	**4,843**	**(2,302)**	**496,604**	**464,427**

(1) Including related receivables.
* Including collective provisions.

The reclassification of consolidated accounting volumes as gross exposure and exposure at default with respect to prudential credit risk (presented in section 3.4 of Chapter 3, "Risk Management and Capital Adequacy") involves the following key operations:

- exclusion of insurance exposures (equity-accounted insurance companies in the prudential scope) included in prudential risk exposures for their equity-method value;
- exclusion of exposure classified in the trading scope;
- inclusion of netting agreements on market transactions;
- restatement of factoring positions to take into account exposure to the risk of default and a position in risk dilution;
- application of a credit-equivalent conversion factor on financing and guarantee commitments.

7.1.2 Breakdown by geographic area of individual and collective provisions relating to loans and advances to banks and customers

	06.30.2016						12.31.2015					
(in millions of euros) Geographic areas	Individual Risks	Collective Risks	**Total Risks**	Write-downs Individual risks	Write-downs Collective risks	**Total Write-downs**	Individual Risks	Collective Risks	**Total Risks**	Write-downs Individual risks	Write-downs Collective risks	**Total Write-downs**
France	1,434	9,315	10,748	721	104	824	1,571	8,569	10,140	875	100	975
Other Western European countries	1,562	9,513	11,075	576	87	663	1,538	8,106	9,644	548	94	643
Eastern Europe	213	1,887	2,100	70	11	80	248	1,961	2,209	60	30	90
North America	610	5,296	5,906	115	94	209	377	5,510	5,887	129	63	192
Central and Latin America	195	1,719	1,914	108	13	121	226	1,467	1,693	168	12	180
Africa and the Middle East	376	3,547	3,924	159	56	215	382	2,978	3,360	156	34	191
Asia-Pacific	450	4,270	4,720	81	25	106	503	3,407	3,910	71	33	104
TOTAL	**4,840**	**35,547**	**40,387**	**1,830**	**389**	**2,220**	**4,846**	**31,997**	**36,843**	**2,008**	**366**	**2,374**

7.1.3 Breakdown of collective provisions by business sector

Business sectors *(% breakdown)*	06.30.2016	12.31.2015
Oil & gas	24.7%	18.6%
Real estate	10.3%	10.1%
Base industries	9.1%	12.3%
Retail/trade	7.9%	5.4%
Electricity	5.8%	7.2%
Transportation	4.8%	8.4%
Services	4.2%	2.8%
Pharmaceuticals/Healthcare	3.9%	1.8%
Holding companies and conglomerates	3.7%	11.0%
Finance	3.3%	3.9%
Media	3.3%	2.7%
International trade, commodities	3.2%	3.3%
Utilities	3.0%	1.7%
Tourism/Hotels/Leisure	2.3%	2.3%
Consumer goods	2.1%	2.1%
Food	2.1%	1.9%
Technology	1.8%	0.7%
Construction	1.4%	0.6%
Telecommunications	1.1%	0.8%
Administrations	0.9%	1.2%
Mechanical and electrical engineering	0.6%	0.7%
Automotive	0.4%	0.3%
Other	0.3%	0.2%
Aerospace/Defense	0.0%	0.0%
TOTAL	**100.0%**	**100.0%**

7.1.4 Change in collective provisions

(in millions of euros)	Provisions as at 12/31/2015	Additions (+) Reversals (-)	Translation adjustments	Provisions as at 06.30.2016
By sector	**289**	29	(2)	**316**
By region	**77**	(3)	(0)	**73**
TOTAL	**366**	**26**	**(3)**	**389**

7.2 Market risk, overall interest rate risk, liquidity risk and structural foreign exchange risk

The disclosures on the management of market risk, overall interest rate risk, liquidity risk and structural foreign exchange risk required under IFRS 7 are presented in sections 3.6 and 3.8 of Chapter 3, “Risk Management and Capital Adequacy”.

NOTE 8 OTHER INFORMATION

8.1 Equity instruments issued

8.1.1 Share capital

Ordinary shares	Number of shares (*)	Par value	Capital in euros
At January 1	3,128,127,765	1.60	5,005,004,424
Capital increase	957,368	1.60	1,531,789
At June 30	**3,129,085,133**		**5,006,536,213**

(*) 2,655,921 in treasury shares at June 30, 2016, and 2,257,822 shares at December 31, 2015.

