



# Natixis 2Q18 & 1H18 results

August 2, 2018





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# 1H18: “New Dimension” well on track

Focus on value creation resulting in a strong 15.4% RoTE

*Figures excluding exceptional items<sup>(1)</sup>*

**NET  
REVENUES**

**+7%**

**OPERATING  
EXPENSES**

**+5%**

**CET1 FL<sup>(2)</sup>**

**10.8%**

+13bps QoQ

**RoTE<sup>(3)</sup>**

**15.4%**

+230bps YoY

**90bps**

YoY improvement in  
the cost/income ratio<sup>(3)</sup> at **66.3%**

**< 2%**

Cost of risk/Net revenues

**~90bps**

of organic capital generation  
in 1H18 (excl. IFRIC 21)

**+4%**

QoQ rise in  
Natixis' tangible book value

*YoY P&L lines evolution at constant exchange rate*

*(1) See page 7 (2) See note on methodology (3) See note on methodology and excluding IFRIC 21*

# Natixis consolidated

2Q18 & 1H18 results



## 2Q18 results

Reported Net income up +19% in 2Q18

€m	2Q18 reported	2Q17 reported	2Q18 o/w underlying	2Q18 o/w exceptionals <sup>(1)</sup>	2Q18 vs. 2Q17 reported	2Q18 vs. 2Q17 reported constant FX	2Q18 vs. 2Q17 underlying	2Q18 vs. 2Q17 underlying constant FX
<b>Net revenues</b>	<b>2,577</b>	<b>2,410</b>	<b>2,522</b>	<b>55</b>	<b>7%</b>	<b>10%</b>	<b>3%</b>	<b>5%</b>
o/w businesses	2,348	2,288	2,348		3%	5%	3%	5%
Expenses	(1,640)	(1,594)	(1,624)	(16)	3%	5%	3%	5%
<b>Gross operating income</b>	<b>936</b>	<b>815</b>	<b>898</b>	<b>39</b>	<b>15%</b>	<b>19%</b>	<b>3%</b>	<b>6%</b>
Provision for credit losses	(40)	(67)	(40)					
<b>Net operating income</b>	<b>896</b>	<b>748</b>	<b>857</b>	<b>39</b>	<b>20%</b>		<b>6%</b>	
Associates and other items	7	24	7					
<b>Pre-tax profit</b>	<b>903</b>	<b>772</b>	<b>864</b>	<b>39</b>	<b>17%</b>		<b>4%</b>	
Income tax	(266)	(255)	(252)	(13)				
Minority interests	(57)	(29)	(56)	(1)				
<b>Net income – group share</b>	<b>580</b>	<b>487</b>	<b>556</b>	<b>24</b>	<b>19%</b>		<b>5%</b>	

(1) See page 7

# 1H18 results

Reported Net income up +18% in 1H18

€m	1H18 reported	1H17 reported	1H18 o/w underlying	1H18 o/w exceptionals <sup>(1)</sup>	1H18 vs. 1H17 reported	1H18 vs. 1H17 reported constant FX	1H18 vs. 1H17 underlying	1H18 vs. 1H17 underlying constant FX
<b>Net revenues</b>	<b>4,989</b>	<b>4,756</b>	<b>4,963</b>	<b>27</b>	<b>5%</b>	<b>9%</b>	<b>3%</b>	<b>7%</b>
o/w businesses	4,629	4,496	4,629		3%	7%	3%	7%
<b>Expenses</b>	<b>(3,435)</b>	<b>(3,365)</b>	<b>(3,402)</b>	<b>(33)</b>	<b>2%</b>	<b>5%</b>	<b>2%</b>	<b>5%</b>
o/w expenses excluding SRF	(3,271)	(3,243)	(3,239)		1%	4%	1%	4%
<b>Gross operating income</b>	<b>1,554</b>	<b>1,391</b>	<b>1,560</b>	<b>(6)</b>	<b>12%</b>	<b>18%</b>	<b>5%</b>	<b>10%</b>
Provision for credit losses	(84)	(138)	(84)					
<b>Net operating income</b>	<b>1,471</b>	<b>1,254</b>	<b>1,477</b>	<b>(6)</b>	<b>17%</b>		<b>9%</b>	
Associates and other items	20	40	20					
<b>Pre-tax profit</b>	<b>1,490</b>	<b>1,294</b>	<b>1,496</b>	<b>(6)</b>	<b>15%</b>		<b>7%</b>	
Income tax	(470)	(469)	(472)	2				
Minority interests	(118)	(57)	(117)	(1)				
<b>Net income – group share</b>	<b>903</b>	<b>768</b>	<b>907</b>	<b>(4)</b>	<b>18%</b>		<b>9%</b>	

(1) See page 7

# 2Q18 & 1H18 results

## Exceptional items

€m		2Q18	2Q17	1H18	1H17
Exchange rate fluctuations on DSN in currencies <i>(Net revenues)</i>	<i>Corporate center</i>	55	(49)	27	(60)
Transformation & Business Efficiency investment costs <i>(Expenses)</i>	<i>Business lines &amp; Corporate center</i>	(20) <sup>(1)</sup>	(11)	(34) <sup>(1)</sup>	(20)
Fit to Win investments & restructuring expenses <i>(Expenses)</i>	<i>Corporate center</i>	4		1	
Non-recurring additional Corporate Social Solidarity Contribution resulting from agreement with CNP <i>(Expenses)</i>	<i>Insurance</i>				(19)
Total impact on income tax		(13)	19	2	32
Total Impact on minority interests		(1)		(1)	
<b>Total impact in net income (gs)</b>		<b>24</b>	<b>(40)</b>	<b>(4)</b>	<b>(66)</b>

(1) o/w €13m in the Corporate center in 2Q18 and €23m in 1H18

# 2Q18 results

## High RoTE at 15.4%, up +170bps vs. 2Q17- Profitability up across the board

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	2Q18 vs. 2Q17 constant FX
<b>Net revenues</b>	<b>2,522</b>	<b>2,458</b>	<b>3%</b>	<b>5%</b>
o/w businesses	2,348	2,288	3%	5%
Expenses	(1,624)	(1,584)	3%	5%
<b>Gross operating income</b>	<b>898</b>	<b>875</b>	<b>3%</b>	<b>6%</b>
Provision for credit losses	(40)	(67)		
Associates and other items	7	24		
<b>Pre-tax profit</b>	<b>864</b>	<b>831</b>	<b>4%</b>	
Income tax	(252)	(274)		
Minority interests	(56)	(29)		
<b>Net income (gs) – underlying</b>	<b>556</b>	<b>528</b>	<b>5%</b>	
Restatement of IFRIC 21 impact	(50)	(46)		
<b>Net income (gs) – underlying excl. IFRIC 21 impact</b>	<b>506</b>	<b>482</b>	<b>5%</b>	

**Net revenues up +5% YoY** mainly driven by a strong momentum in AWM (+15% YoY), Insurance (+8% YoY) and SFS (+7% YoY). Resilient CIB revenues (-3% YoY) set against a particularly strong 2Q17

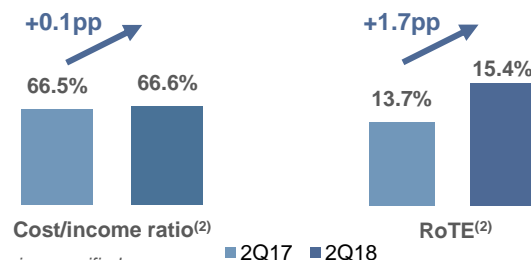
**Expenses** growth partly due to FTE increase as well as digital investments and transformation projects foreseen in the New Dimension plan trajectory (see page 23). **Cost/income ratio<sup>(2)</sup> largely unchanged** vs. 2Q17 and **GOI up +6% YoY**

**Pre-tax profit up +4% YoY** including a continued reduction in loan loss provisioning. 2Q17 included a ~€20m capital gain on the sale of Ellisphere

**Tax rate at ~29%** in 2Q18, down vs. ~33% in 2Q17. **Minority interests up YoY** due to a higher contribution from Coface and some European AM affiliates

**Businesses' RoE<sup>(2)</sup> reached 16.7% in 2Q18, up +150bps YoY** and with profitability improving across all business lines

**Natixis' RoTE<sup>(2)</sup> improved +170bps YoY at 15.4%**. 2Q18 earnings capacity equivalent to ~185bps of annual capital generation



**+5%**  
Rise in earnings  
capacity to **€506m**

Comments on YoY Net revenues, Expenses and GOI evolution at constant exchange rate, unless otherwise specified

(1) See page 7 (2) See note on methodology and excluding IFRIC 21



# 1H18 results

RoTE stable between 1Q18 and 2Q18 at a high 15.4%, +230bps vs. 1H17

Figures excluding exceptional items<sup>(1)</sup>

€m	1H18	1H17	1H18 vs. 1H17	1H18 vs. 1H17 constant FX
<b>Net revenues</b>	<b>4,963</b>	<b>4,816</b>	<b>3%</b>	<b>7%</b>
o/w businesses	4,629	4,496	3%	7%
<b>Expenses</b>	<b>(3,402)</b>	<b>(3,327)</b>	<b>2%</b>	<b>5%</b>
<b>Gross operating income</b>	<b>1,560</b>	<b>1,490</b>	<b>5%</b>	<b>10%</b>
Provision for credit losses	(84)	(138)		
Associates and other items	20	40		
<b>Pre-tax profit</b>	<b>1,496</b>	<b>1,392</b>	<b>7%</b>	
Income tax	(472)	(501)		
Minority interests	(117)	(57)		
<b>Net income (gs) – underlying</b>	<b>907</b>	<b>834</b>	<b>9%</b>	
Restatement of IFRIC 21 impact	100	83		
<b>Net income (gs) – underlying excl. IFRIC 21 impact</b>	<b>1,007</b>	<b>917</b>	<b>10%</b>	

**Net revenues up +7% YoY** driven by a strong momentum in AWM (+18% YoY), Insurance (+8% YoY), SFS (+6% YoY) as well as for Coface (+15% YoY). CIB revenues flat compared to a historically high 1H17

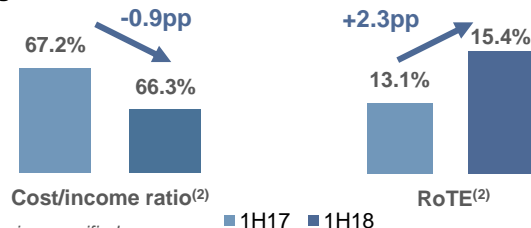
**Expenses** well under control translating into a **positive jaws effect of 3pp excluding SRF contribution. Cost/income ratio<sup>(2)</sup> down 90bps** vs. 1H17 to 66.3% and **GOI up +10% YoY**

