

# 3Q16 Results

////// November 8, 2016

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# 3Q16 buoyed by very solid CIB results

## CORE BUSINESSES ACTIVITY

### INVESTMENT SOLUTIONS

Slight increase in AuM to €798bn at Sept. 30, 2016, an €11bn rise vs. June 30. Margins were flat in the US YoY, and improved in Europe over 9M16

Strong growth in total turnover for **Insurance** to €5.5bn in 9M16 (up 25% vs. 9M15)

### CIB

**Global Markets:** robust business, with very sound performances from **Fixed income** (revenues up 39% vs. 3Q15)

Steady showing from **M&A** and structured finance, with proportion of revenues generated from fees of 36% (a gain of 1pp vs. 3Q15)

### SFS

Continuation of strong momentum witnessed since start of 2016 in **Specialized financing**

## NATIXIS' 3Q16 & 9M16

### RESULTS<sup>(1)</sup>

**Natixis' net revenues increased 8%** in 3Q16 to more than €2.1bn, driven primarily by CIB (net revenues +15% vs. 3Q15 excl. CVA/DVA)

**Cost of risk** normalized at **30bps** in 3Q16

**Earnings capacity of €315m**, up 14% vs. 3Q15 and up 3% in 9M16 to more than €1bn, despite the sharp jump in contribution to the Single Resolution Fund

**ROE from core businesses stood at 12.6% for 9M16**

### CAPITAL GENERATION

**Generation of 104bps of CET1 ratio<sup>(2)</sup> since start of 2016**, i.e. close to **€1.2bn**, including €700m beyond the minimum 50% payout, for distribution in the absence of external growth

## First steps of the new 2018-2020 strategic plan

- **Transformation and Business Efficiency<sup>(1)</sup>: €250m in cost savings from end-2019**  
(25% end-2017, 65% end-2018 and 100% end-2019)
  
- **SFS: creation of a business line bringing together all payment activities at Natixis** on behalf of Groupe BPCE

# Agenda

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**1. 3Q16 and 9M16 results**

**2. Business division results**

**3. First steps of the new 2018-2020 strategic plan**

**4. Conclusion**

## Exceptional items<sup>(1)</sup>

| <i>In €m</i>   |                              | <b>3Q16</b> | <b>3Q15</b> | <b>9M16</b>  | <b>9M15</b> |
|--|------------------------------|-------------|-------------|--------------|-------------|
| <b>Exceptionals</b>  |                              |             |             |              |             |
| Exchange rate fluctuations on DSN in currencies<br><i>(Net revenues)</i>                 | <i>Corporate center</i>      | (3)         | (1)         | (10)         | 24          |
| SWL litigation <i>(Net revenues)</i>   | <i>CIB</i>                   | (69)        |             | (69)         |             |
| Gain from disposal of operating property assets<br><i>(Gain or loss on other assets)</i> | <i>Corporate center</i>      | 97          |             | 97           |             |
| Disposal of Kompas International<br><i>(Gain or loss on other assets)</i>                | <i>Financial investments</i> |             |             |              | (30)        |
| Goodwill impairment on Coface<br><i>(Change in value of goodwill)</i>                    | <i>Financial investments</i> |             |             | (75)         |             |
| Settlement of litigation 2008 <i>(Cost of risk)</i>                                      | <i>Corporate center</i>      |             | (30)        |              | (30)        |
| Impact in income tax   |                              | (9)         | 12          | (6)          | 3           |
| Impact in minority interest  |                              |             |             | 44           |             |
| <b>Impact in net income</b>  |                              | <b>16</b>   | <b>(19)</b> | <b>(19)</b>  | <b>(32)</b> |
| <b>FV adjustment on own senior debt</b>  |                              |             |             |              |             |
| Impact in net revenues   | <i>Corporate center</i>      | (110)       | 13          | (136)        | 143         |
| <b>Impact in net income</b>  | <i>Corporate center</i>      | <b>(72)</b> | <b>9</b>    | <b>(89)</b>  | <b>94</b>   |
| <b>Total impact in net income</b>  |                              | <b>(56)</b> | <b>(10)</b> | <b>(109)</b> | <b>62</b>   |

## Pre-tax profit up 16% in 3Q16

- Net revenues rose 8% vs. 3Q15, of which +7% for core businesses, with a strong contribution from CIB, which gained 15% excluding CVA/DVA over the same period

- Significant improvement in Cost/Income ratio<sup>(2)</sup> in 3Q16, down 1.8pp vs. 3Q15 to 70.9%, while gross operating income gained 17% YoY to €659m. Gross operating income for core businesses rose 14% over the same period

- Cost of risk up YoY in 3Q16, but dropped sharply vs. 2Q16 and 1Q16 (-22%), confirming normalization and a return to the guidance range of 30-35bps (30bps in 3Q16)

- ROE<sup>(2)</sup> for core businesses improved by 60bps vs. 3Q15 to 11.0%

- ROTe<sup>(2)</sup> rose substantially, up 100bps vs. 3Q15 to 9%

Pro forma and excluding exceptional items<sup>(1)</sup>  
In €m

|                                   | 3Q16         | 3Q15         | 3Q16<br>vs. 3Q15 |
|-----------------------------------|--------------|--------------|------------------|
| <b>Net revenues</b>               | <b>2,106</b> | <b>1,956</b> | <b>8%</b>        |
| <i>of which core businesses</i>   | 1,955        | 1,821        | 7%               |
| Expenses                          | (1,447)      | (1,393)      | 4%               |
| <b>Gross operating income</b>     | <b>659</b>   | <b>563</b>   | <b>17%</b>       |
| Provision for credit losses       | (69)         | (54)         | 29%              |
| <b>Pre-tax profit</b>             | <b>601</b>   | <b>519</b>   | <b>16%</b>       |
| Income tax                        | (213)        | (197)        | 8%               |
| Minority interest                 | (34)         | (20)         | 67%              |
| <b>Net income (gs) – restated</b> | <b>354</b>   | <b>301</b>   | <b>17%</b>       |

In €m

|  | 3Q16       | 3Q15       | 3Q16<br>vs. 3Q15 |
|--|------------|------------|------------------|
| Restatement of IFRIC 21 impact                           | (39)       | (26)       |                  |
| <b>Net income (gs) – restated excl.<br/>impact IFRIC</b> | <b>315</b> | <b>275</b> | <b>14%</b>       |
| ROTE excluding IFRIC 21 impact                           | 9.0%       | 8.0%       |                  |

In €m

|                                   | 3Q16       | 3Q15       | 3Q16<br>vs. 3Q15 |
|-----------------------------------|------------|------------|------------------|
| Exceptional items                 | (56)       | (10)       |                  |
| Reinstatement of IFRIC 21 impact  | 39         | 26         |                  |
| <b>Net income (gs) – reported</b> | <b>298</b> | <b>291</b> | <b>2%</b>        |

(1) See note on methodology

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

# Asset Light model holds up well in 9M16 with ROTE rising, despite increase in SRF

- Net revenues for core businesses increased 3% YoY to close to €6bn, despite a tough 1Q16

- Expenses rose a limited 3%, excluding the contribution to the Single Resolution Fund (€114m in 9M16 vs. €48m in 9M15)

- Cost of risk was up 26% YoY, primarily hit by additional provisioning efforts on Oil & Gas sector in 1H16

- Pre-tax profit for core businesses gained 3% to €2bn in 9M16

- Earnings capacity up 3% YoY to more than €1bn

- ROE<sup>(2)</sup> for core businesses improved by 30bps vs. 9M15 to 12.6%

*Pro forma and excluding exceptional items<sup>(1)</sup>  
In €m*

|                                   | 9M16         | 9M15         | 9M16 vs. 9M15 |
|-----------------------------------|--------------|--------------|---------------|
| <b>Net revenues</b>               | <b>6,414</b> | <b>6,293</b> | <b>2%</b>     |
| <i>of which core businesses</i>   | 5,964        | 5,797        | 3%            |
| Expenses                          | (4,574)      | (4,377)      | 5%            |
| <b>Gross operating income</b>     | <b>1,839</b> | <b>1,915</b> | <b>(4)%</b>   |
| Provision for credit losses       | (245)        | (195)        | 26%           |
| <b>Pre-tax profit</b>             | <b>1,679</b> | <b>1,751</b> | <b>(4)%</b>   |
| Income tax                        | (608)        | (695)        | (13)%         |
| Minority interest                 | (84)         | (90)         | (6)%          |
| <b>Net income (gs) – restated</b> | <b>987</b>   | <b>967</b>   | <b>2%</b>     |

*In €m*

|  | 9M16         | 9M15       | 9M16 vs. 9M15 |
|--|--------------|------------|---------------|
| Restatement of IFRIC 21 impact                       | 39           | 26         |               |
| <b>Net income (gs) – restated excl. impact IFRIC</b> | <b>1,026</b> | <b>992</b> | <b>3%</b>     |
| ROTE excluding IFRIC 21 impact                       | 9.9%         | 9.6%       |               |

*In €m*

|                                   | 9M16       | 9M15         | 9M16 vs. 9M15 |
|-----------------------------------|------------|--------------|---------------|
| Exceptional items                 | (109)      | 62           |               |
| Reinstatement of IFRIC 21 impact  | (39)       | (26)         |               |
| <b>Net income (gs) – reported</b> | <b>879</b> | <b>1,028</b> | <b>(15)%</b>  |



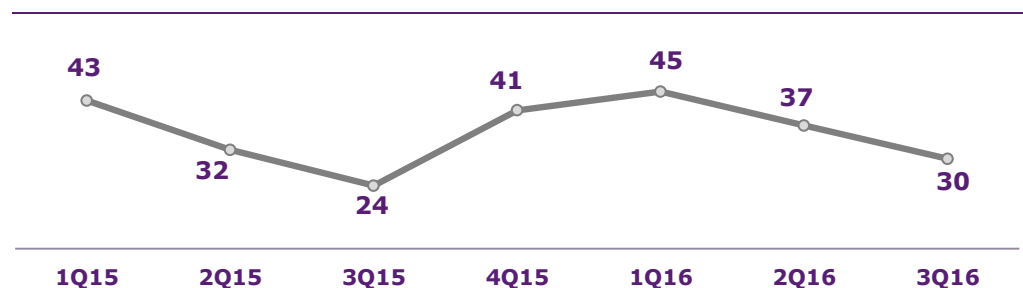
# Cost of risk for core businesses down in 3Q16 vs. 2Q16

- Cost of risk<sup>(1)</sup> for core businesses came out at 30bps in 3Q16, displaying a steady improvement since the start of the year