8.1.2 Calculation of earnings per share

	06.30.2016	06.30.2015
Earnings/(loss) per share		
Net earnings/(loss) attributable to the Group (in millions of euros)	581	737
Net income/(loss) attributable to shareholders (in millions of euros) (1)	544	711
Average number of ordinary shares issued and outstanding over the period	3,128,748,476	3,118,572,496
Average number of treasury shares issued and outstanding over the period	2,577,717	1,074,577
Average number of shares used to calculate earnings/(loss) per share	3,126,170,760	3,117,497,919
Earnings/(loss) per share in euros	**0.17**	**0.23**
Diluted earnings/(loss) per share		
Net earnings/(loss) attributable to the Group (in millions of €)	581	737
Net income/(loss) attributable to shareholders (in millions of euros) (1)	544	711
Average number of ordinary shares issued and outstanding over the period	3,128,748,476	3,118,572,496
Average number of treasury shares issued and outstanding over the period	2,577,717	1,074,577
Number of potential dilutive shares resulting from stock option and bonus share plans (2)	8,305,030	9,790,000
Average number of shares used to calculate diluted earnings/(loss) per share	3,134,475,790	3,127,287,919
Diluted earnings/(loss) per share (in euros)	**0.17**	**0.23**

(1) The difference is attributable to interest paid on deeply subordinated notes minus interest paid on preference shares after tax savings (-€37.2 million in first-half 2016).
(2) This amount refers to the shares granted under the deferred share-based bonus plans (2012 and 2013 plans) and the capital increase for employees established in 2016.

8.1.3 Other equity instruments issued

8.1.3.1 Undated deeply subordinated notes and preference shares

In accordance with IAS 32, issued financial instruments are classified as debt or equity depending on whether or not they incorporate a contractual obligation to deliver cash to the holder.
Since December 31, 2009, issues of undated deeply subordinated securities and preference shares have been recognized as equity instruments issued in accordance with a clause concerning dividend payments which has become discretionary, and have been booked to “Share capital and reserves” in the consolidated balance sheet.

Deeply Subordinated Notes amounted to €1,611 million, compared with €1,213 million at December 31, 2015, an increase of €398 million corresponding to issues made during the first half of 2016.
Note that the gross amount of exchange rate fluctuations in deeply subordinated notes in foreign currencies recorded in income at June 30, 2016 amounted to -€7 million, or -€5 million after tax, compared with €24 million at June 30, 2015, or €16 million after tax.

8.2 Impact of IFRIC 21

The interpretation of IFRIC 21 “Levies”, applicable since January 1, 2015, aims to clarify the date used for the accounting recognition of levies in the financial statements. This interpretation provides for the following:

- the recognition of a full provision as of the first quarter for taxes calculated based on obligating events arising at January 1 - these taxes were previously recorded progressively on a quarterly basis, in accordance with past accounting treatment. This mainly applies to the tax on systemic banking risks and the contribution to the single resolution fund; and
- for revenue-based taxes payable during the following fiscal year, the recognition of the full amount of taxes at January 1 of the year in which the tax is payable - these taxes were previously recorded pro rata to revenues for the period. This mainly concerns the Social Security and Solidarity Contribution (C3S).

As at June 30, 2016, the impact of the new accounting treatment on net income (group share) amounted to €78 million compared with €52 million at June 30, 2015.

8.3 Accounting change in the recognition of tax amortization of goodwill under deferred taxes

The accounting treatment of tax amortization of goodwill recognized on the 2000 acquisition of sub-group Nvest by Ixis Asset Management was reviewed over the period.

Note: in accordance with US tax laws, this goodwill is amortized for tax purposes over 15 years, generating a temporary difference between the carrying amount of goodwill (which cannot be amortized) and its tax base (amortized over time).

In 2005, when IFRS were implemented, it was determined that this difference could only be reversed in the event NGAM sold its shares in the US holding company or in the event of the partial disposal of shares in affiliates, in the form of an equity deal carried out from France, with the resulting capital gains generated and taxed in France.