**Pre-tax profit up +7% YoY** including a marked improvement in loan loss provisioning by more than a third

**Tax rate at ~32% in 1H18**, down vs. ~36% in 1H17. 1H tax rate impacted by the non-deductibility of the SRF and French systemic risk banking tax contributions in the first quarter. **Guidance at ~30% for 2018**

**Businesses' RoE<sup>(2)</sup> reached 16.8% in 1H18**, up +170bps YoY and with profitability **improving across all business lines**

**Natixis' RoTE<sup>(2)</sup> improved +230bps YoY at 15.4%**. Net income up +9% YoY and **1H18 earnings capacity above €1bn equivalent to ~180bps of annual capital generation**



**+10%**  
Rise in earnings  
capacity to **€1bn**

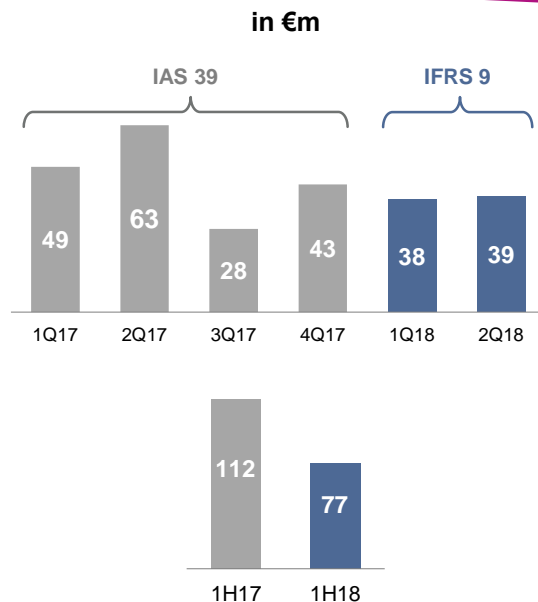
Comments on YoY Net revenues, Expenses and GOI evolution at constant exchange rate, unless otherwise specified

(1) See page 7 (2) See note on methodology and excluding IFRIC 21

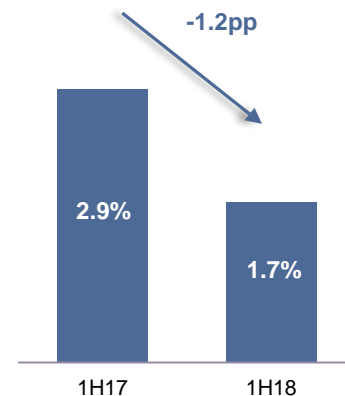
# Cost of risk

Cost of risk improving YoY and stable QoQ at low levels

## COST OF RISK<sup>(1)</sup> BUSINESSES



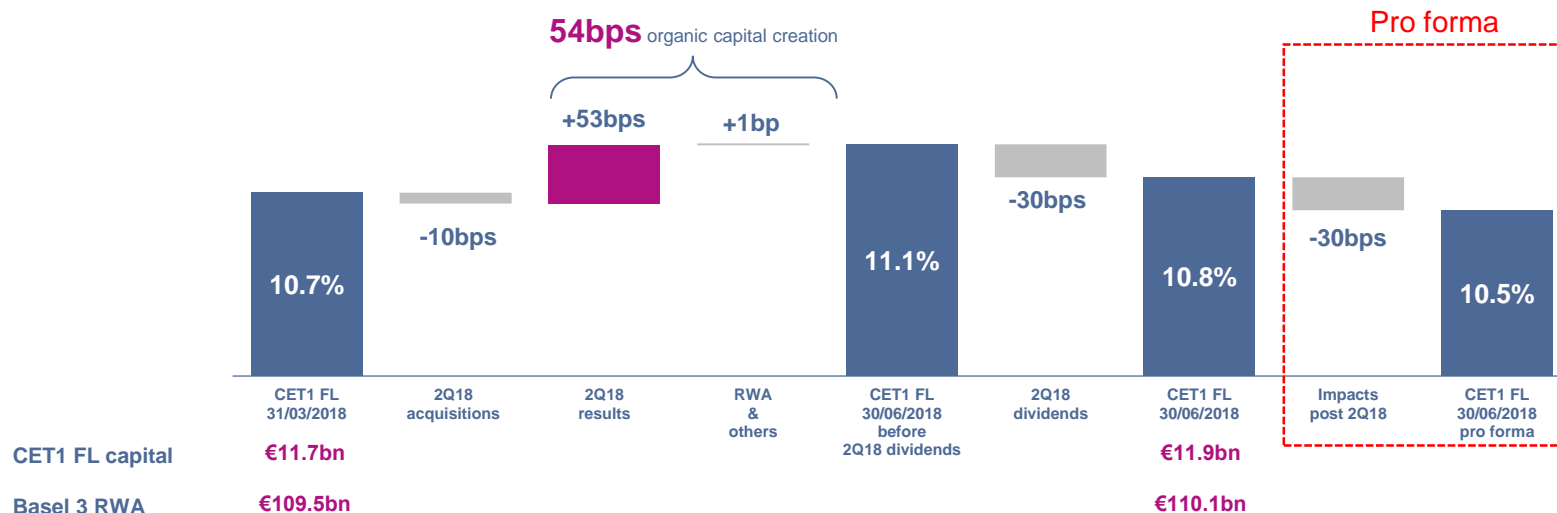
## COST OF RISK / NET REVENUES<sup>(2)</sup> TOTAL NATIXIS



(1) Cost of risk excluding credit institutions. Cost of risk in bps of total amount of loans outstanding, beginning of period (2) Excluding exceptional items

# Financial structure

54bps organic capital creation in 2Q18 driving a 10.8% CET1<sup>(1)</sup> FL ratio



- ▶ **Continued strict management of RWA** (up <1% vs. end-March 2018 and down -2% YoY)
- ▶ **Acquisitions in 2Q18** of **Fenchurch** Advisory Partners, **Vermilion** Partners and **Clipperton** to expand **M&A advisory** footprint. Acquisition of **Comitéo** in Payments to reinforce Natixis' **Prepaid & Managed Solutions**
- ▶ **Leverage ratio >4%**<sup>(1)</sup> and **LCR >100%** at end-June 2018
- ▶ **Pro forma impacts:**
  - ▶ Disposals of **Selection 1818** and **Axeltis** in AWM
  - ▶ Acquisitions of **MV Credit** and **WCM Investment Management** in AWM
  - ▶ Irrevocable Payment Commitments (IPC)

(1) See note on methodology

# Business lines

2Q18 & 1H18 results

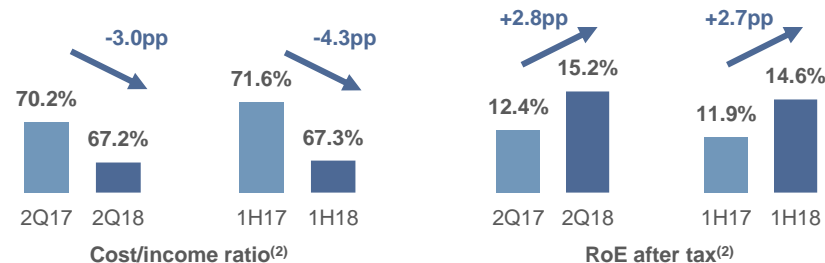


# Asset & Wealth Management

## Continued increase in fee rate and solid revenue growth

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17	1H18 vs. 1H17 constant FX
Net revenues	819	743	10%	1,596	1,448	10%	18%
o/w Asset management	782	713	10%	1,522	1,384	10%	18%
o/w Wealth management	37	30	22%	74	64	17%	17%
Expenses	(549)	(521)	5%	(1,077)	(1,039)	4%	10%
Gross operating income	270	223	21%	518	408	27%	36%
Provision for credit losses	(1)	0		(1)	0		
Associates and other items	(2)	0		(2)	9		
Pre-tax profit	266	223	20%	515	417	23%	



Net revenues up +18% YoY in 1H18 at constant exchange rate (+15% in 2Q18), well above New Dimension growth target

### Asset management

- Overall fee rate excl. perf. fees >31bps in 2Q18, up +0.7bps QoQ and +3.3bps YoY with:

**Europe:** 16bps (+1bp QoQ and +2.9bps YoY) and 27bps excl. Life insurance (+1.5bps QoQ and +2.9bps YoY)

**North America:** >40bps (+0.7bps QoQ and +1.9bps YoY)

- Performance fees reached €55m in 2Q18 and €119m in 1H18 (~8% of 1H18 AM revenues) mainly driven by H<sub>2</sub>O. Bruno Crastes (H<sub>2</sub>O) named #1 in Citywire Americas' Best Global Unconstrained Bond Portfolio Manager ranking

### Wealth management

- Net revenues up +22% YoY in 2Q18 and +17% in 1H18. Assets under management reached €32.5bn<sup>(3)</sup> as at June 30, 2018

Significant positive jaws effect of 5pp in 2Q18, both at current and constant exchange rate (respectively 6pp and 8pp for 1H18). The cost/income ratio<sup>(2)</sup> improved 430bps YoY and reached 67.3% in 1H18

GOI up +36% YoY in 1H18 at constant exchange rate (+27% in 2Q18)

RoE<sup>(2)</sup> improved materially at 15.2% in 2Q18 (+280bps YoY)

(1) See page 7 (2) See note on methodology and excluding IFRIC 21 (3) Including Vega IM, 60% owned by Natixis Wealth Management

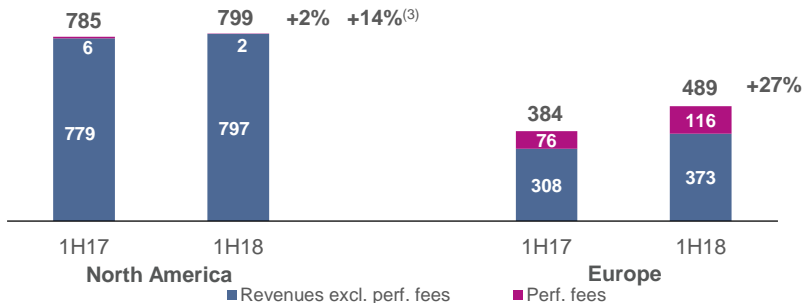
# Asset & Wealth Management

## Asset management: Quarterly net inflows at a 3-year high

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17	1H18 vs. 1H17 constant FX
Net revenues	782	713	10%	1,522	1,384	10%	18%
o/w Perf. fees	55	55		119	82		
Expenses	(512)	(487)	5%	(1,003)	(971)	3%	11%
Gross operating income	270	227	19%	519	413	26%	35%
Provision for credit losses	(4)	0		(4)	0		
Associates and other items	(2)	0		(2)	9		
Pre-tax profit	264	226	17%	512	422	22%	