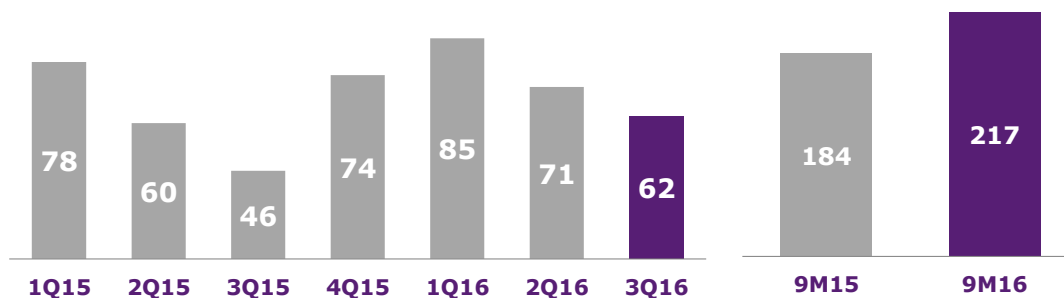
- End to additional provisioning efforts on Oil & Gas sector

- Confirmation of average cost of risk of 30-35bps through the cycle on the New Frontier plan

Cost of risk<sup>(1)</sup> of core businesses expressed in bps of loans outstanding

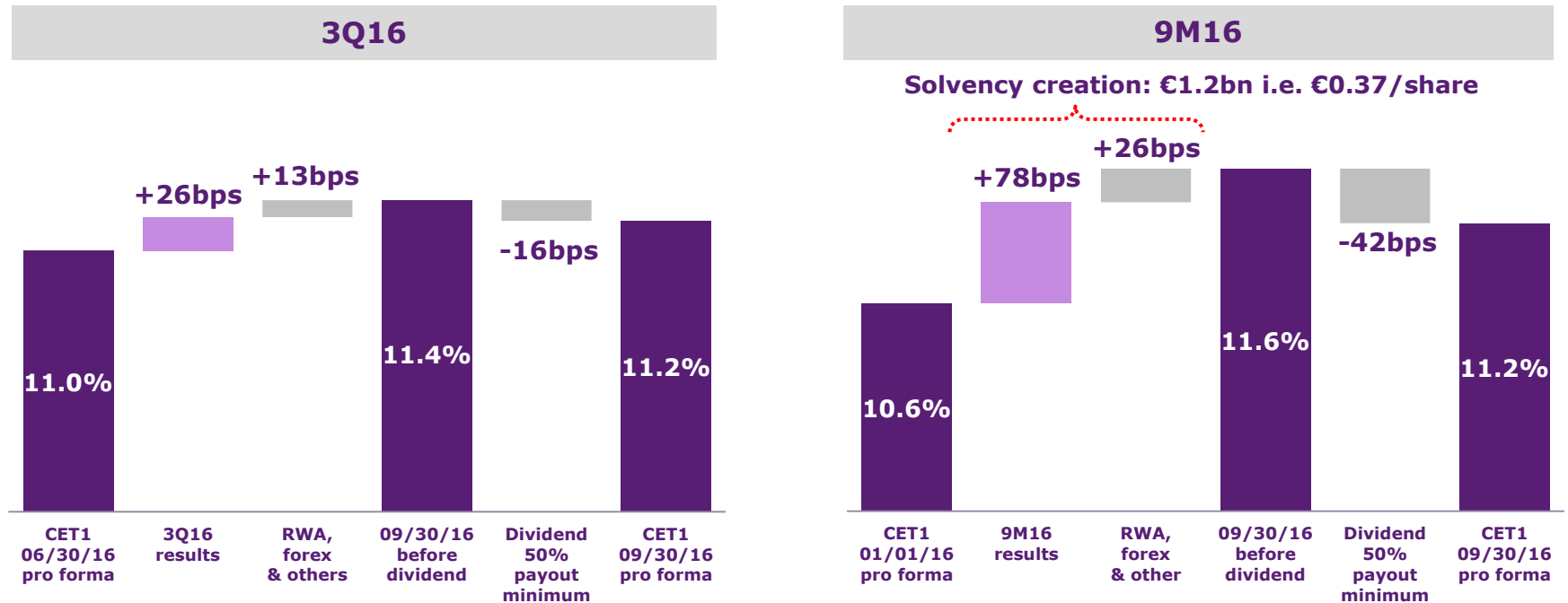


Cost of risk of core businesses, in €m



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

# Strong CET1 capital generation continues, with €1.2bn since start of 2016



- 39bps increase in CET1 ratio<sup>(1)</sup> in 3Q16 and 104bps expansion since the start of 2016, of which 78bps due to results
- CET1 capital and risk-weighted assets under Basel 3<sup>(1)</sup> came out at €12.7bn and €113.1bn respectively at end-September 2016. Continued strict management of RWA (-1% YoY)
- CET1 ratio FL came out at 10.5% at end-September 2016 vs. 10.2% at end-June 2016
- New CET1 capital requirement following the ECB's SREP<sup>(2)</sup>: 7.75% in 2017 (phased in, excluding P2G non public)
- Leverage ratio above 4%<sup>(3)</sup> at end-September 2016

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**1. 3Q16 and 9M16 results**

**2. Business division results**

**3. First steps of the new 2018-2020 strategic plan**

**4. Conclusion**

# Contribution from Asset management declines and is partly offset by strong momentum for Insurance

- ✓ **Asset management:** outflows continued in the US, and this should be put in context after record high inflows in 2014 and 2015
- ✓ **Insurance:** robust growth across all businesses

## Insurance

- **Overall turnover of €5.5bn in 9M16: +25% vs. 9M15 (excluding reinsurance agreement with CNP)**
- Life insurance (excluding reinsurance agreement with CNP):
  - ✓ Roll-out of offering across all Caisses d'Epargne (CE) network finalized in mid-October
  - ✓ 32% jump in life insurance turnover in 9M16 vs. 9M15
  - ✓ AuM of €46.5bn at end-September 2016 (+7% YoY), including 19% in unit-linked policies
  - ✓ Net inflows doubled vs. 9M15 to €1.8bn, including close to €0.9bn in new business with CE network
  - ✓ Unit-linked policies made up 37% of net inflows in 9M16
- P&C:
  - ✓ 9% YoY increase in turnover in 9M16, driven by car and home insurance segments across the two networks
  - ✓ Combined ratio of 92.3% in 9M16
- Personal protection and Borrower's insurance:
  - ✓ 9% growth in turnover in 9M16 vs. 9M15

| In €m                            | 3Q16       | 3Q15       | 3Q16 vs. 3Q15 | 9M16         | 9M16 vs. 9M15 | 9M16 vs. 9M15 constant exchange rate |
|----------------------------------|------------|------------|---------------|--------------|---------------|--------------------------------------|
| <b>Net revenues</b>              | <b>804</b> | <b>840</b> | <b>(4)%</b>   | <b>2,460</b> | <b>(2)%</b>   | <b>(2)%</b>                          |
| o/w Asset management             | 609        | 666        | (9)%          | 1,858        | (4)%          | (4)%                                 |
| o/w Insurance                    | 155        | 141        | 10%           | 478          | 9%            |                                      |
| o/w Private banking              | 34         | 34         | flat          | 101          | (2)%          |                                      |
| Expenses                         | (558)      | (569)      | (2)%          | (1,727)      | flat          | flat                                 |
| <b>Gross operating income</b>    | <b>246</b> | <b>271</b> | <b>(9)%</b>   | <b>733</b>   | <b>(6)%</b>   | <b>(6)%</b>                          |
| Provision for credit losses      | 0          | 3          |               | 0            |               |                                      |
| Gain or loss on other assets     | 0          | 0          |               | 19           |               |                                      |
| <b>Pre-tax profit</b>            | <b>249</b> | <b>276</b> | <b>(10)%</b>  | <b>759</b>   | <b>(4)%</b>   | <b>(4)%</b>                          |
| Cost/Income ratio <sup>(1)</sup> | 69.8%      | 68.1%      | +1.7pp        | 70.0%        | +1.3pp        |                                      |
| ROE after tax <sup>(1)</sup>     | 12.9%      | 14.2%      | -1.3pp        | 13.7%        | -1.9pp        |                                      |

# Asset management: AuM flat since start of 2016

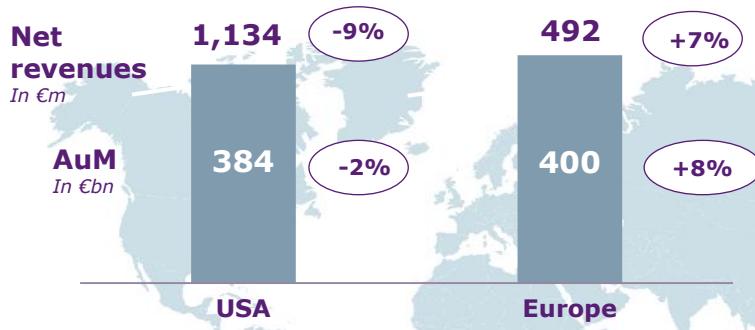
- **US: net revenues continued to contract in 9M16 vs. 9M15 due to the decline in average AuM**, partly offset at the end of the quarter by a positive market effect. **Adaptability of the model with a 7% drop in expenses** over the same period
- **9M16 margin in US flat** excluding perf. fees **at more than 39bps** on the back of contributions from alternative strategies (AEW, Alpha Simplex) **and steady expansion in margin in Europe** at close to 13bps (DNCA)
- **Outflows of €8bn in 3Q16** mainly concentrated on **Harris**. Solid resilience from Loomis in 9M16 as a result of the recent rebound in performances. In Europe, net inflows of close to €5bn in 9M16

## Asset management

| In €m                         | 3Q16       | 3Q15       | 3Q16 vs. 3Q15 | 9M16         | 9M16 vs. 9M15 | 9M16 vs. 9M15 constant exchange rate |
|-------------------------------|------------|------------|---------------|--------------|---------------|--------------------------------------|
| <b>Net revenues</b>           | <b>609</b> | <b>666</b> | <b>(9)%</b>   | <b>1,858</b> | <b>(4)%</b>   | <b>(4)%</b>                          |
| <i>o/w Perf. fees</i>         | 12         | 18         | (31)%         | 61           | (27)%         | (27)%                                |
| Expenses                      | (434)      | (455)      | (5)%          | (1,343)      | (3)%          | (3)%                                 |
| <b>Gross operating income</b> | <b>176</b> | <b>211</b> | <b>(17)%</b>  | <b>515</b>   | <b>(8)%</b>   | <b>(8)%</b>                          |
| Provision for credit losses   | 0          | 0          |               | 0            |               |                                      |
| Gain or loss on other assets  | 0          | 0          |               | 19           |               |                                      |
| <b>Pre-tax profit</b>         | <b>175</b> | <b>212</b> | <b>(17)%</b>  | <b>533</b>   | <b>(5)%</b>   | <b>(5)%</b>                          |