Consequently, under IAS 12.51 which takes into account the method used to settle/recover the value of the related assets to measure deferred tax assets and liabilities, the accounting treatment applied up to now in Natixis' consolidated financial statements was to use the tax rate applicable to long-term capital gains.

IFRIC's July 2014 publication of additional information on "IAS 12 Income Taxes: recognition of deferred tax for a single asset in a corporate wrapper" in its Interpretations Committee Agenda Decisions provided a clarification leading to the consideration that, starting with § 51 of IAS 12 which takes into account the method for recovering or settling assets (in our case, up to now, the disposal of shares from France), a deferred tax liability should be recorded both on the temporary difference relating to the asset (in this case goodwill) in the subsidiary, on an inside basis, and the temporary difference relating to the consolidated shares (outside basis), arising from the difference between the consolidated carrying amount under IFRS of the shares and their tax base (where the company does not control the reversal of this difference).

The application of this accounting change resulted in the recognition of a deferred tax liability at January 1, 2015 in the amount of €423.8 million with a corresponding reduction in shareholders' equity (-€383.0 million in consolidated reserves and -€40.8 million in foreign currency translation reserves) for deferred tax on an inside basis as explained above. A deferred tax liability expense was also recorded in respect of first-half 2015 (last year of amortization) for -€14.5 million. Natixis continues not recognizing deferred tax liabilities on an outside basis insofar as it controls the reversal of the temporary difference.

8.4 Related parties

8.4.1 Relationships among the Group's consolidated companies

The main transactions between Natixis and related parties (BPCE and its subsidiaries, the Banque Populaire banks, the Caisses d'Epargne and all financial investments accounted for by the equity method) are detailed below:

(in millions of euros)	06.30.2016			06.30.2015			12.31.2015		
	BPCE	Banque Populaire Group	Caisse d'Epargne Group	BPCE	Banque Populaire Group	Caisse d'Epargne Group	BPCE	Banque Populaire Group	Caisse d'Epargne Group
ASSETS									
Assets at fair value through profit and loss	12,679	3,780	6,735	13,058	3,353	7,886	11,778	3,678	7,231
Available-for-sale financial assets	2,219	280	29	2,664	282	70	2,253	279	25
Loans and receivables due from banks	33,344	664	103	38,237	720	75	50,770	502	78
Customer loans and receivables	149	105		143	105		140	105	
Held-to-maturity financial assets				2					
LIABILITIES									
Financial liabilities at fair value through profit and loss	10,579	1,151	1,080	10,033	1,407	1,002	11,275	1,356	1,047
Due to banks	70,087	1,263	894	78,401	1,968	1,025	81,401	850	980
Customer deposits	563	8	69	40	77	17	265	90	30
Debt securities					16			8	
Subordinated debt	3,350			2,056		2	3,026		2
Shareholders' equity (group share)	956		(0)	355		15	553		15
INCOME									
Interest and similar income	122	13	2	221	9	3	389	23	6
Interest and similar expenses	(273)	(5)	(9)	(340)	(13)	(17)	(626)	(26)	(23)
Net fee and commission income	9	(151)	(17)	13	(128)	(28)	17	(309)	(3)
Net gains or losses on financial instruments at fair value through profit and loss	(1,289)	345	911	300	(41)	94	(578)	81	258
Net gains or losses on available-for-sale financial assets		0	2	(0)	0		12	0	14
Income and expenses from other activities	(6)	4	(10)	(8)	4	(34)	(40)	7	(12)
Operating expenses	(134)	(0)	(11)	(64)	(0)	(7)	(83)	1	(19)
COMMITMENTS									
Commitments given	421	75	83	221	150	2	1,414	120	67
Commitments received	5,491	2,224	1,851	5,482	2,268	1,501	4,483	2,222	1,572

Relations with associates and joint-ventures are not material.

8.5 Insurance company results

The insurance industry companies within Natixis' scope of consolidation are: Coface and its subsidiaries, Natixis Assurances and its subsidiaries (life insurance, personal protection insurance, property and casualty insurance) and CEGC (Compagnie Européenne de Garanties et Cautions).