### Revenues breakdown<sup>(2)</sup> in €m

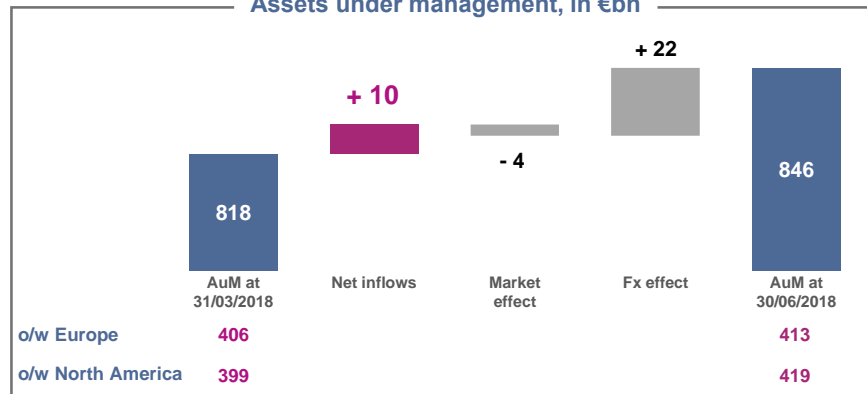


**Net inflows** reached **+€10bn** in **2Q18**, the 7<sup>th</sup> consecutive quarter of positive net inflows, as follows:

- **Europe: +€7bn** mainly driven by H<sub>2</sub>O liquid alternative strategies. All affiliates featuring positive net inflows
- **North America: +€3bn** mainly driven by Harris (Oakmark International Fund and Oakmark Fund)

**Assets under management** reached **€846bn** as at June 30, 2018 (+3% QoQ). In 2Q18, average AuM at constant exchange rate increased by +9% YoY in Europe (excl. Life insurance) and +8% in North America

### Assets under management, in €bn



(1) See page 7 (2) Per asset manager, excluding distribution platform, Holding and Private equity (3) At constant exchange rate

# Asset & Wealth Management

## Towards 2020 Ambition - WCM Investment Management



### 2020 Ambition High alpha positioning

**International and Global Equity specialist** managing low-turnover, alpha-generating portfolios with a focused and global growth approach

**Critical size** with **\$29bn of AuM**

41 employees, headquartered in California - **Employee owned**

**Unique opportunity** to supplement Natixis IM International Equity line-up:

- ▶ **Significant additional capacity** in existing strategies and potential new products (e.g. emerging markets)
- ▶ **Limited overlap** with Harris Associates (*Growth* vs. *Value*)
- ▶ Predominantly a US institutional client base **allowing significant revenues synergies with Natixis IM distribution platform** - US retail intermediary markets and international markets
- ▶ **A long-term exclusive distribution partnership**

**Acquisition of 24.9%**

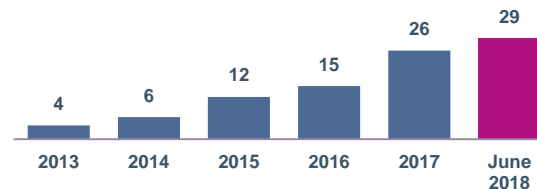
### Strong performance across products

Strategy	Strategy AuM (\$bn)	Annualized Returns				Morningstar Rating	Morningstar Percentil Ranking			
		YTD	1 Yr	3 Yr	5 Yr		YTD	1 Yr	3 Yr	5 Yr
Focused International Growth	24.9	2.67	12.60	10.57	10.39	5	14	26	7	9
Quality Global Growth	3.7	4.26	14.15	12.44	12.43	5	13	19	8	9
Emerging Markets	0.2	(0.08)	13.30	8.34	4.67	4	2	7	6	44
Intl Small Cap Growth	0.004	12.95	30.08	N/A	N/A		4	4	N/A	N/A

*Data as at June 30, 2018. Performance metrics reflect US mutual fund strategies*

### Strong growth with compelling financials

AuM, in \$bn



**~60bps**  
Effective fee rate

**~57%**  
Pre-tax margin

# Asset & Wealth Management

## Towards 2020 Ambition - MV Credit



### 2020 Ambition

#### Reinforcement of Alternative strategies

A **high-quality private credit manager** with pan-European coverage active in subordinated and senior debts

**Established in 2000** with 23 employees (5 partners) based in London with **€1.5bn of AUM**

Investment strategy focus on **Western Europe** upper mid-cap private debt. **Relationship with top-tier buyout sponsors**; strong performances with a very low loss ratio

**High margin closed-end fund series** with a

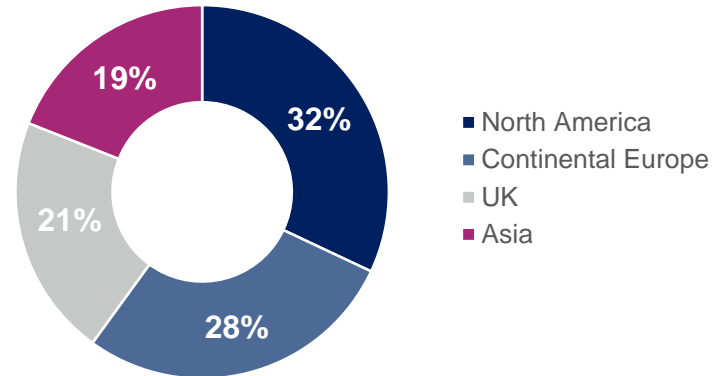
**~140bps**

**Effective fee rate**  
during 7 to 10 years

**The firm is raising its fourth Fund** (target €1bn with already €0.8bn raised)

**Scalable strategies and entrepreneurial mindset** should allow significant synergies with the Natixis IM distribution platform and Natixis Insurance

Existing clients by geography



Voted Best Subordinated Debt Investor  
for the ninth consecutive year  
2009-2017



# Corporate & Investment Banking

Value creation sustainability with 2Q18 RoE up +100bps YoY at 17.1%

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17	1H18 vs. 1H17 constant FX
Net revenues	965	1,019	(5)%	1,904	1,990	(4)%	0%
Net revenues excl. CVA/DVA	952	1,032	(8)%	1,889	1,968	(4)%	0%
Expenses	(546)	(555)	(2)%	(1,108)	(1,121)	(1)%	1%
Gross operating income	419	464	(10)%	796	869	(8)%	(2)%
Provision for credit losses	(39)	(48)		(68)	(78)		
Associates and other items	3	3		9	5		
Pre-tax profit	383	418	(8)%	737	796	(7)%	

**Net revenues flat compared to 1H17** and down a modest -3% YoY in 2Q18 with a strong performance from Global finance (+17% YoY in 1H18 and +16% in 2Q18) offsetting Global markets YoY evolution on a historically high 1H17. **Success of the O2D model** with RWA efficiency above target

- Revenues from the US & APAC platforms up +2% on a 12-month rolling basis

**International platforms**  
Contribution to 1H18 CIB revenues



**36%**

**AMERICAS + APAC**



**Gross operating income broadly flat YoY in 1H18** excluding CVA/DVA

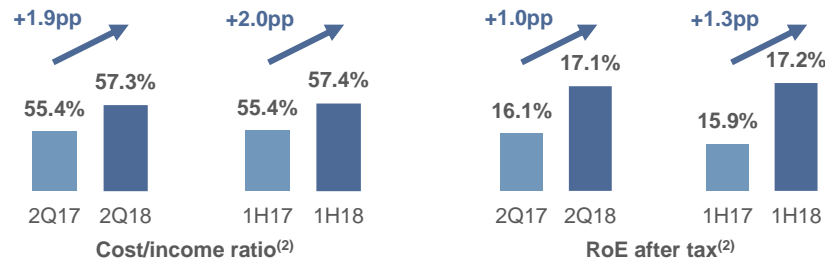
**Cost of risk well under control and down -20% YoY in 2Q18** and -13% in 1H18

**RoE<sup>(2)</sup> improved +130bps YoY in 1H18 to 17.2% and +100bps in 2Q18 to 17.1%.** Recognised financing expertise and selective focus on Solutions driving little Market RWA volatility (down vs. 1Q18) both illustrative of **Natixis' ability to sustain value creation amidst changing market conditions**

**Acquisitions in M&A advisory** - Vermilion Partners closed in May, Fenchurch Advisory Partners and Clipperton in June

**6.4%**

**Net revenues / RWA<sup>(3)</sup> in 2Q18**  
**above ~6% New Dimension 2020 target**



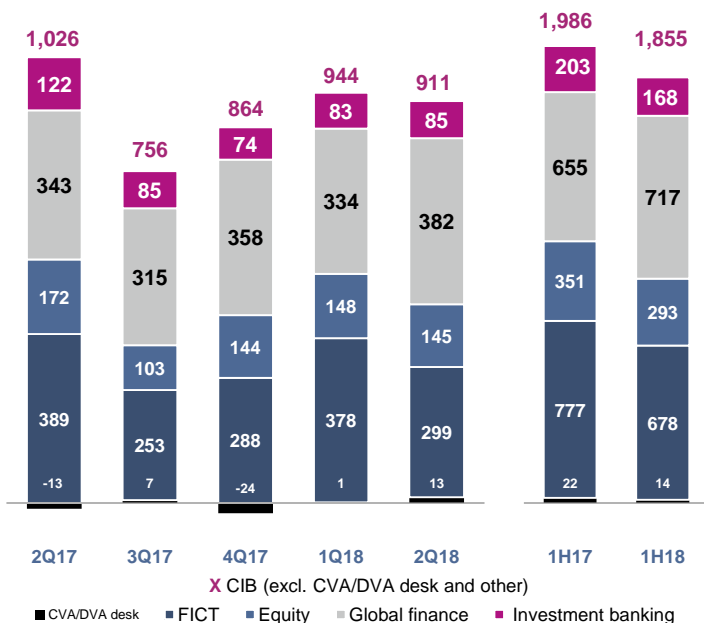
Comments on YoY P&L lines evolution at constant exchange rate, unless otherwise specified

(1) See page 7 (2) See note on methodology and excluding IFRIC 21 impact (3) 2Q18 annualized net revenues (excl. CVA/DVA desk) on average RWA

# Corporate & Investment Banking

Sustainability led by expertise and diversification while remaining selective

Net revenues, €m



**#1**  
MLA of Syndicated Real Estate Finance  
Loans in France in 1H18<sup>(3)</sup>

**#1**  
Bookrunner on all covered bonds in euro  
in 1H18<sup>(4)</sup>

Comments on YoY P&L lines evolution at constant exchange rate, unless otherwise specified

(1) Excl. CVA/DVA desk (2) ENR, Real Assets, ASF (3) Dealogic - EMEA Real Estate Finance Rankings, by volume (4) Dealogic