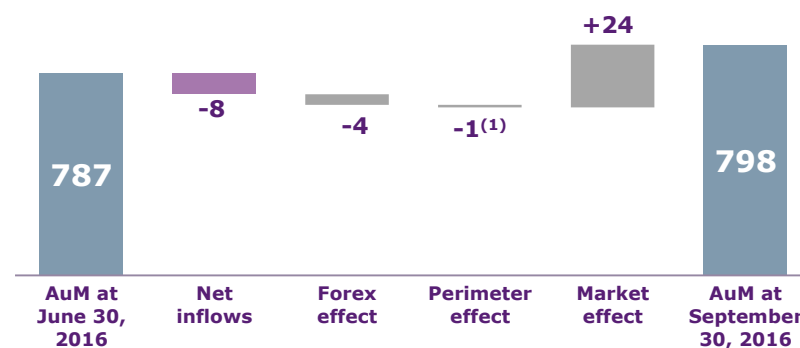
## Change per geographical area

Per asset manager, excluding distribution platform and Holding

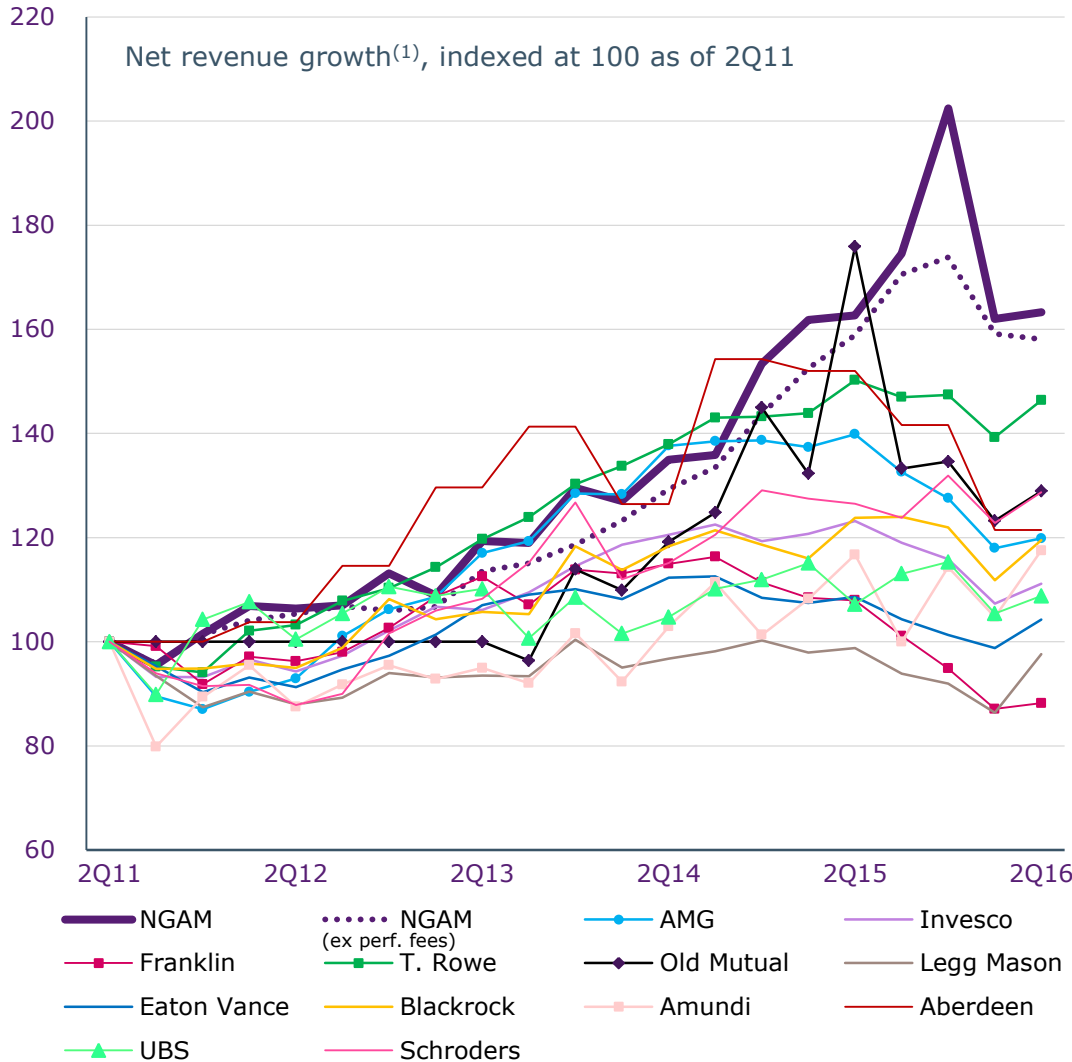


Net revenues in 9M16 and AuM at end-September 2016 (x%) 9M16 vs. 9M15

## Assets under management, in €bn

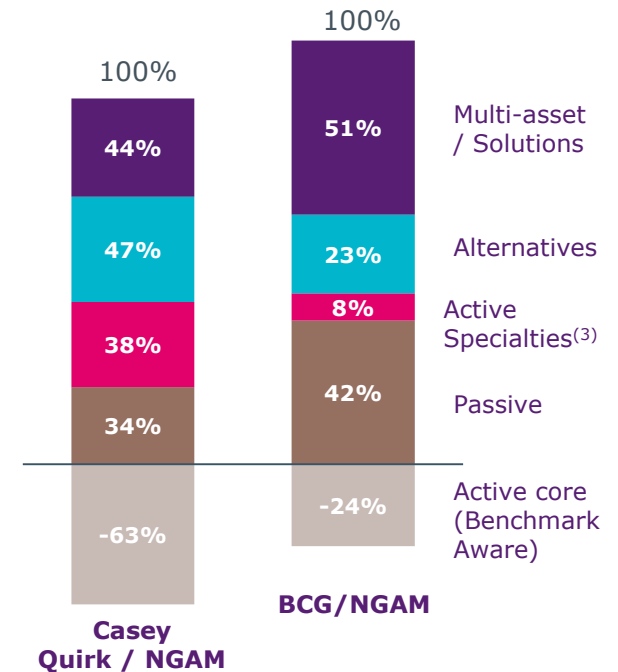


# NGAM: the strongest revenue growth the last five years



Passive products have enjoyed most inflows. However, industry revenue growth is coming from higher alpha/alternatives commanding higher fees (see Appendix) with a very positive outlook

## Estimated cumulative global industry net flows<sup>(2)</sup> 2016-2020



NGAM is ranked 10<sup>th</sup> in terms of net revenues and 17<sup>th</sup> in terms of AuM among all players (see Appendix)

(1) Public filings, NGAM (2) Casey Quirk and BCG with NGAM analysis (3) Active specialties includes Equity: int'l, EM, Global, Small Cap & Fixed: EM, Global HY, unconstrained

# 9M16 marked by sharp rise in ROE<sup>(1)</sup> to 11.4%, up 160bps vs. 9M15

CIB

- Robust growth for net revenues, up 15% YoY excluding CVA/DVA, mainly driven by Fixed income (revenues +39% vs. 3Q15) and M&A. Net revenues gained 4% in 9M16 in line with the New Frontier plan
- Very sound performances from Americas (revenues +30% vs. 3Q15) and Asia platforms (revenues +27% vs. 3Q15)
- Fixed expenses rose 3% in 3Q16 to €401m and increased 5% in 9M16
- Cost of risk of €50m vs. €62m on average over the first two quarters of 2016, which were marked by provisions on the Oil & Gas sector
- RWA still well under control, down 9% YoY to €64.9bn
- O2D strategy: strong improvement in RWA profitability with net revenues/RWA ratio<sup>(2)</sup> of 5.1% in 9M16 vs. 4.3% in 9M15

Figures excluding exceptional item<sup>(3)</sup>

| In €m                            | 3Q16       | 3Q15       | 3Q16 vs. 3Q15 | 9M16         | 9M16 vs. 9M15 |
|----------------------------------|------------|------------|---------------|--------------|---------------|
| <b>Net revenues</b>              | <b>826</b> | <b>665</b> | <b>24%</b>    | <b>2,494</b> | <b>8%</b>     |
| Net revenues excl. CVA/DVA       | 813        | 706        | 15%           | 2,455        | 4%            |
| Expenses                         | (468)      | (416)      | 13%           | (1,462)      | 7%            |
| <b>Gross operating income</b>    | <b>358</b> | <b>250</b> | <b>43%</b>    | <b>1,032</b> | <b>9%</b>     |
| Provision for credit losses      | (50)       | (36)       | 41%           | (175)        | 24%           |
| <b>Pre-tax profit</b>            | <b>310</b> | <b>217</b> | <b>43%</b>    | <b>868</b>   | <b>6%</b>     |
| Cost/Income ratio <sup>(1)</sup> | 58.0%      | 64.1%      | (6.1)pp       | 58.2%        | (0.4)pp       |
| ROE after tax <sup>(1)</sup>     | 11.5%      | 7.4%       | +4.1pp        | 11.4%        | +1.6pp        |

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

(2) 9M revenues excluding exceptional item annualized on RWA end of period. Excluding CVA/DVA desk: 5.0% in 9M16 and 4.4% in 9M15

(3) See note on methodology

## Excellent momentum for Global Markets continues

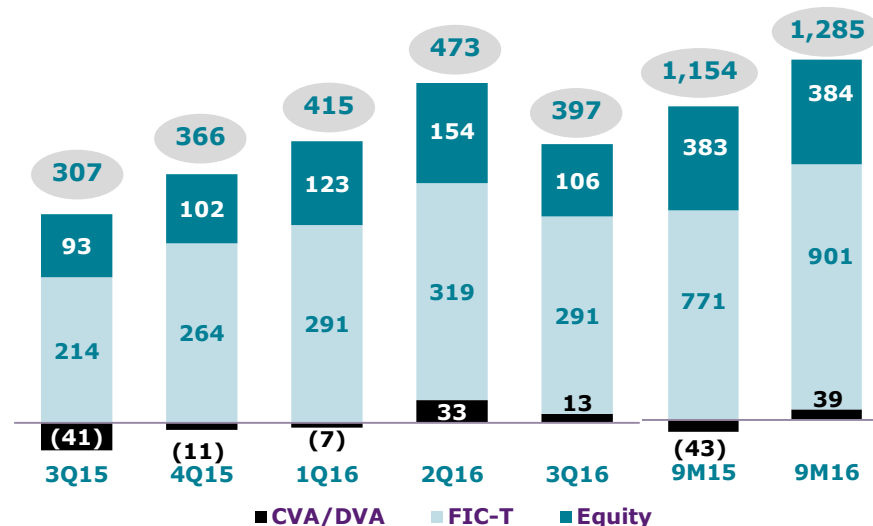
### Global Markets<sup>(1)</sup>: net revenues up 29% vs. 3Q15