The following table shows a reconciliation between insurance companies' financial statements as presented and how they would translate into the banking format. It also shows the consolidated contribution by insurance companies in banking format.

The main reclassifications concern general operating expenses, which are reported by function in the insurance format and by type in the banking format.

- As regards net revenues, in the interest of consistency, insurance income and expenses that are similar to banking income and expenses (principally interest and fees and commissions) are reclassified under the corresponding line items in the banking format. Technical reserves and claims expenses are charged to net revenues rather than recognized as provisions for credit losses;
- Balance sheet reclassifications are not material. Most of the balance sheet line items specific to insurance companies are shown under "insurance company investments" on the asset side and under "insurance companies' technical reserves" on the liabilities side. Receivables and related payables, shown under accrued income, prepaid expenses and other assets or deferred income, accrued charges and other liabilities in the insurance format are reclassified in the same lines as the principal in the banking format.

June 30, 2016

(in millions of euros)	06.30.2016	06.30.2016						
		Banking format						
	Insurance format Total	Net revenues	Expenses	Gross operating income	Provision for credit losses	Tax	Other items	Net income
Premiums written	*16,661*	16,661		16,661				16,661
Change in unearned premium income	*(183)*	(183)		(183)				(183)
Earned premiums	16,477	16,477		16,477				16,477
Banking operating income	35	35		35				35
Revenues and income from other activities	121	121		121				121
Other operating income	*12*	2	10	12				12
Investment income	*838*	838		838				838
Investment expenses	*(210)*	(205)	(4)	(210)				(210)
Capital gains and losses on disposal of investments (net of reversals, write-downs and amortization)	*80*	76		76			4	80
Change in fair value of investments carried at fair value through profit and loss	*(12)*	(12)		(12)				(12)
Change in write-downs on investments	*(29)*	(29)		(29)				(29)
Investment income (net of expenses)	666	667	(4)	662			4	666
Policy benefit expenses	(16,062)	(16,016)	(47)	(16,062)				(16,062)
Reinsurance transfer income	926	926		926				926
Reinsurance transfer expenses	(924)	(924)		(924)				(924)
Income and expenses net of reinsurance transfers	1	1		1				1
Provision for credit losses	(2)				(2)			(2)
Banking operating expenses	(7)	(0)	(7)	(7)				(7)
Policy acquisition costs	(456)	(341)	(116)	(456)				(456)
Amortization of portfolio values and related items (1)	(75)						(75)	(75)
Administrative costs	(338)	(154)	(183)	(337)	(1)			(338)
Other recurring operating income and expenses	(149)	(34)	(115)	(149)	(0)		(0)	(149)
Other operating income and expenses (2)	30	1	(2)	(1)			31	30
OPERATING INCOME (LOSS)	**253**	759	(464)	296	(3)		(40)	253
Finance expenses	(21)	(21)		(21)				(21)
Share in income of associates	4						4	4
Income taxes	(106)		(1)	(1)		(105)		(106)
After-tax income from discontinued activities								
Non-controlling interests	15						15	15
CONSOLIDATED NET INCOME	**144**	**738**	**(465)**	**273**	**(3)**	**(105)**	**(21)**	**144**

(1) Corresponding to the impairment of goodwill on Coface;
(2) Including €31 million in income from the sale of buildings by CEGC (recorded under Gains or losses on other assets).