**Global markets:** Net revenues down -11% YoY<sup>(1)</sup> in 1H18 vs. a historically high 1H17 both for FICT and Equity. **Primary focus on RoE and selective approach in order to foster value creation**

- **FICT:** Net revenues down -10% YoY in 1H18 including a -21% YoY evolution in 2Q18 driven by Rates and with a soft April/May followed by a good recovery in June. **RoE-focused strategy leading to disciplined approach to business undertaken**
- **Equity:** Net revenues broadly flat QoQ and down -14% YoY in 1H18 (-15% in 2Q18) driven by a soft performance from Equity derivatives in Asia and the YoY impact from the closure of the US and UK cash equity desks following the Natixis/Oddo-BHF partnership announcement (effective July 1<sup>st</sup>, 2018)

**Global finance:** Sectorial approach driving net revenues up +17% YoY in 1H18 (+16% in 2Q18) with a strong performance from **Real assets** (up >70% YoY in 1H18) across Real estate, Aviation and Infrastructure, while remaining selective. **Dynamic new loan production** (+42% YoY in 2Q18) combined with **solid distribution rates** (e.g. 12% average final take in 2Q18 for US Real estate finance)

**Investment banking and M&A:** Net revenues slightly up QoQ in 2Q18 and down -15% YoY in 1H18 given a soft French primary market for ECM and a 1H17 that benefited from several jumbo deals, especially in the FIG space. **1H18 M&A revenues up +17% YoY**

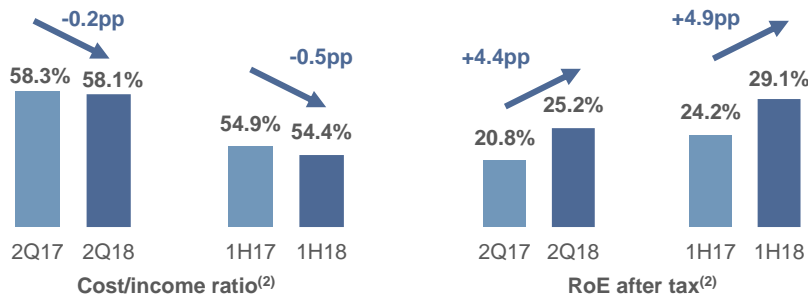
**Proportion of revenues generated from service fees at 51% vs. 47% in 2Q17<sup>(2)</sup>**

# Insurance

Sound profitability gains driving RoE of 29.1% in 1H18 (+490bps YoY)

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17
Net revenues	193	179	8%	397	368	8%
Expenses	(107)	(101)	7%	(225)	(209)	8%
Gross operating income	85	78	9%	171	159	8%
Provision for credit losses	0	0		0	0	
Associates and other items	0	3		3	7	
Pre-tax profit	86	81	5%	175	166	5%



## Banking view

Net revenues up +8% YoY in 2Q18 and 1H18

**Expenses** up +7% YoY in 2Q18. 1H18 including a ~€5m increase in the Corporate Social Solidarity Contribution (C3S) which calculation is based on previous year's activity levels (2017 benefiting in full from the take-over of the new life insurance business for the Caisses d'Epargne network vs. 2016). **Underlying expense growth of +6% YoY in 1H18 i.e. a 2pp positive jaws effect**

**RoE<sup>(2)</sup> improved +490bps YoY in 1H18 to 29.1% and +440bps in 2Q18 to 25.2%**, in part driven by the buy-back of BPCE Assurances minorities

## Insurance view

Global turnover<sup>(3)</sup> reached **€6.6bn** in 1H18, up +3% YoY

**Life and Personal protection: €5.8bn earned premiums<sup>(3)</sup> in 1H18, up +2% YoY**

- ▶ **Total AuM<sup>(3)</sup> at €58.6bn** as at end-June 2018, driven by **net inflows<sup>(3)</sup> up +1% YoY in 1H18** at €3.5bn
- ▶ **Unit-linked AuM<sup>(3)</sup> at €14.2bn** as at end-June 2018, driven by **net inflows<sup>(3)</sup> in 1H18** at €1.6bn. **UL products accounted for 35% of gross inflows** and 45% of net inflows in 1H18
- ▶ **Personal protection: earned premiums up +5% YoY in 1H18** at ~€440m

**P&C: €0.7bn earned premiums in 1H18, up +8% YoY (+7% in 2Q18)**

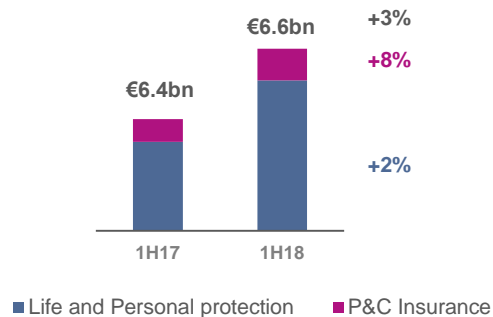
**Natixis Assurances: 1<sup>st</sup> insurance company in France** to offer clients an innovative and exclusive service providing **for instant compensation** of insurance losses

(1) See page 7 (2) See note on methodology and excluding IFRIC 21 impact (3) Excluding reinsurance agreement with CNP

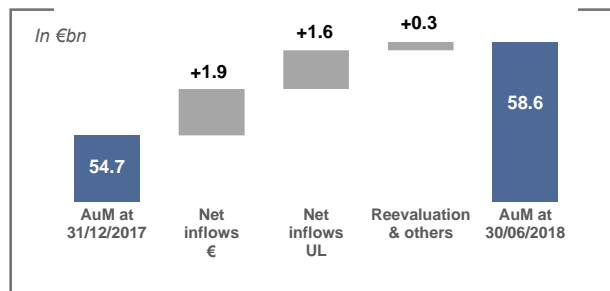
# Insurance

Sustained commercial activity across all business lines

## PREMIUMS GROWTH



## LIFE INSURANCE AUM

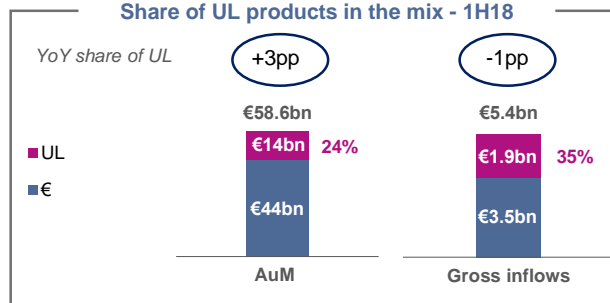


## P&C INSURANCE COMBINED RATIO

2Q18  
**92.0%**  
-0.5pp YoY

1H18  
**92.1%**  
-0.3pp YoY

## Share of UL products in the mix - 1H18



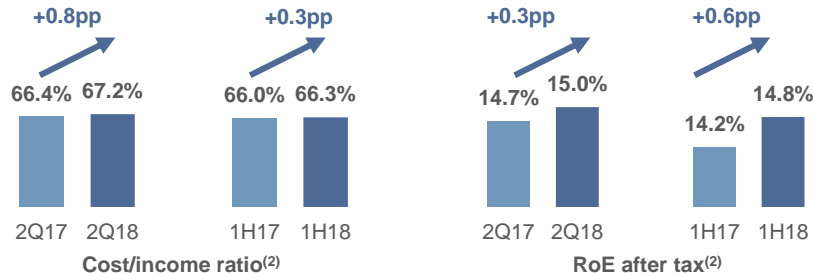
All figures excluding reinsurance agreement with CNP

# Specialized Financial Services

## Strong profitability with RoE improving to 15.0% in 2Q18

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17
<b>Net revenues</b>	<b>371</b>	<b>347</b>	<b>7%</b>	<b>733</b>	<b>691</b>	<b>6%</b>
Specialized financing	230	218	6%	453	437	4%
Payments	95	83	14%	188	164	15%
Financial services	46	46	0%	92	90	2%
Expenses	(247)	(228)	8%	(491)	(460)	7%
<b>Gross operating income</b>	<b>124</b>	<b>119</b>	<b>4%</b>	<b>242</b>	<b>231</b>	<b>5%</b>
Provision for credit losses	3	(14)		(7)	(35)	
Associates and other items	1	0		1	0	
<b>Pre-tax profit</b>	<b>127</b>	<b>105</b>	<b>22%</b>	<b>236</b>	<b>195</b>	<b>21%</b>



(1) See page 7 (2) See note on methodology and excluding IFRIC 21 impact

**Net revenues up +7% YoY in 2Q18 and +6% YoY in 1H18**

- **Specialized financing:** Net revenues up +6% YoY in 2Q18 driven by Sureties & financial guarantees (+9% YoY), Factoring (+3% YoY) and Film industry financing
- **Payments:** Net revenues up +15% YoY in 1H18 (~60% driven by acquisitions made in 2017, ~40% by Natixis' historical payment activities) and +14% in 2Q18
- **Financial services:** Net revenues up +2% YoY in 1H18, driven by Employee savings plans (+4% YoY) and flat in 2Q18

**Expenses** up +7% YoY in 1H18 and **+2% at constant scope**. Cost/income ratio<sup>(2)</sup> excluding Payments acquisitions at 65.2% in 2Q18 and 64.8% in 1H18

**Cost of risk** experiencing **net writebacks** in 2Q18 due to sectorial credit rating improvements

**RoE improved +30bps YoY in 2Q18 to 15.0% and +60bps in 1H18 to 14.8%**

### Payments

- **Merchant Solutions:** Business volumes generated by recent acquisitions (Dalenys and PayPlug) up +34% YoY in 2Q18 and +37% in 1H18
- **Prepaid & Managed Solutions:** Revenues up +33% YoY in 2Q18 (+20% at constant scope, i.e. excluding Comitéo) and +30% in 1H18. Chèque de table® market share reached 18.1% as at end-June 2018 (+0.4pp YoY)
- **Services & Processing:** Number of card transactions processed up +11% YoY both in 2Q18 and 1H18

**28% of 2Q18 Payments revenues realized outside Groupe BPCE networks**

# Corporate Center

## New Dimension on track

Figures excluding exceptional items<sup>(1)</sup>

€m	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17
<b>Net revenues</b>	<b>174</b>	<b>171</b>	<b>2%</b>	<b>334</b>	<b>320</b>	<b>4%</b>
Coface	156	152	3%	333	289	15%
Others	18	19		1	30	
<b>Expenses</b>	<b>(175)</b>	<b>(180)</b>	<b>(3)%</b>	<b>(501)</b>	<b>(497)</b>	<b>1%</b>
Coface	(120)	(128)	(7)%	(239)	(250)	(4)%
SRF	(1)	6		(164)	(122)	
Others	(54)	(57)	(5)%	(98)	(124)	(21)%
<b>Gross operating income</b>	<b>(1)</b>	<b>(9)</b>		<b>(167)</b>	<b>(177)</b>	<b>(5)%</b>
Provision for credit losses	(3)	(5)		(8)	(25)	
Associates and other items	6	19		9	20	
<b>Pre-tax profit</b>	<b>2</b>	<b>4</b>		<b>(166)</b>	<b>(182)</b>	<b>(9)%</b>