- FIC-T: net revenues rose on the back of solid performances for Credit (+70% vs. 3Q15) and Rates & Forex (+24% vs. 3Q15)
- Record quarter for Fixed income in Asia (revenues x4.8 YoY) and the Americas (+41% YoY)
- Equity: 14% jump in net revenues in 3Q16, buoyed by dynamic Derivatives operations
- Most Innovative Investment Bank for Equity Derivatives 2016 (*The Banker*)
- South Korea House of the Year 2016 (*Structured Products Asia Awards*)

### Global Finance & Investment Banking: net revenues gained 6% vs. 3Q15

- Global Finance origination: new loan production of €8.3bn (+5% vs. 3Q15) buoyed by Aviation, Export & Infrastructure Finance, as well as Real Estate Finance US. Global Energy & Commodities (excluding Trade) was still hit by a lack of investment in the sector
- Very solid business in acquisition finance (revenues +84% in 3Q16 vs. 3Q15) with new loan production more than doubling YoY to close to €3bn
- Proportion of revenues generated from service fees for whole structured finance came out at 36%, a 1pp increase vs. 3Q15
- Contribution from M&A soared, driven by Natixis Partners and PJSC

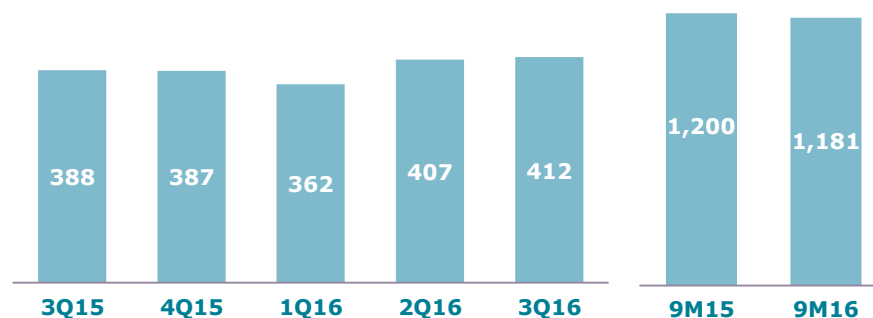
### Global Markets net revenues, in €m



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Global Markets net revenues excl. CVA/DVA desk

### Global Finance & Investment Banking net revenues, in €m





## Very solid performances from SFS since start of 2016

- **Net revenues grew 3% in 3Q16, buoyed primarily by Sureties & guarantees (+31%) and Factoring (+13%)**
- **Cost of risk kept well under control, down YoY in both 3Q16 and 9M16**
- **ROE up 90bps in 3Q16 vs. 3Q15 and up 160bps<sup>(2)</sup> in 9M16**

### Specialized financing

- ✓ **Factoring:** steady rise in factored turnover (+56% vs. 3Q15), mainly driven by the large corporates segment. Average debt factored gained 35% YoY at end-September 2016
- ✓ **Consumer financing:** robust increase in average consumer loan outstandings with BP & CE networks, up 12% vs. 3Q15

### Financial services

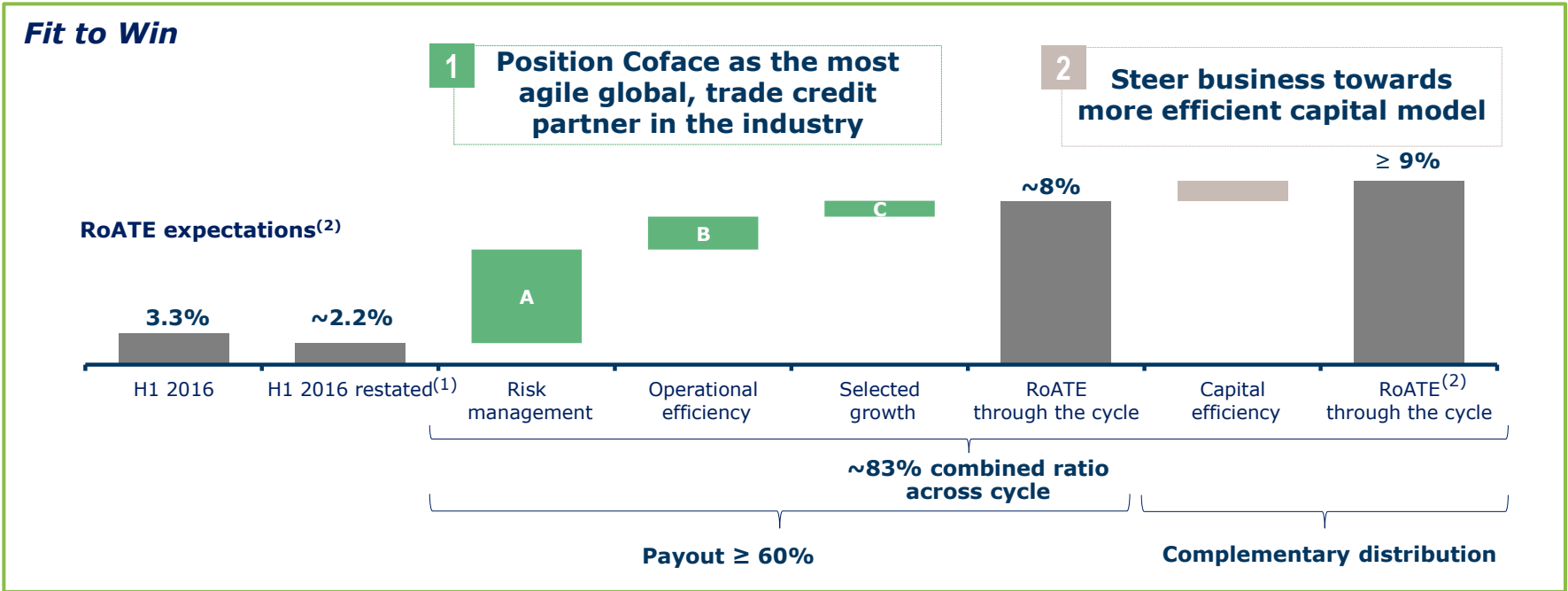
- ✓ **Payments:** 9% jump in number of electronic banking transactions vs. 3Q15
- ✓ **Employee benefit schemes:** AuM exceeded €24bn at 09/30, flat YoY. Natixis Interépargne's market share came to 21%. Number of corporate clients for Chèque de table vouchers rose 6% vs. 3Q15

| In €m                            | 3Q16       | 3Q15       | 3Q16<br>vs. 3Q15 | 9M16                 | 9M16<br>vs. 9M15 |
|----------------------------------|------------|------------|------------------|----------------------|------------------|
| <b>Net revenues</b>              | <b>325</b> | <b>315</b> | <b>3%</b>        | <b>1,009</b>         | <b>4%</b>        |
| Specialized financing            | 203        | 191        | 6%               | 628                  | 7%               |
| Financial services               | 122        | 124        | (1)%             | 381                  | (2)%             |
| Expenses                         | (215)      | (209)      | 3%               | (661)                | 4%               |
| <b>Gross operating income</b>    | <b>110</b> | <b>107</b> | <b>3%</b>        | <b>348</b>           | <b>3%</b>        |
| Provision for credit losses      | (12)       | (15)       | (18)%            | (41)                 | (15)%            |
| Gain or loss on other assets     | 0          | 0          |                  | 31                   |                  |
| <b>Pre-tax profit</b>            | <b>98</b>  | <b>92</b>  | <b>7%</b>        | <b>338</b>           | <b>17%</b>       |
| Cost/Income ratio <sup>(1)</sup> | 67.0%      | 67.1%      | (0.1)pp          | 65.2%                | +0.1pp           |
| ROE after tax <sup>(1)</sup>     | 14.4%      | 13.5%      | +0.9pp           | 16.3% <sup>(2)</sup> | +1.6pp           |

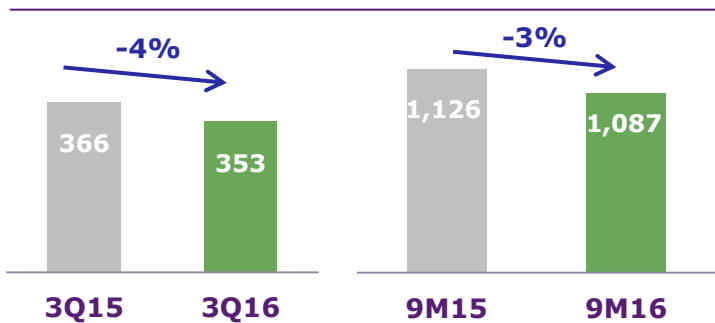
(1) See note on methodology and excluding IFRIC 21 impact

(2) Excluding real estate capital gain for CEGC in 2Q16. 17.9% including this capital gain

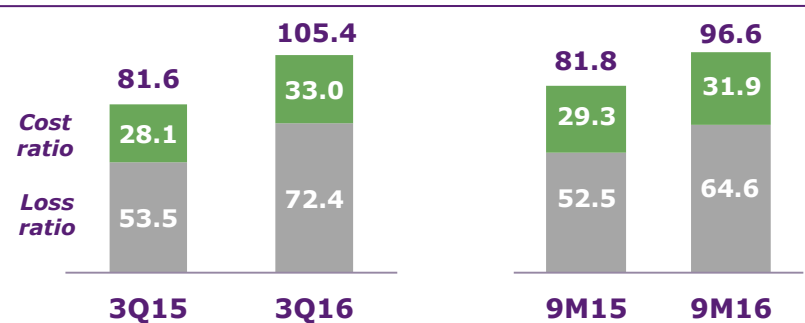
# Fit to Win strategic plan: significant improvement in profitability



## Turnover<sup>(3)</sup>, in €m



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



(1) Excluding State Guarantees management activity  
 (2) Return on Average Tangible Equity  
 (3) At constant exchange rate

# Agenda

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**1. 3Q16 and 9M16 results**

**2. Business division results**

**3. First steps of the new 2018-2020 strategic plan**

**4. Conclusion**

# Transformation and Business Efficiency<sup>(1)</sup>: €250m in cost savings fully captured by the end of 2019

Natixis will invest €220m to promote the industrialization, transformation and digitalization of its businesses in order to reduce costs by €250m per year from end-2019. These efficiency gains will be done at constant business scope.