June 30, 2015

(in millions of euros)	06.30.2015	06.30.2015						
		Banking format						
	Insurance format Total	Net revenues	Expenses	Gross operating income	Provision for credit losses	Tax	Other items	Net income
Premiums written	*3,847*	3,847		3,847				3,847
Change in unearned premium income	*(193)*	(193)		(193)				(193)
Earned premiums	3,654	3,654		3,654				3,654
Banking operating income	36	36		36				36
Revenues and income from other activities	127	127		127				127
Other operating income	*19*	2	17	19				19
Investment income	*791*	791		791				791
Investment expenses	*(188)*	(184)	(4)	(188)				(188)
Capital gains and losses on disposal of investments (net of reversals, write-downs and amortization)	*271*	271		271	(0)			271
Change in fair value of investments carried at fair value through profit and loss	*183*	183		183				183
Change in write-downs on investments	*(12)*	(12)		(12)				(12)
Investment income (net of expenses)	1,045	1,048	(4)	1,045	(0)			1,045
Policy benefit expenses	(3,821)	(3,777)	(44)	(3,821)				(3,821)
Reinsurance transfer income	904	904		904				904
Reinsurance transfer expenses	(769)	(769)		(769)				(769)
Income and expenses net of reinsurance transfers	135	135		135				135
Provision for credit losses	(2)				(2)			(2)
Banking operating expenses	(7)	(0)	(7)	(7)				(7)
Policy acquisition costs	(438)	(312)	(127)	(438)				(438)
Amortization of portfolio values and related items								
Administrative costs	(300)	(128)	(172)	(299)	(1)			(300)
Other recurring operating income and expenses	(116)	(8)	(107)	(115)	(1)			(116)
Other operating income and expenses	(2)	(2)	(0)	(2)				(2)
OPERATING INCOME (LOSS)	**328**	774	(443)	331	(4)			328
Finance expenses	(23)	(23)	(0)	(23)				(23)
Share in income of associates	7						7	7
Income taxes	(107)		(1)	(1)		(107)		(107)
After-tax income from discontinued activities								
Non-controlling interests	(50)						(50)	(50)
CONSOLIDATED NET INCOME	**154**	**751**	**(443)**	**308**	**(4)**	**(107)**	**(43)**	**154**

8.6 Financing and guarantee commitments

8.6.1 Guarantee commitments

A financial guarantee is a contract that requires the issuer to compensate the holder of the contract for any loss that the holder incurs because a debtor fails to make payment when due. The exercise of these rights is subject to the occurrence of an uncertain future event.

The amounts shown represent the nominal value of the commitment undertaken:

(in millions of euros)	06.30.2016	12.31.2015
Guarantee commitments given		
To banks	**2,733**	**2,495**
- Confirmation of documentary credits	1,605	1,819
- Other guarantees	1,127	676
To customers	**19,940**	**19,946**
- Real estate guarantees	301	264
- Administrative and tax bonds	335	330
- Other bonds and endorsements given	9,371	9,977
- Other guarantees	9,934	9,376
Total commitments for guarantees given	**22,673**	**22,441**
Guarantee commitments received from banks	**10,648**	**10,294**

On November 12, 2009, BPCE provided Natixis with a guarantee covering 85% of the nominal value of the debt portfolio carried by the former GAPC hive-off and classified in “Loans and receivables” and “Available-for-sale financial assets” as at July 1, 2009. Under the guarantee, an indemnity is due in the event of any default (on principal, interest, fees, costs and any other amount due in accordance with the contractual documentation for the asset in question) relating to one of the assets in the guaranteed portfolio. Natixis is covered as from the first euro in default and up to 85% of the default amount. This guarantee is shown on the line “Guarantee commitments received from banks” for 85% of the nominal amount of the assets guaranteed.

8.6.2 Financing commitments

In accordance with IAS 39 (paragraph 2), financing commitments outside the scope of IAS 39 are recognized in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

The following financing commitments fall within the scope of IAS 39:

- commitments classified as financial liabilities at fair value through profit and loss. If an entity has a practice of reselling or securitizing loans immediately after they are issued, these loans are accounted for in accordance with IAS 39 as from the date the loan commitment is undertaken;
- commitments which are settled net (i.e. sold);
- commitments which result in a loan granted at below-market interest rates.

Other financing commitments falling within the scope of IAS 37

A financing commitment given is a contingent liability, defined by IAS 37 as:

- a potential obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation arising as a result of past events but not recognized because:
    - it is not likely that an outflow of economic benefits will be required to settle the obligation, or
    - the amount of the obligation cannot be measured with sufficient reliability.