**Net revenues up +2% YoY in 2Q18 and +4% in 1H18** driven by Coface (+3% YoY in 2Q18 and +15% in 1H18)

**Expenses excluding Coface and SRF contribution down -5% YoY in 2Q18 and -21% in 1H18**, well on track given New Dimension guidance

**Pre-tax profit** of €2m in 2Q18. **P&L drag at pre-tax profit level reduced by 9% YoY in 1H18**

## COFACE

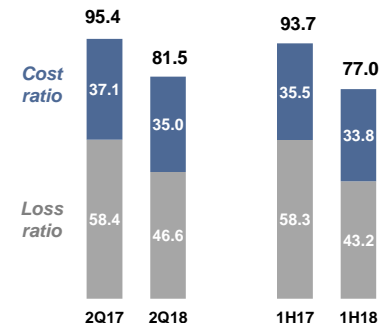
**Turnover reached €685m in 1H18, up +2% YoY<sup>(2)</sup>**. Growth driven by client activity (better volume effect) and record high retention rate

**Cost ratio at 33.8% in 1H18, down -1.7pp YoY**, driven by strict cost control and higher reinsurance commissions

**Loss ratio at 43.2% in 1H18, down -15.1pp YoY**. Loss experience progressively normalising, both on frequency and average size of claims. Favourable past claims management and recoveries continue

**Net combined ratio at 77.0% in 1H18 down -16.7pp YoY**

**Combined ratio<sup>(3)</sup>, in %**



### Fit to Win achievements:

- **Cost savings:** €18m achieved YTD (€13m additional cost savings vs. 1H17), €30m 2018 annualised target likely to be slightly exceeded
- **Continuing disciplined investment** of €15m (€11m additional) into growth, risk management, compliance and process transformation

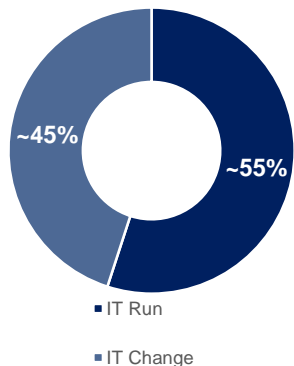
(1) See page 7 (2) At constant exchange rate (3) Reported ratios, net of reinsurance

# Natixis' IT and transformation strategy

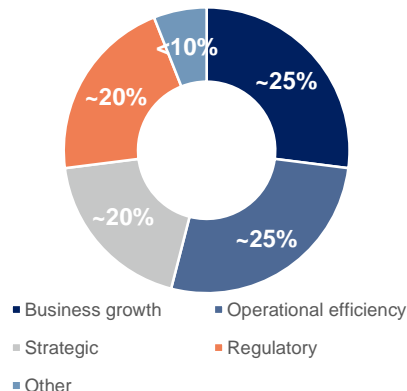
## Efficiency program implementation while ensuring sustainable growth

### BREAKDOWN OF IT COSTS

~20% of Natixis' operating expenses<sup>(1)</sup>



IT Change project portfolio by purpose<sup>(2)</sup>



Natixis' IT spend is essentially taken through the P&L with capitalised intangible IT spend equivalent to ~2% of Natixis' cost base. CapEx is typically amortised over 3-5 years (>10 years in some cases) and amortisation on current stock/upcoming investments has been **fully-captured in the New Dimension trajectory**. The Natixis' **IT Change** program is essentially (~80%) made of a project portfolio which contains ~350 initiatives. **Change** costs up ~35-40% over the last 2 years

(1) Based on 2017 figures excluding Coface and US Asset management affiliates (2) 2018 estimate

### TRANSFORMATION AND BUSINESS EFFICIENCY PROGRAM

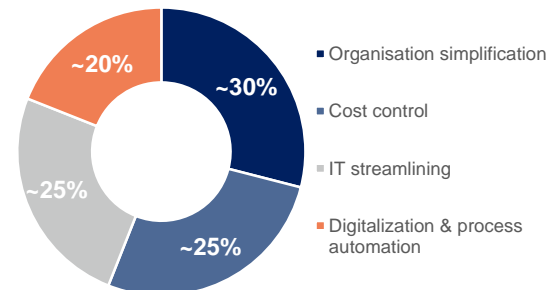
**~€220m**

one-off investment costs over 2017-2019  
(€108m as at 1H18) to generate

**~€250m**

of recurring annual costs savings to be fully captured at end-2019  
(~€130m anticipated on a full-year view at end-2018 and thus captured from 01/01/2019 onwards, vs. ~€100m initially)

Current savings distribution



# Conclusion

2Q18 & 1H18 results





# 1H18 results

## “New Dimension” off to a good start

Figures excluding exceptional items<sup>(1)</sup>

	1H18	New Dimension 2020 targets	
NET REVENUES GROWTH	+ 7%	~ 5%	2018-2019-2020 CAGR
JAWS EFFECT	+ 2pp	+ 2pp	2018-2019-2020 annual average
COST OF RISK / NET REVENUES	1.7%	< 3%	
RWA GROWTH	- 1% YTD	~ 2%	2018-2019-2020 CAGR
CET1 FL <sup>(2)</sup> AFTER DISTRIBUTION	10.8%	11%	No lower than 10.5% at the end of each year
ROTE <sup>(3)</sup>	15.4%	13-14.5%	

YoY P&L lines evolution at constant exchange rate, unless otherwise specified

(1) See page 7 (2) See note on methodology (3) See note on methodology and excluding IFRIC 21

# Appendix I

## Financial Statements & Business indicators

2Q18 & 1H18 results



# Natixis - Consolidated P&L

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>2,347</b>	<b>2,410</b>	<b>2,205</b>	<b>2,506</b>	<b>2,412</b>	<b>2,577</b>	<b>7%</b>	<b>4,756</b>	<b>4,989</b>	<b>5%</b>
Expenses	(1,771)	(1,594)	(1,530)	(1,737)	(1,795)	(1,640)	3%	(3,365)	(3,435)	2%
<b>Gross operating income</b>	<b>576</b>	<b>815</b>	<b>674</b>	<b>769</b>	<b>618</b>	<b>936</b>	<b>15%</b>	<b>1,391</b>	<b>1,554</b>	<b>12%</b>
Provision for credit losses	(70)	(67)	(55)	(65)	(43)	(40)		(138)	(84)	
Associates	7	6	5	8	7	3		13	10	
Gain or loss on other assets	9	18	(1)	22	6	4		27	10	
Change in value of goodwill	0	0	0	0	0	0		0	0	
<b>Pre-tax profit</b>	<b>523</b>	<b>772</b>	<b>623</b>	<b>733</b>	<b>587</b>	<b>903</b>	<b>17%</b>	<b>1,294</b>	<b>1,490</b>	<b>15%</b>
Tax	(214)	(255)	(181)	(139)	(204)	(266)		(469)	(470)	
Minority interests	(28)	(29)	(59)	(76)	(60)	(57)		(57)	(118)	
<b>Net income (group share)</b>	<b>280</b>	<b>487</b>	<b>383</b>	<b>518</b>	<b>323</b>	<b>580</b>	<b>19%</b>	<b>768</b>	<b>903</b>	<b>18%</b>

# Natixis - IFRS 9 Balance sheet

Assets (in €bn)	30/06/2018	01/01/2018
Cash and balances with central banks	26.0	36.9
Financial assets at fair value through profit and loss <sup>(1)</sup>	225.8	225.7
Financial assets at fair value through Equity	9.9	10.0
Loans and receivables <sup>(1)</sup>	130.7	125.1
Debt instruments at amortized cost	1.2	1.0
Insurance assets	101.4	96.9
Accruals and other assets	19.0	18.5
Investments in associates	0.7	0.7
Tangible and intangible assets	1.7	1.6
Goodwill	3.7	3.6
<b>Total</b>	<b>520.1</b>	<b>520.0</b>

Liabilities and equity (in €bn)	30/06/2018	01/01/2018
Due to central banks	0.0	0.0
Financial liabilities at fair value through profit and loss <sup>(1)</sup>	217.9	221.3
Customer deposits and deposits from financial institutions <sup>(1)</sup>	126.5	135.3
Debt securities	41.0	32.6
Accruals and other liabilities	18.6	17.8
Insurance liabilities	90.2	86.5
Contingency reserves	1.8	1.9
Subordinated debt	3.7	3.7
Equity attributable to equity holders of the parent	19.2	19.7
Minority interests	1.2	1.2
<b>Total</b>	<b>520.1</b>	<b>520.0</b>

(1) Including deposit and margin call

# Natixis - P&L by Business line

€m	AWM	CIB	Insurance	SFS	Corporate Center	2Q18 reported
Net revenues	819	965	193	371	229	2,577
Expenses	(549)	(549)	(108)	(250)	(184)	(1,640)
Gross operating income	269	417	85	121	45	936
Provision for credit losses	(1)	(39)	0	3	(3)	(40)
Net operating income	268	378	85	123	42	896
Associates and other items	(2)	3	0	1	6	7
Pre-tax profit	266	380	85	124	48	903
					Tax	(266)
					Minority interests	(57)
					Net income (gs)	580