## One-off investment costs

€220m  
(over 2017 & 2018)

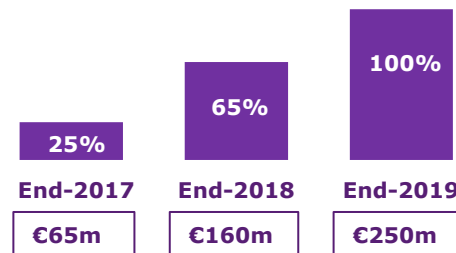


## Recurring annual cost savings

€250m locked in  
at end-2019

- ✓ ~50% to modernize IT and invest in new technologies
- ✓ ~50% to manage impact of transformation

- ✓ Cost savings on business efficiency
- ✓ Constant business line perimeter
- ✓ Swift ramp-up to reach target:



# Transformation and Business Efficiency<sup>(1)</sup>: four areas for action

- ✓ **60% of transformation projects already under way**
- ✓ **Direct monitoring by Senior Management Committee**

| Areas for action                               | % of annual savings | Emblematic projects   |
|--|---------------------|---|
| IT streamlining                                | 35%                 | <ul style="list-style-type: none"><li>✓ Bringing IT resources in-house in Portugal</li><li>✓ IT applications decommissioning</li><li>✓ New platform for managing margin calls</li></ul> |
| Organizational optimization and simplification | 30%                 | <ul style="list-style-type: none"><li>✓ Optimization of sales organization</li><li>✓ New life insurance organization</li><li>✓ Delayering</li></ul>                                     |
| Tightened cost control                         | 20%                 | <ul style="list-style-type: none"><li>✓ Optimization of purchasing and of intermediation costs</li></ul>  |
| Digitalization and process automation          | 15%                 | <ul style="list-style-type: none"><li>✓ Digital Business Transformation</li><li>✓ Roll-out of virtual assistants</li></ul>  |

## Acceleration in transformation of SFS model

### Grouping together all Payments operations within Natixis for Groupe BPCE:

- A key strategic business and a source of growth and value creation, promoting greater competitiveness for the Banques Populaires and Caisses d'Épargne networks
- Strategy to target European markets and take advantage of new digital business models, with the aim of becoming one of the leaders in Europe on mobile payment, e-commerce and local banking solutions
  - Planned acquisition of S'Money and its subsidiaries (Le Pot Commun, E-Cotiz, Depopass) to capitalize on digital expertise and new practices



le pot commun



- Ambitious external growth policy, which is a vital source of development to complement organic expansion
  - Exclusive negotiations for the acquisition of PayPlug, innovative player in the field of "merchant services"

# PayPlug

# Agenda

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**1. 3Q16 and 9M16 results**

**2. Business division results**

**3. First steps of the new 2018-2020 strategic plan**

**4. Conclusion**

## Conclusion

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### **Very sound performances in 3Q16 and 9M16 in line with the main targets of the New Frontier plan:**

- ✓ Strong growth in core business revenues in 3Q16, up 7% vs. 3Q15, while ROTE<sup>(1)</sup> gained 100bps to 9%
- ✓ Earnings capacity grew 3% in 9M16 to more than €1bn, despite the increase in contribution to SRF, while ROE<sup>(1)</sup> for core businesses came to 12.6%, up 30bps YoY
- ✓ Strict control of RWA, down 9% YoY for CIB and down 1% for Natixis over the same period
- ✓ Generation of 104bps of CET1 ratio (€1.2bn) since start of 2016 to 11.6%<sup>(2)</sup>

### **Preparation of the new strategic plan:**

- ✓ Launch of Transformation and Business Efficiency program<sup>(3)</sup>, which will generate savings of €250m from end-2019
- ✓ Grouping all Payments operations and investments in a business undergoing profound transformation



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# A Appendix – Detailed Results (3Q16)

# Contents

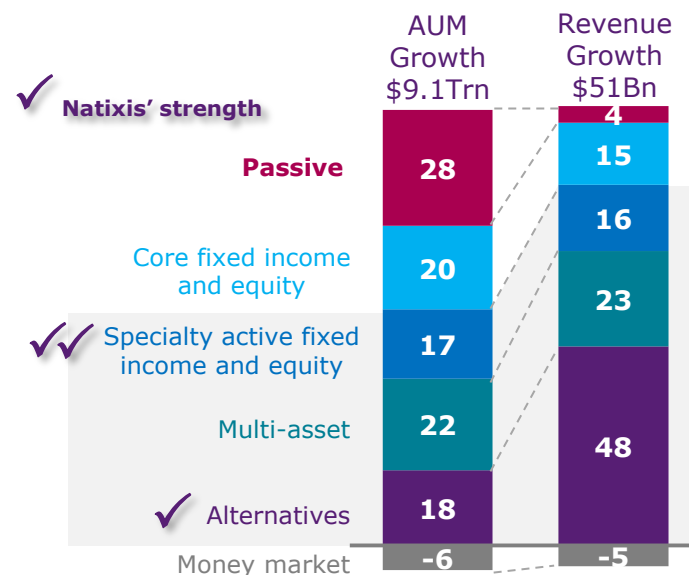
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|  |           |  |              |
|--|-----------|--|--------------|
| <b>NGAM rankings</b>   | <b>27</b> | <b>Financial structure and balance-sheet</b>             |              |
|  |           | Regulatory capital in 3Q16 & financial structure Basel 3 | 38           |
|  |           | Leverage ratio   | 39           |
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| Specialized Financial Services   | 35        | Doubtful loans   | 47           |
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| Corporate center   | 37        |  |              |
|  |           | <b>Note on methodology</b>                               | <b>48-49</b> |

# NGAM is ranked 10<sup>th</sup> in terms of net revenues<sup>(1)</sup> and 17<sup>th</sup> in terms of AuM among all players<sup>(2)</sup>

|     | Listed AM   | Net Revenues, €m     | AuM, €bn   |
|-----|---|----------------------|------------|
| #1  | J.P.Morgan Asset Management                         | 11,170               | 1,588      |
| #2  | BLACKROCK®  | 10,451               | 4,281      |
| #3  | FRANKLIN RESOURCES INC.                             | 7,327 <sup>(3)</sup> | 711        |
| #4  | Goldman Sachs Asset Management                      | 5,720                | 994        |
| #5  | Invesco   | 4,725                | 715        |
| #6  | PIMCO   | 4,714                | 1,373      |
| #7  | T.RowePrice INVEST WITH CONFIDENCE                  | 3,967                | 703        |
| #8  | BNY MELLON  | 3,612                | 1,498      |
| #9  | Deutsche Bank                                       | 2,842                | 777        |
| #10 | <b>NATIXIS</b> GLOBAL ASSET MANAGEMENT              | <b>2,755</b>         | <b>801</b> |
| #11 | Legal & General INVESTMENT MANAGEMENT               | 2,577                | 648        |
| #12 | Amundi ASSET MANAGEMENT                             | 1,657                | 985        |
| #13 | INVESTMENT MANAGERS redefining investment solutions | 1,606                | 669        |
| #14 | STATE STREET  | 1,104                | 2,069      |
| #15 | LEGG MASON GLOBAL ASSET MANAGEMENT                  | 946                  | 1,017      |

## % Contribution<sup>(4)</sup> to 2009-15 for the AM market :



## 3Q16 results: from data excluding non-operating items<sup>(1)</sup> to reported data

| <i>in €m</i>                    | 3Q16 excl. exceptional items | FV Adjustment on own senior debt | Exchange rate fluctuations on DSN in currencies | SWL Litigation | Capital gain property disposal operations | 3Q16 reported |
|---------------------------------|------------------------------|----------------------------------|---|----------------|---|---------------|
| <b>Net revenues</b>             | <b>2,106</b>                 | <b>(110)</b>                     | <b>(3)</b>                                      | <b>(69)</b>    |   | <b>1,924</b>  |
| Expenses                        | (1,447)                      |                                  |   |                |   | (1,447)       |
| <b>Gross operating income</b>   | <b>659</b>                   | <b>(110)</b>                     | <b>(3)</b>                                      | <b>(69)</b>    |   | <b>477</b>    |
| Provision for credit losses     | (69)                         |                                  |   |                |   | (69)          |
| Associates                      | 4                            |                                  |   |                |   | 4             |
| Gain or loss on other assets    | 7                            |                                  |   |                | 97  | 104           |
| <b>Pre-tax profit</b>           | <b>601</b>                   | <b>(110)</b>                     | <b>(3)</b>                                      | <b>(69)</b>    | <b>97</b>                                 | <b>516</b>    |
| Tax                             | (213)                        | 38                               | 1   | 24             | (33)                                      | (184)         |
| Minority interest               | (34)                         |                                  |   |                |   | (34)          |
| <b>Net income (group share)</b> | <b>354</b>                   | <b>(72)</b>                      | <b>(2)</b>                                      | <b>(45)</b>    | <b>64</b>                                 | <b>298</b>    |

## 9M16 results: from data excluding non-operating items<sup>(1)</sup> to reported data

| <i>in €m</i>                    | 9M16 excl. non exceptional items | FV Adjustment on own senior debt | Exchange rate fluctuations on DSN in currencies | SWL Litigation | Capital gain property disposal operations | Impairment in Coface goodwill | 9M16 reported |
|---------------------------------|----------------------------------|----------------------------------|---|----------------|---|-------------------------------|---------------|
| <b>Net revenues</b>             | <b>6,414</b>                     | <b>(136)</b>                     | <b>(10)</b>                                     | <b>(69)</b>    |   |                               | <b>6,198</b>  |
| Expenses                        | (4,574)                          |                                  |   |                |   |                               | (4,574)       |
| <b>Gross operating income</b>   | <b>1,839</b>                     | <b>(136)</b>                     | <b>(10)</b>                                     | <b>(69)</b>    |   |                               | <b>1,624</b>  |
| Provision for credit losses     | (245)                            |                                  |   |                |   |                               | (245)         |
| Associates                      | 19                               |                                  |   |                |   |                               | 19            |
| Gain or loss on other assets    | 67                               |                                  |   |                | 97  |                               | 164           |
| Change in value of goodwill     | 0                                |                                  |   |                |   | (75)                          | (75)          |
| <b>Pre-tax profit</b>           | <b>1,679</b>                     | <b>(136)</b>                     | <b>(10)</b>                                     | <b>(69)</b>    | <b>97</b>                                 | <b>(75)</b>                   | <b>1,486</b>  |
| Tax                             | (608)                            | 47                               | 4   | 24             | (33)                                      |                               | (567)         |
| Minority interest               | (84)                             |                                  |   |                |   | 44                            | (40)          |
| <b>Net income (group share)</b> | <b>987</b>                       | <b>(89)</b>                      | <b>(7)</b>                                      | <b>(45)</b>    | <b>64</b>                                 | <b>(31)</b>                   | <b>879</b>    |