(in millions of euros)	06.30.2016	12.31.2015
Financing commitments given		
To banks	**3,078**	**2,414**
To customers	**62,088**	**58,145**
- Documentary credits	3,152	3,022
- Other confirmed lines of credit	49,404	49,192
- Other commitments	9,532	5,931
Total financing commitments given	**65,166**	**60,559**
Financing commitments received		
- banks	6,066	5,690
- customers	2,739	391
Financing commitments received	**8,805**	**6,081**

NOTE 9 POST-CLOSING EVENTS

On July 28, 2016, Natixis announced the finalization of the restructuring of AEW Europe, under which La Banque Postale will transfer Ciloger to AEW Europe (€5.2 billion in assets under management at end-June 2016). This transaction creates a new leader in real estate investments in France, with a pan-European investment capacity and the backing of three major retail networks: the Caisses d'Epargne, the Banque Populaire banks and La Banque Postale. After the integration, which is subject to regulatory approval, expected at the end of 2016, AEW Europe's capital will be 60% owned by NGAM and 40% by La Banque Postale.

5.2 Statutory Auditors' report on the condensed consolidated financial information

DELOITTE & ASSOCIES
185, avenue Charles De Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit
63, Rue de Villiers,
92208 Neuilly-sur-Seine

MAZARS
61, rue Henri Regnault
92075 Paris La Défense Cedex

Statutory Auditors' report on the interim financial information for the period January 1 to June 30, 2016.

NATIXIS
30 avenue Pierre Mendès France
75013 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed consolidated interim financial statements of Natixis, for the period January 1 to June 30, 2016;
- the verification of the information contained in the interim management report.

These condensed consolidated interim financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with IFRS standard IAS 34, as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed consolidated interim financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed consolidated interim financial statements.

French original signed in Neuilly-sur-Seine and Paris La Défense on July 29, 2016

The Statutory Auditors

DELOITTE & ASSOCIES	PricewaterhouseCoopers Audit	MAZARS
Charlotte Vandeputte	Agnès Hussherr	Charles de Boisriou
Jean-Marc Mickeler	Patrice Morot	Emmanuel Dooseman

V SECTION 7: LEGAL INFORMATION

7.1 Natixis by-laws

NATIXIS

A joint stock company (*société anonyme*) with a Board of Directors with share capital of €5,019,319,328
Registered office: 30 avenue Pierre Mendès France – 75013 Paris
542 044 524 RCS PARIS

BYLAWS

Article 3 of the by-laws was amended, following the Chief Executive Officer's decision on July 26, 2016 recognizing Natixis' capital increase for a total amount of €26,173,428.38 through the issuance of 7,989,447 new shares each with a par value of €1.60 (i.e. a nominal amount of €12,783,115.20 and an issue premium of €13,390,313.18) subsequent to the Mauve 2016 capital increase reserved for employees, decided by the Board of Directors on February 10, 2016, as voted by the Ordinary Shareholders' Meeting on May 19, 2015 (resolution nineteen).

This article is now written as follows:

Article 3 – Share capital

The share capital has been set at €5,019,319,328 divided into 3,137,074,580 fully paid-up shares of €1.60 each.

7.2 General information on Natixis' capital

7.2.2 Share capital

The share capital was set at €5,019,319,328 on July 26, 2016, divided into 3,137,074,580 fully paid-up shares of €1.60 each.

7.3 Distribution of share capital and voting rights

7.3.1 Distribution of share capital at July 31, 2016

At July 31, 2016, Natixis' main shareholders were as follows:

	% capital	% voting rights
BPCE	71%	71.05%
Employee shareholding [(a)]	2.46%	2.46%
Treasury stock	0.07%	0.00%
Free float	26.47%	26.49%

(a) of which 0.95% held through capital increases reserved for employees.
of which 0.73% held under the BPCE Actions Natixis employee share ownership plan, including bearers of Groupe BPCE shares.
of which 0.78% held outside of employee savings plans by employees and former employees.

As far as Natixis is aware, there are no shareholders, other than those listed in the above table, who own more than 5% of the capital or voting rights.

7.3.4 Employee shareholding

Free share awards:

The Natixis Board of Directors, at its meeting on July 28, 2016 (by virtue of the authorization granted by the General Shareholders' Meeting of May 24, 2016, resolution nineteen) decided to award 151,283 performance shares to the members of the Natixis Senior Management Committee, of which 47,463 to the Chief Executive Officer of Natixis. These shares will only be permanently vested at the end of a four-year period and subject to performance and presence conditions.