# Natixis - Asset & Wealth Management

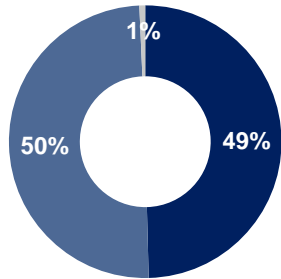
€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>704</b>	<b>743</b>	<b>766</b>	<b>899</b>	<b>777</b>	<b>819</b>	<b>10%</b>	<b>1,448</b>	<b>1,596</b>	<b>10%</b>
<i>Asset Management<sup>(1)</sup></i>	671	713	730	857	739	782	10%	1,384	1,522	10%
<i>Wealth management</i>	33	30	36	42	37	37	22%	64	74	17%
Expenses	(519)	(521)	(528)	(610)	(529)	(549)	5%	(1,039)	(1,078)	4%
<b>Gross operating income</b>	<b>186</b>	<b>222</b>	<b>239</b>	<b>289</b>	<b>248</b>	<b>269</b>	<b>21%</b>	<b>408</b>	<b>517</b>	<b>27%</b>
Provision for credit losses	0	0	0	0	0	(1)		0	(1)	
<b>Net operating income</b>	<b>186</b>	<b>223</b>	<b>239</b>	<b>289</b>	<b>248</b>	<b>268</b>	<b>20%</b>	<b>409</b>	<b>516</b>	<b>26%</b>
Associates	0	0	0	1	0	0		0	0	
Other items	9	0	(1)	2	0	(3)		8	(3)	
<b>Pre-tax profit</b>	<b>195</b>	<b>222</b>	<b>238</b>	<b>291</b>	<b>248</b>	<b>266</b>	<b>20%</b>	<b>417</b>	<b>514</b>	<b>23%</b>
Cost/Income ratio	73.6%	70.1%	68.8%	67.9%	68.1%	67.1%		71.8%	67.6%	
Cost/Income ratio excluding IFRIC 21 effect	73.2%	70.2%	69.0%	68.0%	67.5%	67.3%		71.7%	67.4%	
RWA (Basel 3 – in €bn)	10.6	10.2	10.2	11.7	11.5	11.6	14%	10.2	11.6	14%
Normative capital allocation (Basel 3)	3,874	3,828	3,715	3,676	4,077	3,997	4%	3,851	4,037	5%
RoE after tax (Basel 3) <sup>(2)</sup>	11.3%	12.5%	13.5%	14.0%	13.7%	15.2%		11.9%	14.5%	
RoE after tax (Basel 3) excluding IFRIC 21 effect <sup>(2)</sup>	11.5%	12.4%	13.4%	13.9%	14.0%	15.1%		11.9%	14.6%	

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

# Natixis - Asset & Wealth Management

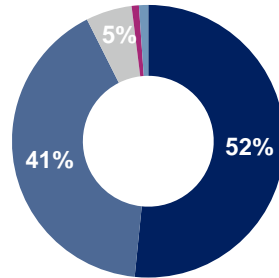
## Asset Management - AuM breakdown as at 30/06/2018

### BY GEOGRAPHY<sup>(1)</sup>



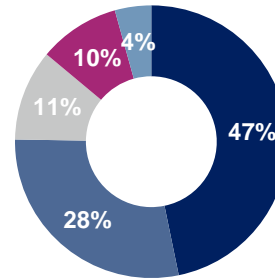
■ Europe  
■ North America  
■ APAC

### BY CLIENT LOCATION



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

### BY ASSET CLASS



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

### FLOWS BY CLIENT TYPE<sup>(2)</sup>



■ Institutional  
■ Retail & others

(1) Based on affiliate manager location (2) At constant exchange rate

# Natixis - Corporate & Investment Banking

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>971</b>	<b>1,019</b>	<b>775</b>	<b>817</b>	<b>938</b>	<b>965</b>	<b>(5)%</b>	<b>1,990</b>	<b>1,904</b>	<b>(4)%</b>
<b>Global markets</b>	<b>603</b>	<b>547</b>	<b>363</b>	<b>408</b>	<b>528</b>	<b>457</b>	<b>(16)%</b>	<b>1,150</b>	<b>985</b>	<b>(14)%</b>
FIC-T	388	389	253	288	378	299	(23)%	777	678	(13)%
Equity	179	172	103	144	148	145	(16)%	351	293	(17)%
CVA/DVA desk	35	(13)	7	(24)	1	13		22	14	(36)%
<b>Global finance</b>	<b>312</b>	<b>343</b>	<b>315</b>	<b>358</b>	<b>334</b>	<b>382</b>	<b>11%</b>	<b>655</b>	<b>717</b>	<b>9%</b>
<b>Investment banking<sup>(1)</sup></b>	<b>81</b>	<b>122</b>	<b>85</b>	<b>75</b>	<b>83</b>	<b>85</b>	<b>(30)%</b>	<b>203</b>	<b>168</b>	<b>(17)%</b>
<b>Other</b>	<b>(25)</b>	<b>7</b>	<b>12</b>	<b>(24)</b>	<b>(7)</b>	<b>41</b>		<b>(18)</b>	<b>34</b>	
Expenses	(566)	(555)	(506)	(567)	(563)	(549)	(1)%	(1,121)	(1,112)	(1)%
<b>Gross operating income</b>	<b>404</b>	<b>464</b>	<b>269</b>	<b>249</b>	<b>375</b>	<b>417</b>	<b>(10)%</b>	<b>869</b>	<b>791</b>	<b>(9)%</b>
Provision for credit losses	(29)	(48)	(16)	(21)	(29)	(39)	(20)%	(78)	(68)	(13)%
<b>Net operating income</b>	<b>375</b>	<b>416</b>	<b>253</b>	<b>228</b>	<b>346</b>	<b>378</b>	<b>(9)%</b>	<b>791</b>	<b>724</b>	<b>(9)%</b>
Associates	3	3	3	3	4	3		5	6	
Other items	0	0	0	18	3	0		0	3	
<b>Pre-tax profit</b>	<b>378</b>	<b>418</b>	<b>255</b>	<b>249</b>	<b>352</b>	<b>380</b>	<b>(9)%</b>	<b>796</b>	<b>733</b>	<b>(8)%</b>
Cost/Income ratio	58.3%	54.4%	65.3%	69.5%	60.1%	56.8%		56.3%	58.4%	
Cost/Income ratio excluding IFRIC 21 effect	55.5%	55.4%	66.5%	70.6%	57.7%	57.6%		55.4%	57.6%	
RWA (Basel 3 – in €bn)	64.4	61.3	60.4	59.0	58.9	60.8	(1)%	61.3	60.8	(1)%
Normative capital allocation (Basel 3)	7,136	6,963	6,623	6,519	6,365	6,346	(9)%	7,049	6,355	(10)%
RoE after tax (Basel 3) <sup>(2)</sup>	14.7%	16.5%	10.5%	11.8%	16.1%	17.3%		15.6%	16.7%	
RoE after tax (Basel 3) excluding IFRIC 21 effect <sup>(2)</sup>	15.7%	16.1%	10.2%	11.4%	17.2%	17.0%		15.9%	17.1%	

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



# Natixis - Insurance

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>189</b>	<b>179</b>	<b>176</b>	<b>190</b>	<b>204</b>	<b>193</b>	<b>8%</b>	<b>368</b>	<b>397</b>	<b>8%</b>
Expenses	(129)	(102)	(99)	(109)	(118)	(108)	6%	(231)	(226)	(2)%
<b>Gross operating income</b>	<b>60</b>	<b>77</b>	<b>77</b>	<b>80</b>	<b>86</b>	<b>85</b>	<b>10%</b>	<b>137</b>	<b>170</b>	<b>24%</b>
Provision for credit losses	0	0	0	0	0	0		0	0	
<b>Net operating income</b>	<b>60</b>	<b>77</b>	<b>77</b>	<b>80</b>	<b>86</b>	<b>85</b>	<b>10%</b>	<b>137</b>	<b>170</b>	<b>24%</b>
Associates	4	3	2	4	3	0		7	3	
Other items	0	0	0	0	0	0		0	0	
<b>Pre-tax profit</b>	<b>65</b>	<b>80</b>	<b>79</b>	<b>85</b>	<b>89</b>	<b>85</b>	<b>6%</b>	<b>144</b>	<b>173</b>	<b>20%</b>
Cost/Income ratio	68.1%	56.9%	56.2%	57.5%	58.0%	56.1%		62.7%	57.1%	
Cost/Income ratio excluding IFRIC 21 effect	54.9%	61.5%	60.9%	61.9%	51.1%	58.5%		58.1%	54.7%	
RWA (Basel 3 – in €bn)	7.4	7.2	7.4	7.2	7.3	7.0	(3)%	7.2	7.0	(3)%
Normative capital allocation (Basel 3)	857	871	849	875	853	868	0%	864	861	0%
RoE after tax (Basel 3) <sup>(1)</sup>	17.7%	21.6%	22.3%	26.7%	28.6%	26.4%		19.7%	27.5%	
RoE after tax (Basel 3) excluding IFRIC 21 effect <sup>(1)</sup>	25.6%	19.0%	19.6%	24.2%	33.0%	24.9%		22.3%	28.9%	

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

# Natixis Assurances

## P&L reconciliation (1H18)

€m		Split	
NATIXIS ASSURANCES P&L		Net revenues	Expenses
	1H18		
Earned premiums	6,638	100%	0%
Investment income and other income	735	100%	0%
Net result from reinsurance cessions	34	100%	0%
Claims and change in insurance provisions	(6,522)	99%	1%
Policy acquisition costs	(335)	82%	18%
Administrative costs	(272)	78%	22%
Other operating income/expenses	(70)	20%	80%
<b>Operating income</b>	<b>208</b>		
Financing costs	(19)	100%	0%
<b>Gross operating income - Natixis Assurances standalone</b>	<b>188</b>		
Analytical & exceptional items	(18)	0%	0%
<b>Gross operating income - Natixis reported excl. exceptional items</b>	<b>171</b>		

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

### Life insurance

Gross acquisition margin  
(+) Gross asset margin  
(-) Fees paid to the networks (premium and asset based)  
(+) Financial margin = Financial result (-) Benefits to shareholders

### Personal protection and P&C

Gross margin  
(-) Fees paid to the networks

€m		Split	
NATIXIS ASSURANCES P&L		Net revenues	Expenses
	1H18		
Net revenues	397		
Expenses	(225)		
<b>Gross operating income - Natixis reported excl. exceptional items</b>	<b>171</b>		