## Natixis – Consolidated

| <i>in €m</i>                    | 1Q15         | 2Q15         | 3Q15         | 4Q15         | 1Q16         | 2Q16         | 3Q16         | 3Q16<br>vs. 3Q15 | 9M15         | 9M16         | 9M16<br>vs. 9M15 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|--------------|--------------|------------------|
| <b>Net revenues</b>             | <b>2,190</b> | <b>2,301</b> | <b>1,969</b> | <b>2,244</b> | <b>2,063</b> | <b>2,211</b> | <b>1,924</b> | <b>(2)%</b>      | <b>6,459</b> | <b>6,198</b> | <b>(4)%</b>      |
| Expenses                        | (1,553)      | (1,431)      | (1,393)      | (1,578)      | (1,605)      | (1,522)      | (1,447)      | 4%               | (4,377)      | (4,574)      | 5%               |
| <b>Gross operating income</b>   | <b>637</b>   | <b>870</b>   | <b>576</b>   | <b>666</b>   | <b>458</b>   | <b>689</b>   | <b>477</b>   | <b>(17)%</b>     | <b>2,082</b> | <b>1,624</b> | <b>(22)%</b>     |
| Provision for credit losses     | (78)         | (64)         | (83)         | (66)         | (88)         | (88)         | (69)         | (17)%            | (225)        | (245)        | 9%               |
| Associates                      | 9            | 13           | 8            | 16           | 8            | 7            | 4            | (42)%            | 30           | 19           | (37)%            |
| Gain or loss on other assets    | 0            | (30)         | 2            | (3)          | 29           | 31           | 104          |                  | (28)         | 164          |                  |
| Change in value of goodwill     | 0            | 0            | 0            | 0            | 0            | (75)         | 0            |                  | 0            | (75)         |                  |
| <b>Pre-tax profit</b>           | <b>568</b>   | <b>789</b>   | <b>502</b>   | <b>614</b>   | <b>407</b>   | <b>564</b>   | <b>516</b>   | <b>3%</b>        | <b>1,859</b> | <b>1,486</b> | <b>(20)%</b>     |
| Tax                             | (239)        | (312)        | (190)        | (230)        | (172)        | (211)        | (184)        | (3)%             | (741)        | (567)        | (23)%            |
| Minority interest               | (42)         | (27)         | (20)         | (68)         | (34)         | 28           | (34)         |                  | (90)         | (40)         | (55)%            |
| <b>Net income (group share)</b> | <b>287</b>   | <b>450</b>   | <b>291</b>   | <b>316</b>   | <b>200</b>   | <b>381</b>   | <b>298</b>   | <b>2%</b>        | <b>1,028</b> | <b>879</b>   | <b>(15)%</b>     |

## Natixis – Breakdown by Business division

| 3Q16                          |                      |            |            |                       |                        |                  |
|-------------------------------|----------------------|------------|------------|-----------------------|------------------------|------------------|
| <i>in €m</i>                  | Investment Solutions | CIB        | SFS        | Financial Investments | Corporate Center       | Natixis reported |
| <b>Net revenues</b>           | <b>804</b>           | <b>757</b> | <b>325</b> | <b>137</b>            | <b>(100)</b>           | <b>1,924</b>     |
| Expenses                      | (558)                | (468)      | (215)      | (151)                 | (55)                   | (1,447)          |
| <b>Gross operating income</b> | <b>246</b>           | <b>289</b> | <b>110</b> | <b>(14)</b>           | <b>(155)</b>           | <b>477</b>       |
| Provision for credit losses   | 0                    | (50)       | (12)       | (7)                   | 0                      | (69)             |
| <b>Net operating income</b>   | <b>246</b>           | <b>239</b> | <b>98</b>  | <b>(20)</b>           | <b>(155)</b>           | <b>408</b>       |
| Associates                    | 5                    | 3          | 0          | (3)                   | 0                      | 4                |
| Other items                   | (2)                  | 0          | 0          | 7                     | 99                     | 104              |
| <b>Pre-tax profit</b>         | <b>249</b>           | <b>242</b> | <b>98</b>  | <b>(17)</b>           | <b>(56)</b>            | <b>516</b>       |
|                               |                      |            |            |                       | Tax                    | (184)            |
|                               |                      |            |            |                       | Minority interest      | (34)             |
|                               |                      |            |            |                       | <b>Net income (gs)</b> | <b>298</b>       |

## IFRIC 21 effects by business line

| Effect in Expenses             |             |           |           |           |              |           |           |             |             |
|--------------------------------|-------------|-----------|-----------|-----------|--------------|-----------|-----------|-------------|-------------|
| <i>in €m</i>                   | 1Q15        | 2Q15      | 3Q15      | 4Q15      | 1Q16         | 2Q16      | 3Q16      | 9M15        | 9M16        |
| Investment Solutions           | (10)        | 3         | 3         | 3         | (11)         | 4         | 4         | (3)         | (4)         |
| CIB                            | (33)        | 11        | 11        | 11        | (31)         | 10        | 10        | (11)        | (10)        |
| Specialized Financial Services | (7)         | 2         | 2         | 2         | (7)          | 2         | 2         | (2)         | (2)         |
| Financial Investments          | (2)         | 1         | 1         | 1         | (2)          | 1         | 1         | (1)         | (1)         |
| Corporate center               | (33)        | 11        | 11        | 11        | (57)         | 1         | 28        | (11)        | (28)        |
| <b>Total Natixis</b>           | <b>(86)</b> | <b>29</b> | <b>29</b> | <b>29</b> | <b>(107)</b> | <b>18</b> | <b>45</b> | <b>(29)</b> | <b>(45)</b> |

| Effect in Net Revenues                   |            |          |          |          |            |          |          |            |            |
|--|------------|----------|----------|----------|------------|----------|----------|------------|------------|
| <i>in €m</i>                             | 1Q15       | 2Q15     | 3Q15     | 4Q15     | 1Q16       | 2Q16     | 3Q16     | 9M15       | 9M16       |
| Specialized Financial Services (Leasing) | (2)        | 1        | 1        | 1        | (2)        | 1        | 1        | (1)        | (1)        |
| <b>Total Natixis</b>                     | <b>(2)</b> | <b>1</b> | <b>1</b> | <b>1</b> | <b>(2)</b> | <b>1</b> | <b>1</b> | <b>(1)</b> | <b>(1)</b> |



# Investment Solutions

| <i>in €m</i>   | 1Q15       | 2Q15       | 3Q15       | 4Q15         | 1Q16       | 2Q16       | 3Q16       | 3Q16<br>vs. 3Q15 | 9M15         | 9M16         | 9M16<br>vs. 9M15 |
|--|------------|------------|------------|--------------|------------|------------|------------|------------------|--------------|--------------|------------------|
| <b>Net revenues</b>  | <b>823</b> | <b>846</b> | <b>840</b> | <b>1,006</b> | <b>825</b> | <b>832</b> | <b>804</b> | <b>(4)%</b>      | <b>2,509</b> | <b>2,460</b> | <b>(2)%</b>      |
| <i>Asset Management</i>  | 639        | 633        | 666        | 817          | 626        | 623        | 609        | (9)%             | 1,938        | 1,858        | (4)%             |
| <i>Private Banking</i>   | 34         | 36         | 34         | 41           | 34         | 33         | 34         | flat             | 103          | 101          | (2)%             |
| <i>Insurance</i>   | 140        | 156        | 141        | 146          | 167        | 156        | 155        | 10%              | 438          | 478          | 9%               |
| Expenses   | (583)      | (576)      | (569)      | (648)        | (590)      | (579)      | (558)      | (2)%             | (1,728)      | (1,727)      | flat             |
| <b>Gross operating income</b>                                    | <b>240</b> | <b>270</b> | <b>271</b> | <b>357</b>   | <b>234</b> | <b>253</b> | <b>246</b> | <b>(9)%</b>      | <b>781</b>   | <b>733</b>   | <b>(6)%</b>      |
| Provision for credit losses                                      | (1)        | 0          | 3          | 1            | 0          | 0          | 0          |                  | 2            | 0            |                  |
| <b>Net operating income</b>                                      | <b>239</b> | <b>270</b> | <b>274</b> | <b>358</b>   | <b>234</b> | <b>253</b> | <b>246</b> | <b>(10)%</b>     | <b>784</b>   | <b>734</b>   | <b>(6)%</b>      |
| Associates   | 5          | 7          | 4          | 6            | 4          | 2          | 5          | 16%              | 16           | 11           | (33)%            |
| Other items  | (2)        | (2)        | (2)        | (2)          | 18         | (2)        | (2)        |                  | (6)          | 14           |                  |
| <b>Pre-tax profit</b>  | <b>242</b> | <b>275</b> | <b>276</b> | <b>362</b>   | <b>256</b> | <b>253</b> | <b>249</b> | <b>(10)%</b>     | <b>794</b>   | <b>759</b>   | <b>(4)%</b>      |
| Cost/Income ratio  | 70.8%      | 68.1%      | 67.7%      | 64.5%        | 71.6%      | 69.6%      | 69.4%      |                  | 68.9%        | 70.2%        |                  |
| Cost/Income ratio excluding IFRIC 21 effect                      | 69.6%      | 68.5%      | 68.1%      | 64.8%        | 70.2%      | 70.0%      | 69.8%      |                  | 68.7%        | 70.0%        |                  |
| RWA (Basel 3 – in €bn)   | 14.7       | 14.3       | 14.4       | 15.3         | 16.4       | 17.0       | 17.3       | 21%              | 14.4         | 17.3         | 21%              |
| Normative capital allocation (Basel 3)                           | 3,899      | 4,170      | 4,666      | 4,672        | 4,350      | 4,381      | 4,467      | (4)%             | 4,245        | 4,399        | 4%               |
| ROE after tax (Basel 3) <sup>(1)</sup>                           | 15.1%      | 17.2%      | 14.4%      | 16.6%        | 13.9%      | 14.0%      | 13.1%      |                  | 15.5%        | 13.7%        |                  |
| ROE after tax (Basel 3) excluding IFRIC 21 effect <sup>(1)</sup> | 15.8%      | 17.0%      | 14.2%      | 16.4%        | 14.5%      | 13.8%      | 12.9%      |                  | 15.6%        | 13.7%        |                  |