The Natixis Board of Directors, at its meeting on July 28, 2016 (by virtue of the authorization granted by the General Shareholders' Meeting of May 24, 2016, resolution twenty), decided to award 3,081,642 free shares to the recipients designated by the Board of Directors. These shares will only be permanently vested in part on March 1, 2018, and on March 1, 2019, subject to presence and/or performance conditions (systematic performance conditions applicable to the "regulated" population).

Issues of share capital reserved for employees of companies enrolled in the Natixis' employee savings plans:

In a decision taken on July 26, 2016, the Chief Executive Officer of Natixis recognized Natixis' capital increase for a total of €26,173,428.38 through the issuance of 7,989,447 new shares each with a par value of €1.60 (i.e. a nominal amount of €12,783,115.20 and an issue premium of €13,390,313.18), and the by-laws were amended accordingly.

VI SECTION 8: ADDITIONAL INFORMATION

8.1 Statement by the person responsible for this update of the 2015 Registration Document

“I hereby declare that, to the best of my knowledge after having taken all reasonable measure to this end, the information contained in this registration document update is true and accurate, and contains no omissions liable to impair its significance.

To the best of my knowledge, the condensed financial statements for the past half-year were prepared in accordance with applicable accounting standards, and proude a true and fair image of the assets and liabilities, financial position and earnings of the company and the consolidated group, and the attached half-year management report accurately reflects the key events in the first half and their impact on the financial statements, the major related party transactions and a description of the major risks and uncertainties in the second half.

I have obtained a letter from the Statutory Auditors certifying the completion of their work, in which they indicate that they have examined the information on the financial position and the financial statements given in this update and have read the whole of the update. "

Paris, France, August 4, 2016

Laurent Mignon

Chief Executive Officer of Natixis

8.2 Documents available to the public

Copies of this document are available free of charge at the registered office of Natixis, 30 avenue Pierre Mendès France, 75013 Paris. This document may also be consulted on the websites of the French Financial Supervisory Authority (www.amf-france.org) and of Natixis (www.natixis.com).

8.3 Cross-reference table of registration document

In order to make this document more easily readable, the following cross-reference table outlines the main headings required by Annex 1 of EC regulation no. 809/2004 of April 29, 2004, implementing the so-called “Prospectus” directive.

	Heading	2015 Registration document page number	Update of August 4, 2016
1.	**Persons responsible**	454	182
2.	**Statutory Auditors**	322-323	187
3.	**Selected financial information**		
3.1.	Selected historical financial information regarding the issuer for each financial year	8-9	
3.2.	Selected historical financial information for interim periods	N/A	
4.	**Risk factors**	108 to 113	60
5.	**Information about the issuer**		
5.1.	History and development of the Company	4 to 7	
5.2.	Investments	190 to 193 ; 316	
6.	**Business overview**		
6.1.	Main activities	10 à 25	
6.2.	Main markets	297 to 301	
6.3.	Exceptional events	N/A	
6.4.	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	182	
6.5.	The basis for any statements made by the issuer regarding its competitive position	10 to 24	
7.	**Organizational structure**		
7.1.	Brief description of the Group	4-5 ; 7	
7.2.	List of significant subsidiaries	224 to 228 ; 323 to 335	
8.	**Property, plant and equipment**		
8.1.	Existing or planned material tangible fixed assets	246 to 247	
8.2.	Environmental issues that may affect the issuer’s utilization of the tangible fixed assets	376 to 383 ; 401 to 413	
9.	**Income and Financial position**		
9.1.	Financial position	108 to 113 ; 117 to 164 ; 170 to 177 ; 190 to 204	61 to 67; 115
9.2.	Operating results	8 ; 193-194 ; 208	92 to 110; 116
10.	**Treasury and Capital resources**		
10.1.	Information concerning the issuer’s capital resources	117 to 132 ; 210-211	61 to 67; 180
10.2.	Sources and amounts of the issuer’s cash flows	212-213	119
10.3.	Information on the issuer’s borrowing conditions and funding structure	201	112-113