Expenses  
by nature

Activity Based Costing  
(ABC) method

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

### 5 Expense categories

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

# Natixis - Specialized Financial Services

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>344</b>	<b>347</b>	<b>341</b>	<b>350</b>	<b>362</b>	<b>371</b>	<b>7%</b>	<b>691</b>	<b>733</b>	<b>6%</b>
<b>Specialized Financing</b>	<b>219</b>	<b>218</b>	<b>215</b>	<b>210</b>	<b>223</b>	<b>230</b>	<b>6%</b>	<b>437</b>	<b>453</b>	<b>4%</b>
Factoring	39	39	38	42	40	40	3%	78	80	3%
Sureties & Financial Guarantees	55	46	52	47	54	50	9%	101	104	3%
Leasing	54	61	52	49	57	61	1%	115	118	3%
Consumer Financing	66	65	67	67	67	67	2%	131	134	2%
Film Industry Financing	5	6	5	6	6	11	68%	12	17	40%
<b>Payments</b>	<b>81</b>	<b>83</b>	<b>83</b>	<b>89</b>	<b>93</b>	<b>95</b>	<b>14%</b>	<b>164</b>	<b>188</b>	<b>15%</b>
<b>Financial Services</b>	<b>44</b>	<b>46</b>	<b>43</b>	<b>51</b>	<b>46</b>	<b>46</b>	<b>0%</b>	<b>90</b>	<b>92</b>	<b>2%</b>
Employee savings plans	21	22	21	26	23	23	2%	44	45	4%
Securities Services	23	23	22	25	23	23	(1)%	46	46	1%
Expenses	(233)	(228)	(229)	(249)	(245)	(250)	10%	(461)	(495)	7%
<b>Gross operating income</b>	<b>112</b>	<b>118</b>	<b>112</b>	<b>101</b>	<b>117</b>	<b>121</b>	<b>2%</b>	<b>230</b>	<b>238</b>	<b>3%</b>
Provision for credit losses	(21)	(14)	(13)	(24)	(9)	3		(35)	(7)	(81%)
<b>Net operating income</b>	<b>90</b>	<b>104</b>	<b>99</b>	<b>77</b>	<b>108</b>	<b>123</b>	<b>18%</b>	<b>195</b>	<b>231</b>	<b>19%</b>
Associates	0	0	0	0	0	0		0	0	
Other items	0	0	0	0	0	1		0	1	
<b>Pre-tax profit</b>	<b>90</b>	<b>104</b>	<b>99</b>	<b>77</b>	<b>108</b>	<b>124</b>	<b>19%</b>	<b>195</b>	<b>232</b>	<b>19%</b>
Cost/Income ratio	67.6%	65.8%	67.1%	71.2%	67.7%	67.4%		66.7%	67.6%	
Cost/Income ratio excluding IFRIC 21 effect	65.6%	66.5%	67.7%	71.8%	65.9%	68.0%		66.0%	67.0%	
RWA (Basel 3 – in €bn)	15.2	16.0	15.7	16.7	17.5	15.8	(1)%	16.0	15.8	(1)%
Normative capital allocation (Basel 3)	1,961	1,889	1,907	1,958	2,145	2,232	18%	1,925	2,189	14%
RoE after tax (Basel 3) <sup>(1)</sup>	12.6%	15.1%	14.0%	10.7%	13.5%	14.9%		13.8%	14.2%	
RoE after tax (Basel 3) excluding IFRIC 21 effect <sup>(1)</sup>	13.6%	14.7%	13.6%	10.3%	14.4%	14.6%		14.1%	14.5%	

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

# Natixis - Corporate Center

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18 vs. 2Q17	1H17	1H18	1H18 vs. 1H17
<b>Net revenues</b>	<b>138</b>	<b>122</b>	<b>146</b>	<b>251</b>	<b>131</b>	<b>229</b>	<b>88%</b>	<b>260</b>	<b>360</b>	<b>39%</b>
Coface	137	152	167	167	177	156	3%	289	333	15%
Others	1	(30)	(21)	84	(45)	73		(29)	27	
<b>Expenses</b>	<b>(324)</b>	<b>(189)</b>	<b>(169)</b>	<b>(201)</b>	<b>(339)</b>	<b>(184)</b>	<b>(2)%</b>	<b>(513)</b>	<b>(523)</b>	<b>2%</b>
Coface	(122)	(128)	(119)	(114)	(122)	(116)	(10)%	(250)	(238)	(5)%
SRF	(128)	6	0	1	(162)	(1)		(122)	(164)	34%
Others	(74)	(66)	(50)	(88)	(54)	(67)	1%	(140)	(121)	(14)%
<b>Gross operating income</b>	<b>(186)</b>	<b>(67)</b>	<b>(23)</b>	<b>50</b>	<b>(208)</b>	<b>45</b>		<b>(253)</b>	<b>(163)</b>	<b>(36)%</b>
Provision for credit losses	(20)	(5)	(26)	(20)	(5)	(3)		(25)	(8)	
<b>Net operating income</b>	<b>(206)</b>	<b>(72)</b>	<b>(49)</b>	<b>30</b>	<b>(213)</b>	<b>42</b>		<b>(278)</b>	<b>(171)</b>	<b>(39)%</b>
Associates	0	0	0	0	0	0		1	0	
Other items	1	18	0	2	3	6		19	9	
<b>Pre-tax profit</b>	<b>(205)</b>	<b>(54)</b>	<b>(49)</b>	<b>32</b>	<b>(209)</b>	<b>48</b>		<b>(258)</b>	<b>(161)</b>	<b>(38)%</b>

# Appendix II

## Additional information

2Q18 & 1H18 results



## 2Q18 results: from data excluding non-operating items to reported data

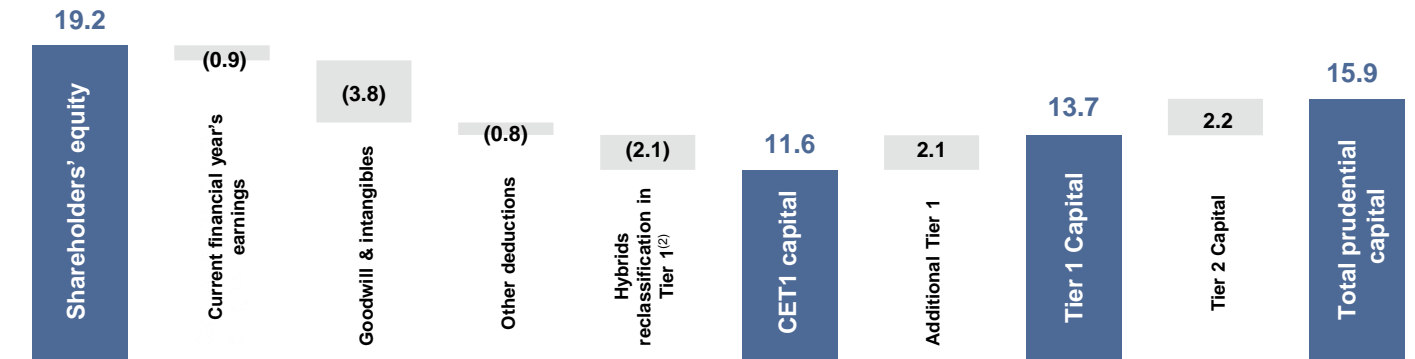
€m	2Q18 Underlying	Exchange rate fluctuations on DSN in currencies	Transformation & Business Efficiency investment costs	Fit to Win investments & restructuring expenses	2Q18 Reported
Net revenues	2,522	55			2,577
Expenses	(1,624)		(20)	4	(1,640)
Gross operating income	898	55	(20)	4	936
Provision for credit losses	(40)				(40)
Associates	3				3
Gain or loss on other assets	4				4
Pre-tax profit	864	55	(20)	4	903
Tax	(252)	(19)	7	(1)	(266)
Minority interests	(56)			(1)	(57)
Net income (group share)	556	36	(13)	1	580

# 1H18 results: from data excluding non-operating items to reported data

€m	1H18 Underlying	Exchange rate fluctuations on DSN in currencies	Transformation & Business Efficiency investment costs	Fit to Win investments & restructuring expenses	1H18 Reported
Net revenues	4,963	27			4,989
Expenses	(3,402)		(34)	1	(3,435)
Gross operating income	1,560	27	(34)	1	1,554
Provision for credit losses	(84)				(84)
Associates	10				10
Gain or loss on other assets	10				10
Pre-tax profit	1,496	27	(34)	1	1,490
Tax	(472)	(9)	12	0	(470)
Minority interests	(117)			(1)	(118)
Net income (group share)	907	17	(22)	0	903

# Natixis - 2Q18 regulatory<sup>(1)</sup> capital & Basel 3 financial structure

Regulatory reporting (phased), in €bn



	1Q17	2Q17	3Q17	4Q17	1Q18	1Q18 pro forma	2Q18
CET1 ratio	10.9%	11.2%	11.4%	10.8%	10.8%	10.7%	10.6%
Tier 1 ratio	12.8%	13.1%	13.1%	12.9%	12.7%	12.5%	12.5%
Solvency ratio	15.1%	15.4%	15.3%	14.9%	14.8%	14.6%	14.5%
Tier 1 capital	14.6	14.7	14.6	14.3	13.9	13.7	13.7
RWA EoP	114.1	112.6	111.7	110.7	109.5	109.5	110.1

## As of 2Q18

Regulatory reporting excluding current financial year's earnings and accrued dividend  
**See note on methodology**

(1) See note on methodology (2) Including capital gain following reclassification of hybrids as equity instruments



# Natixis - IFRIC 21 effects by business line

## Effect in Expenses

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	1H17	1H18
AWM	(3)	1	1	1	(4)	1	(2)	(3)
CIB	(28)	9	9	9	(22)	7	(18)	(15)
Insurance	(25) <sup>(1)</sup>	8 <sup>(2)</sup>	8 <sup>(2)</sup>	8 <sup>(2)</sup>	(14)	5	(17)	(9)
SFS	(6)	2	2	2	(6)	2	(4)	(4)
Corporate center	(94)	34	30	30	(119)	40	(60)	(80)
<b>Total Natixis</b>	<b>(156)</b>	<b>55</b>	<b>50</b>	<b>50</b>	<b>(166)</b>	<b>55</b>	<b>(101)</b>	<b>(110)</b>

## Effect in Net revenues

€m	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	1H17	1H18
SFS (Leasing)	(1)	0	0	0	(1)	0	(1)	(1)
<b>Total Natixis</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>

(1) -€10.9m in underlying expenses and -€14.1m in exceptional expenses linked to the additional Corporate Social Solidarity Contribution resulting from agreement with CNP

(2) €3.6m in underlying expenses and €4.7m in exceptional expenses linked to the additional Corporate Social Solidarity Contribution resulting from agreement with CNP

# Natixis - Normative capital allocation and RWA breakdown

## 30/06/2018

€bn	RWA EoP	% of total	Goodwill & intangibles 1H18	Capital allocation 1H18	RoE after tax 1H18
AWM	11.6	12%	2.8	4.0	14.5%
CIB	60.8	64%	0.2	6.4	16.7%
Insurance	7.0	7%	0.1	0.9	27.5%
SFS	15.8	17%	0.4	2.2	14.2%
<b>Total (excl. Corporate center)</b>	<b>95.2</b>	<b>100%</b>	<b>3.5</b>	<b>13.4</b>	

RWA breakdown (€bn)	30/06/2018
<b>Credit risk</b>	<b>76.4</b>
<i>Internal approach</i>	56.3
<i>Standard approach</i>	20.1
<b>Counterparty risk</b>	<b>6.9</b>
<i>Internal approach</i>	5.9
<i>Standard approach</i>	1.0
<b>Market risk</b>	<b>9.6</b>
<i>Internal approach</i>	4.0
<i>Standard approach</i>	5.6
<b>CVA</b>	<b>2.4</b>
<b>Operational risk - Standard approach</b>	<b>14.8</b>
<b>Total RWA</b>	<b>110.1</b>