# Corporate & Investment Banking

| <i>in €m</i>   | 1Q15       | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 3Q16<br>vs. 3Q15 | 9M15         | 9M16         | 9M16<br>vs. 9M15 |
|--|------------|------------|------------|------------|------------|------------|------------|------------------|--------------|--------------|------------------|
| <b>Net revenues</b>  | <b>806</b> | <b>842</b> | <b>665</b> | <b>742</b> | <b>782</b> | <b>887</b> | <b>757</b> | <b>14%</b>       | <b>2,313</b> | <b>2,426</b> | <b>5%</b>        |
| <i>Global Markets</i>  | 439        | 405        | 266        | 355        | 407        | 507        | 410        | 54%              | 1,110        | 1,324        | 19%              |
| FIC-T  | 306        | 251        | 214        | 264        | 291        | 319        | 291        | 36%              | 771          | 901          | 17%              |
| Equity   | 132        | 158        | 93         | 102        | 123        | 154        | 106        | 14%              | 383          | 384          | flat             |
| CVA/DVA desk   | 1          | (3)        | (41)       | (11)       | (7)        | 33         | 13         |                  | (43)         | 39           |                  |
| <i>Global Finance &amp; Investment Banking</i>                   | 402        | 409        | 388        | 387        | 362        | 407        | 412        | 6%               | 1,200        | 1,181        | (2)%             |
| <i>Other</i>   | (35)       | 27         | 11         | (1)        | 12         | (26)       | (65)       |                  | 4            | (79)         |                  |
| Expenses   | (492)      | (459)      | (416)      | (494)      | (512)      | (482)      | (468)      | 13%              | (1,367)      | (1,462)      | 7%               |
| <b>Gross operating income</b>                                    | <b>314</b> | <b>383</b> | <b>250</b> | <b>248</b> | <b>270</b> | <b>405</b> | <b>289</b> | <b>16%</b>       | <b>946</b>   | <b>964</b>   | <b>2%</b>        |
| Provision for credit losses                                      | (65)       | (40)       | (36)       | (57)       | (71)       | (53)       | (50)       | 41%              | (141)        | (175)        | 24%              |
| <b>Net operating income</b>                                      | <b>249</b> | <b>343</b> | <b>214</b> | <b>191</b> | <b>198</b> | <b>352</b> | <b>239</b> | <b>11%</b>       | <b>805</b>   | <b>789</b>   | <b>(2)%</b>      |
| Associates   | 4          | 5          | 3          | 14         | 3          | 4          | 3          | (7)%             | 13           | 11           | (18)%            |
| Other items  | 0          | 0          | 0          | 0          | 0          | 0          | 0          |                  | 0            | 0            |                  |
| <b>Pre-tax profit</b>  | <b>253</b> | <b>348</b> | <b>217</b> | <b>205</b> | <b>202</b> | <b>356</b> | <b>242</b> | <b>11%</b>       | <b>818</b>   | <b>800</b>   | <b>(2)%</b>      |
| Cost/Income ratio  | 61.0%      | 54.5%      | 62.5%      | 66.6%      | 65.5%      | 54.4%      | 61.8%      |                  | 59.1%        | 60.3%        |                  |
| Cost/Income ratio excluding IFRIC 21 effect                      | 57.0%      | 55.8%      | 64.1%      | 68.1%      | 61.5%      | 55.5%      | 63.2%      |                  | 58.6%        | 59.9%        |                  |
| RWA (Basel 3 – in €bn)   | 76.1       | 73.2       | 70.9       | 69.4       | 67.0       | 68.8       | 64.9       | (9)%             | 70.9         | 64.9         | (9)%             |
| Normative capital allocation (Basel 3)                           | 7,318      | 7,712      | 7,426      | 7,195      | 6,935      | 6,772      | 7,064      | (5)%             | 7,485        | 6,924        | (8)%             |
| ROE after tax (Basel 3) <sup>(1)</sup>                           | 9.2%       | 12.0%      | 7.8%       | 7.8%       | 7.9%       | 14.2%      | 9.3%       |                  | 9.7%         | 10.4%        |                  |
| ROE after tax (Basel 3) excluding IFRIC 21 effect <sup>(1)</sup> | 10.4%      | 11.6%      | 7.4%       | 7.4%       | 9. %       | 13.8%      | 8.9%       |                  | 9.8%         | 10.5%        |                  |

# Specialized Financial Services

| <i>in €m</i>   | 1Q15       | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       | 3Q16<br>vs. 3Q15 | 9M15       | 9M16         | 9M16<br>vs. 9M15 |
|--|------------|------------|------------|------------|------------|------------|------------|------------------|------------|--------------|------------------|
| <b>Net revenues</b>  | <b>324</b> | <b>335</b> | <b>315</b> | <b>334</b> | <b>343</b> | <b>341</b> | <b>325</b> | <b>3%</b>        | <b>974</b> | <b>1,009</b> | <b>4%</b>        |
| <b>Specialized Financing</b>                                     | <b>193</b> | <b>203</b> | <b>191</b> | <b>206</b> | <b>214</b> | <b>211</b> | <b>203</b> | <b>6%</b>        | <b>586</b> | <b>628</b>   | <b>7%</b>        |
| <i>Factoring</i>   | 35         | 35         | 35         | 38         | 38         | 39         | 40         | 13%              | 105        | 117          | 11%              |
| <i>Sureties &amp; Financial Guarantees</i>                       | 40         | 47         | 35         | 37         | 55         | 43         | 46         | 31%              | 122        | 144          | 17%              |
| <i>Leasing</i>   | 48         | 49         | 51         | 60         | 51         | 58         | 48         | (4)%             | 148        | 158          | 7%               |
| <i>Consumer Financing</i>  | 65         | 66         | 65         | 65         | 65         | 66         | 64         | (3)%             | 197        | 194          | (1)%             |
| <i>Film Industry Financing</i>                                   | 4          | 5          | 5          | 5          | 5          | 6          | 5          | 6%               | 14         | 16           | 11%              |
| <b>Financial Services</b>  | <b>131</b> | <b>133</b> | <b>124</b> | <b>128</b> | <b>129</b> | <b>130</b> | <b>122</b> | <b>(1)%</b>      | <b>388</b> | <b>381</b>   | <b>(2)%</b>      |
| <i>Employee Savings Scheme</i>                                   | 32         | 35         | 28         | 33         | 33         | 35         | 29         | 3%               | 96         | 96           | 1%               |
| <i>Payments</i>  | 72         | 72         | 72         | 71         | 72         | 72         | 71         | (1)%             | 216        | 215          | (1)%             |
| <i>Securities Services</i>                                       | 27         | 25         | 24         | 25         | 24         | 23         | 23         | (6)%             | 76         | 70           | (8)%             |
| Expenses   | (218)      | (211)      | (209)      | (218)      | (225)      | (220)      | (215)      | 3%               | (638)      | (661)        | 4%               |
| <b>Gross operating income</b>                                    | <b>105</b> | <b>125</b> | <b>107</b> | <b>116</b> | <b>118</b> | <b>121</b> | <b>110</b> | <b>3%</b>        | <b>337</b> | <b>348</b>   | <b>3%</b>        |
| Provision for credit losses                                      | (14)       | (20)       | (15)       | (10)       | (13)       | (17)       | (12)       | (18)%            | (49)       | (41)         | (15)%            |
| <b>Net operating income</b>                                      | <b>91</b>  | <b>105</b> | <b>92</b>  | <b>106</b> | <b>105</b> | <b>104</b> | <b>98</b>  | <b>7%</b>        | <b>288</b> | <b>307</b>   | <b>7%</b>        |
| Associates   | 0          | 0          | 0          | 0          | 0          | 0          | 0          |                  | 0          | 0            |                  |
| Other items  | 0          | 0          | 0          | 0          | 0          | 31         | 0          |                  | 0          | 31           |                  |
| <b>Pre-tax profit</b>  | <b>91</b>  | <b>105</b> | <b>92</b>  | <b>105</b> | <b>105</b> | <b>135</b> | <b>98</b>  | <b>7%</b>        | <b>288</b> | <b>338</b>   | <b>17%</b>       |
| Cost/Income ratio  | 67.5%      | 62.8%      | 66.2%      | 65.4%      | 65.7%      | 64.6%      | 66.2%      |                  | 65.4%      | 65.5%        |                  |
| Cost/Income ratio excluding IFRIC 21 effect                      | 64.7%      | 63.7%      | 67.1%      | 66.3%      | 63.4%      | 65.4%      | 67.0%      |                  | 65.1%      | 65.2%        |                  |
| RWA (Basel 3 – in €bn)   | 14.4       | 14.3       | 13.0       | 13.6       | 13.7       | 14.8       | 14.6       | 12%              | 13.0       | 14.6         | 12%              |
| Normative capital allocation (Basel 3)                           | 1,692      | 1,689      | 1,680      | 1,551      | 1,629      | 1,626      | 1,730      | 3%               | 1,687      | 1,662        | (2)%             |
| ROE after tax (Basel 3) <sup>(1)</sup>                           | 13.8%      | 15.9%      | 14.0%      | 17.3%      | 16.9%      | 21.8%      | 14.8%      |                  | 14.6%      | 17.8%        |                  |
| ROE after tax (Basel 3) excluding IFRIC 21 effect <sup>(1)</sup> | 15.2%      | 15.4%      | 13.5%      | 16.7%      | 18.3%      | 21.3%      | 14.4%      |                  | 14.7%      | 17.9%        |                  |