	Heading	2015 Registration document page number	Update of August 4, 2016
10.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations	N/A	
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items 5.2. and 8.1	201 ; 207	112-113; 115
11.	**Research and development, patents and licenses**	182	
12.	**Trend information**	10 to 25 ; 108 to 113 ; 315	
13.	**Profit forecasts or estimates**	N/A	
14.	**Administrative, management, and supervisory bodies and executive management**		
14.1.	Administrative bodies	32 to 37	47 to 55
14.2.	Administrative, management, and supervisory bodies and executive management conflicts of interest	77	
15.	**Remuneration and benefits**		
15.1.	Amount of remuneration and benefits in kind	78 to 92	
15.2.	Total amounts paid accrued by the issuer to provide pension, retirement or similar benefits	317-318	
16.	**Administrative and management bodies practices**		
16.1.	Date of expiration of current terms of office	34 to 59	
16.2.	Service contracts with members of the administrative bodies	77	
16.3.	Information about the issuer's Audit Committee and Compensation Committee	69 to 72	58-59
16.4.	Statement as whether or not the issuer complies with the corporate governance regime	61	
17.	**Employees**		
17.1.	Number of employees	393	
17.2.	Directors' shareholdings and stock options	89 ; 427-428	
17.3.	Arrangements for involving employees in the issuer's capital	250-251	180-181
18.	**Major shareholders**		
18.1.	Shareholders owning more than 5% of the share capital or voting rights	429	180
18.2.	Different voting rights of the aforementioned shareholders	429	
18.3.	Control of the issuer	430	
18.4.	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in its control	431	
19.	**Related-party transactions**	N/A	
20.	**Financial information concerning the issuer's**		

	Heading	2015 Registration document page number	Update of August 4, 2016
	assets and liabilities, financial position and profits and losses		
20.1.	Historical financial information	206 to 335 ; 338 to 372	114 to 177
20.2.	Pro forma financial information	8-9 ; 299 to 301	167-168
20.3.	Financial statements	206 to 335 ; 338 to 372	114 to 177
20.4.	Auditing of historical annual financial information	336-337 ; 373-374	178-179
20.5.	Age of latest financial information	336-337 ; 373-374	178-179
20.6.	Interim financial and other information	N/A	
20.7.	Dividend policy	26 ; 422 ; 432	
20.8.	Legal and arbitration procedures	180 to 182	85
20.9.	Significant changes in the issuer's financial or commercial situation	315	
21.	**Additional information**		
21.1.	Share capital	363 ; 424 to 428	62-63; 180
21.2.	Memorandum and by-laws	418 to 423	180
22.	**Material contracts**	N/A	
23.	**Third party information and statement by experts and declarations of any interest**	N/A	
24.	**Documents available to the public**	455	182
25.	**Information on holdings**	323 to 335	

8.4 Cross-reference table for the half-year financial report

In application of Article 212-13 of the AMF's (French Financial Markets Authority) General Regulations, the present update contains the information of the Interim Financial Report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulations.

8.5 Persons responsible for auditing the financial statements

Persons responsible for auditing the financial statements

Principal Statutory Auditors

- Deloitte & Associés (represented by signatory partners Charlotte Vandeputte and Jean-Marc Mickeler) - 185 avenue Charles-de-Gaulle - 92524 Neuilly-sur-Seine Cedex;
- PriceWaterhouseCoopers Audit (represented by signatory partners Agnès Hussherr and Patrice Morot), 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex;
- Mazars (represented by signatory partners Charles de Boisriou and Emmanuel Dooseman), 61 rue Henri Regnault - 92075 La Défense Cedex.

Deloitte & Associés, PriceWaterhouseCoopers Audit and Mazars are registered as Statutory Auditors with the « Compagnie Régionale des Commissaires aux Comptes of Versailles » and under the supervision of the « Haut Conseil du Commissariat aux Comptes ».

Alternate Auditors:

• BEAS, 7-9, Villa Houssay - 92200 Neuilly-sur-Seine, represented by partner, Mireille Berthelot;
• Mr. Jean-Baptiste Deschryver, 63, rue de Villiers – 92208 Neuilly-sur-Seine Cedex;
• Mr. Franck Boyer, Immeuble Exaltis, 61 rue Henri Regnault - 92075 La Défense Cedex.

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