# Natixis - Fully-loaded leverage ratio<sup>(1)</sup>

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

€bn	30/06/2018
<b>Tier 1 capital<sup>(1)</sup></b>	<b>14.0</b>
Total prudential balance sheet	420.5
Adjustment on derivatives	(40.1)
Adjustment on repos <sup>(2)</sup>	(28.3)
Other exposures to affiliates	(37.5)
Off balance sheet commitments	37.9
Regulatory adjustments	(4.7)
<b>Total leverage exposures</b>	<b>347.7</b>
<b>Leverage ratio</b>	<b>4.0%</b>

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

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

# Natixis - Book value and Earnings per share

## Net book value as of June 30, 2018

€bn	30/06/2018
<b>Shareholders' equity (group share)</b>	<b>19.2</b>
Deduction of hybrid capital instruments	(2.0)
Deduction of gain on hybrid instruments	(0.1)
Distribution	
<b>Net book value</b>	<b>17.1</b>
Restated intangible assets <sup>(1)</sup>	0.7
Restated goodwill <sup>(1)</sup>	3.2
<b>Net tangible book value<sup>(2)</sup></b>	<b>13.1</b>
<b>€</b>	
<b>Net book value per share</b>	<b>5.44</b>
<b>Net tangible book value per share</b>	<b>4.19</b>

## Earnings per share (1H18)

€m	30/06/2018
Net income (gs)	903
DSN interest expenses on preferred shares after tax	(50)
Net income attributable to shareholders	853
<b>Earnings per share (€)</b>	<b>0.27</b>

## Number of shares

€m	30/06/2018
Average number of shares over the period, excluding treasury shares	3,136,214,689
Number of shares, excluding treasury shares, EoP	3,135,744,762
Number of treasury shares, EoP	2,561,025

(1) See note on methodology (2) Net tangible book value = Book value – goodwill - intangible assets

# Natixis - RoE & RoTE Natixis<sup>(1)</sup>

## Net income attributable to shareholders

€m	2Q18	1H18
Net income (gs)	580	903
DSN interest expenses on preferred shares after tax	(24)	(50)
<b>RoE &amp; RoTE numerator</b>	<b>556</b>	<b>853</b>

## RoTE

€m	30/06/2018
Shareholders' equity (group share)	19,180
DSN deduction	(2,122)
Dividend provision	(512)
Intangible assets	(719)
Goodwill	(3,215)
<b>RoTE Equity end of period</b>	<b>12,611</b>
<b>Average RoTE equity (2Q18)</b>	<b>12,511</b>
<b>2Q18 RoTE annualized</b>	<b>17.8%</b>
<b>Average RoTE equity (1H18)</b>	<b>12,461</b>
<b>1H18 RoTE annualized</b>	<b>13.7%</b>

## RoE

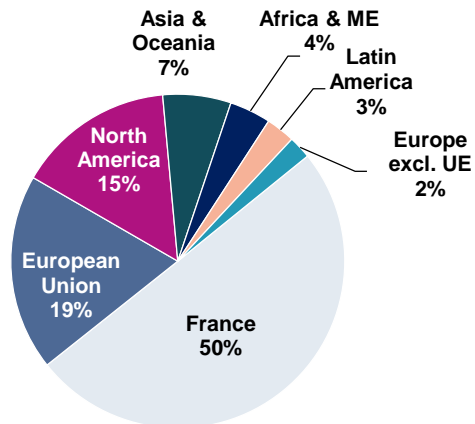
€m	30/06/2018
Shareholders' equity (group share)	19,180
DSN deduction	(2,122)
Dividend provision	(512)
Exclusion of unrealized or deferred gains and losses recognized in equity (OCI)	(354)
<b>RoE Equity end of period</b>	<b>16,192</b>
<b>Average RoE equity (2Q18)</b>	<b>16,004</b>
<b>2Q18 RoE annualized</b>	<b>13.9%</b>
<b>Average RoE equity (1H18)</b>	<b>15,892</b>
<b>1H18 RoE annualized</b>	<b>10.7%</b>

(1) See note on methodology

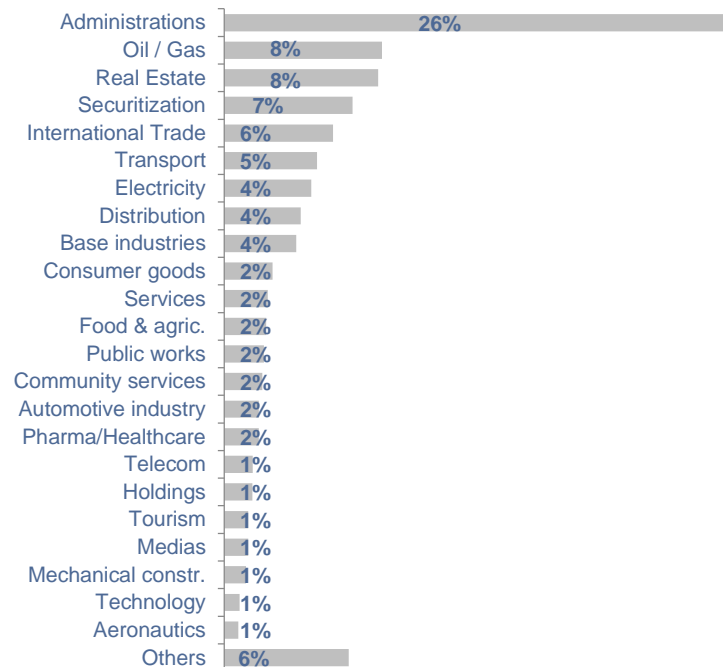
# Natixis - EAD (Exposure at Default) and doubtful loans

## As at June 30, 2018

EAD - Regional breakdown<sup>(1)</sup>



EAD - Sector breakdown<sup>(2)</sup>



Doubtful loans<sup>(3)</sup>

€bn	31/12/2017 Pro forma IFRS 9	30/06/2018 Under IFRS 9
Provisionable commitments <sup>(4)</sup>	2.7	2.4
Provisionable commitments / Gross debt	2.2%	1.9%
Stock of provisions <sup>(5)</sup>	2.0	1.9
Stock of provisions / Provisionable commitments	73%	78%

(1) Outstandings: €296bn (2) Outstandings excl. financial sector: €167bn (3) On-balance sheet, excluding repos, net of collateral (4) Net commitments include properties that are underlying leasing contracts and for which Natixis is the owner as well as factored loans for which the chargeable counterparties are not in default. (5) Specific and portfolio-based provisions

## Natixis - Value at Risk



- ▶ 2Q18 average VaR of €7.5m up +3% vs. 1Q18

# Note on methodology (1/3)

**The results at 30/06/2018 were examined by the board of directors at their meeting on 02/08/2018.**

Figures at 30/06/2018 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.

In view of the new strategic plan New dimension, the 2017 quarterly series have been restated for the following changes in business lines organization and in standards for implementation in 4Q17 as if these changes had occurred on 1<sup>st</sup> January 2017.

## **The new businesses organization mainly takes into account:**

- The split of Investment Solutions into two new divisions: Insurance and Asset & Wealth Management<sup>(1)</sup>
- Within CIB:
  - Global finance and Investment banking<sup>(2)</sup> are now two separate business lines
  - Creation of Global Securities & Financing (GSF), a joint-venture between FIC and Equity derivatives. The joint-venture includes Securities Financing Group (SFG, previously in FIC) and Equity Finance (previously in Equity). Revenues of GSF are equally split between Equity & FIC
  - Transfer of short term treasury activities run by Treasury & collateral management department from FIC-T in CIB to Financial Management Division in 04/01/2017 in accordance with the French banking law. To ensure comparability, in this presentation CIB refers to CIB including Treasury & collateral management
- Within SFS, the Payments division is split out of Financial services and reported separately within the SFS business line
- The removal of the Financial investments division and its inclusion within the Corporate center

## **The following changes in standards have been included:**

- Increase in capital allocation to our business lines from 10% to 10.5% of the average Basel 3 risk weighted assets
- Reduction in normative capital remuneration rate to 2% (compared to 3% previously)

*(1) Asset management includes Private equity (2) including M&A business*



## Note on methodology (2/3)

### Business line performances using Basel 3 standards:

- The performances of Natixis business lines are presented using Basel 3 standards. Basel 3 risk-weighted assets are based on CRR-CRD4 rules as published on June 26<sup>th</sup>, 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 10.5% of their average Basel 3 risk-weighted assets. Business lines benefit from remuneration of normative capital allocated to them. By convention, the remuneration rate on normative capital is maintained at 2%.

**Net book value:** calculated by taking shareholders' equity group share (minus dividend declared but not paid yet), restated for hybrids and capital gains on reclassification of hybrids as equity instruments. Net tangible book value is adjusted for goodwill relating to equity affiliates, restated goodwill and intangible assets as follows:

€m	30/06/2018
Goodwill	3,667
Restatement for Coface minority interests	(163)
Restatement for AWM deferred tax liability & others	(288)
<b>Restated goodwill</b>	<b>3,215</b>

€m	30/06/2018
Intangible assets	765
Restatement for Coface minority interests & others	(46)
<b>Restated intangible assets</b>	<b>719</b>

## Note on methodology (3/3)

**Own senior debt fair-value adjustment:** calculated using a discounted cash-flow model, contract by contract, including parameters such as swap curves and revaluation spread (based on the BPCE reoffer curve). Adoption of IFRS 9 standards, on November 22, 2016, authorizing the early application of provisions relating to own credit risk as of FY2016 closing. All impacts since the beginning of the financial year 2016 are recognized in equity, even those that had impacted the income statement in the interim financial statements for March, June and September 2016

**Regulatory (phased-in) CET1 capital and ratio:** based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise – phased in. **Presentation excluding current financial year's earnings and accrued dividend (based on a 60% payout ratio) as of 2Q18**

**Fully-loaded CET1 capital and ratio:** based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in. **Presentation including current financial year's earnings and accrued dividend (based on a 60% payout ratio)**

**Leverage ratio:** based on delegated act rules, without phase-in (presentation including current financial year's earnings and accrued dividend based on a 60% payout ratio) and with the hypothesis of a roll-out for non-eligible subordinated notes under Basel 3 by eligible notes. Repo transactions with central counterparties are offset in accordance with IAS 32 rules without maturity or currency criteria. Leverage ratio disclosed including the effect of intragroup cancelation - pending ECB authorization

**Exceptional items: figures and comments in this presentation are based on Natixis and its businesses' income statements excluding non-operating and/or exceptional items detailed page 7.** Figures and comments that are referred to as '**underlying**' exclude such exceptional items. Natixis and its businesses' income statements including these items are available in the appendix of this presentation.

**Restatement for IFRIC 21 impact:** the cost/income ratio, the RoE and the RoTE excluding IFRIC 21 impact calculation in 1H18 take into account ½ of the annual duties and levies concerned by this 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

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