## Financial Investments

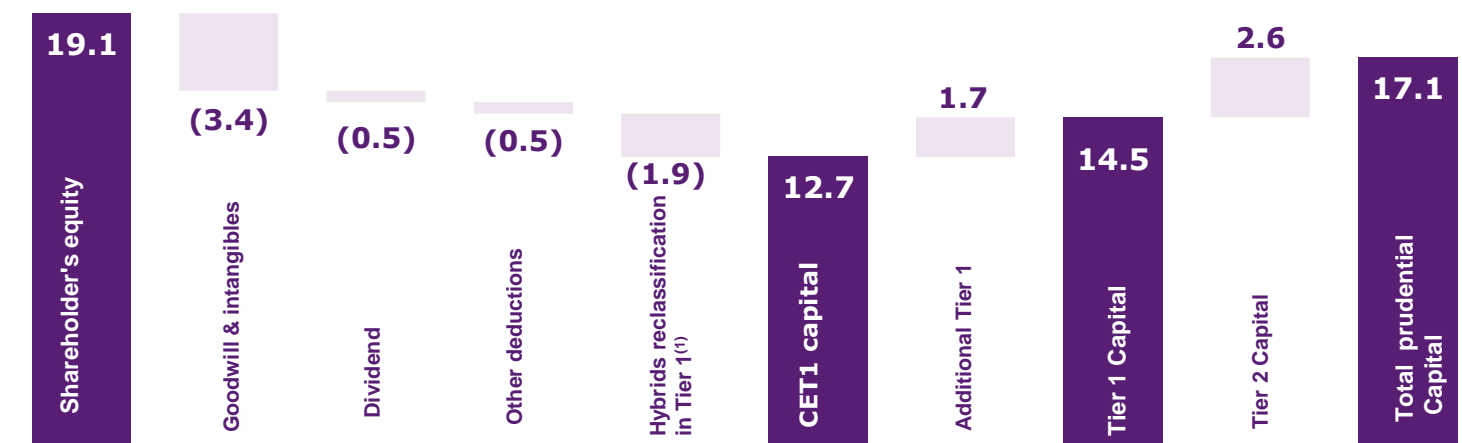
| <i>in €m</i>                    | 1Q15       | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16        | 3Q16        | 3Q16<br>vs. 3Q15 | 9M15       | 9M16        | 9M16<br>vs. 9M15 |
|---------------------------------|------------|------------|------------|------------|------------|-------------|-------------|------------------|------------|-------------|------------------|
| <b>Net revenues</b>             | <b>227</b> | <b>197</b> | <b>215</b> | <b>190</b> | <b>183</b> | <b>155</b>  | <b>137</b>  | <b>(36)%</b>     | <b>638</b> | <b>475</b>  | <b>(26)%</b>     |
| <i>Coface</i>                   | 187        | 161        | 173        | 160        | 156        | 133         | 119         | (31)%            | 520        | 409         | (21)%            |
| <i>Corporate data solutions</i> | 20         | 20         | 23         | 19         | 15         | 9           | 8           | (64)%            | 63         | 32          | (49)%            |
| <i>Others</i>                   | 20         | 16         | 19         | 10         | 12         | 12          | 10          | (50)%            | 55         | 34          | (38)%            |
| Expenses                        | (178)      | (167)      | (171)      | (165)      | (162)      | (153)       | (151)       | (12)%            | (516)      | (466)       | (10)%            |
| <b>Gross operating income</b>   | <b>48</b>  | <b>30</b>  | <b>44</b>  | <b>24</b>  | <b>21</b>  | <b>1</b>    | <b>(14)</b> |                  | <b>122</b> | <b>9</b>    | <b>(93)%</b>     |
| Provision for credit losses     | (3)        | (4)        | (6)        | (5)        | (6)        | (18)        | (7)         | 4%               | (13)       | (31)        |                  |
| <b>Net operating income</b>     | <b>46</b>  | <b>26</b>  | <b>38</b>  | <b>19</b>  | <b>15</b>  | <b>(17)</b> | <b>(20)</b> |                  | <b>109</b> | <b>(22)</b> |                  |
| Associates                      | 0          | 1          | 0          | (4)        | 0          | 0           | (3)         |                  | 1          | (3)         |                  |
| Other items                     | 0          | (30)       | 2          | (1)        | 11         | (75)        | 7           |                  | (28)       | (57)        |                  |
| <b>Pre-tax profit</b>           | <b>46</b>  | <b>(3)</b> | <b>40</b>  | <b>15</b>  | <b>27</b>  | <b>(91)</b> | <b>(17)</b> |                  | <b>83</b>  | <b>(82)</b> |                  |

## Corporate center

| <i>in €m</i>                  | 1Q15        | 2Q15      | 3Q15         | 4Q15        | 1Q16         | 2Q16        | 3Q16         | 3Q16<br>vs. 3Q15 | 9M15         | 9M16         | 9M16<br>vs. 9M15 |
|-------------------------------|-------------|-----------|--------------|-------------|--------------|-------------|--------------|------------------|--------------|--------------|------------------|
| <b>Net revenues</b>           | <b>10</b>   | <b>82</b> | <b>(67)</b>  | <b>(27)</b> | <b>(69)</b>  | <b>(3)</b>  | <b>(100)</b> |                  | <b>24</b>    | <b>(172)</b> |                  |
| Expenses                      | (81)        | (19)      | (29)         | (52)        | (116)        | (87)        | (55)         |                  | (129)        | (259)        |                  |
| <b>Gross operating income</b> | <b>(71)</b> | <b>63</b> | <b>(96)</b>  | <b>(79)</b> | <b>(185)</b> | <b>(91)</b> | <b>(155)</b> |                  | <b>(104)</b> | <b>(431)</b> |                  |
| Provision for credit losses   | 5           | 0         | (30)         | 5           | 2            | 0           | 0            |                  | (25)         | 2            |                  |
| <b>Net operating income</b>   | <b>(66)</b> | <b>62</b> | <b>(125)</b> | <b>(74)</b> | <b>(183)</b> | <b>(91)</b> | <b>(155)</b> |                  | <b>(129)</b> | <b>(429)</b> |                  |
| Associates                    | 0           | 0         | 0            | 0           | 0            | 0           | 0            |                  | 0            | 0            |                  |
| Other items                   | 2           | 2         | 2            | 1           | 0            | 2           | 99           |                  | 5            | 100          |                  |
| <b>Pre-tax profit</b>         | <b>(64)</b> | <b>64</b> | <b>(124)</b> | <b>(73)</b> | <b>(183)</b> | <b>(89)</b> | <b>(56)</b>  |                  | <b>(124)</b> | <b>(328)</b> |                  |

# Regulatory capital in 3Q16 & financial structure Basel 3

Regulatory reporting, in €bn



| In €bn         | 3Q15<br>CRD4 phased | 4Q15<br>CRD4 phased | 1Q16<br>CRD4 phased | 2Q16<br>CRD4 phased | 3Q16<br>CRD4 phased |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| CET1 Ratio     | 11.0%               | 11.0%               | 11.1%               | 11.1%               | 11.3%               |
| Tier 1 Ratio   | 12.1%               | 12.1%               | 12.6%               | 12.6%               | 12.8%               |
| Solvency Ratio | 14.4%               | 14.3%               | 15.1%               | 15.0%               | 15.1%               |
| Tier 1 capital | 13.9                | 13.7                | 14.1                | 14.3                | 14.5                |
| RWA            | 114.4               | 113.3               | 111.4               | 112.9               | 113.1               |

| In €bn                      | 3Q15 | 4Q15 | 1Q16 | 2Q16 | 3Q16 |
|-----------------------------|------|------|------|------|------|
| Equity group share          | 18.6 | 19.2 | 19.5 | 18.8 | 19.1 |
| Total assets <sup>(2)</sup> | 513  | 500  | 514  | 535  | 522  |

| Breakdown of risk-weighted assets<br>In €bn | 09/30/2016   |
|---|--------------|
| <b>Credit risk</b>                          | <b>77.7</b>  |
| Internal approach                           | 64.1         |
| Standard approach                           | 13.6         |
| <b>Counterparty risk</b>                    | <b>7.9</b>   |
| Internal approach                           | 7.0          |
| Standard approach                           | 0.9          |
| <b>Market risk</b>                          | <b>11.3</b>  |
| Internal approach                           | 5.5          |
| Standard approach                           | 5.8          |
| <b>CVA</b>                                  | <b>3.5</b>   |
| <b>Operational risk - Standard approach</b> | <b>12.7</b>  |
| <b>Total RWA</b>                            | <b>113.1</b> |

# Leverage ratio

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

| €bn                                  | 09/30/2016   |
|--------------------------------------|--------------|
| <b>Tier 1 capital <sup>(1)</sup></b> | <b>14.9</b>  |
| Total prudential balance sheet       | 437.6        |
| Adjustment on derivatives            | (57.0)       |
| Adjustment on repos <sup>(2)</sup>   | (30.6)       |
| Other exposures to affiliates        | (39.2)       |
| Off balance sheet commitments        | 36.0         |
| Regulatory adjustments               | (3.7)        |
| <b>Total leverage exposures</b>      | <b>343.1</b> |
| <b>Leverage ratio</b>                | <b>4.3%</b>  |

# Normative capital allocation

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

| <i>In €bn</i>                         | <b>RWA<br/>(end of period)</b> | <b>In % of<br/>the total</b> | <b>Average<br/>Goodwill and<br/>intangibles</b> | <b>Average capital<br/>allocation<br/>beginning of period</b> | <b>ROE<br/>after tax<br/>9M16</b> |
|---------------------------------------|--------------------------------|------------------------------|---|---|-----------------------------------|
| <b>CIB</b>                            | 64.9                           | 63%                          | 0.1   | 6.9   | 10.4%                             |
| <b>Investment Solutions</b>           | 17.3                           | 17%                          | 2.8   | 4.4   | 13.7%                             |
| <b>SFS</b>                            | 14.6                           | 14%                          | 0.3   | 1.7   | 17.8%                             |
| <b>Financial Investments</b>          | 5.6                            | 6%                           | 0.2   | 0.7   |                                   |
| <b>TOTAL (excl. Corporate Center)</b> | <b>102.4</b>                   | <b>100%</b>                  | <b>3.4</b>                                      | <b>13.7</b>   |                                   |

### Net book value as of September 30, 2016

| <i>in €bn</i>  | <b>09/30/2016</b> |
|--|-------------------|
| <b>Shareholders' equity (group share)</b>              | <b>19.1</b>       |
| Deduction of hybrid capital instruments                | (1.6)             |
| Deduction of gain on hybrid instruments                | (0.3)             |
| <b>Net book value</b>                                  | <b>17.2</b>       |
| Restated intangible assets <sup>(1)</sup>              | 0.7               |
| Restated goodwill <sup>(1)</sup>                       | 2.9               |
| <b>Net tangible book value<sup>(2)</sup></b>           | <b>13.6</b>       |
| <i>in €</i>  |                   |
| <b>Net book value per share<sup>(3)</sup></b>          | <b>5.49</b>       |
| <b>Net tangible book value per share<sup>(3)</sup></b> | <b>4.34</b>       |

### Earnings per share (9M16)

| <i>in €m</i>  | <b>09/30/2016</b> |
|---|-------------------|
| Net income (gs)   | 879               |
| DSN interest expenses on preferred shares after tax                 | (58)              |
| Net income attributable to shareholders                             | 821               |
| Average number of shares over the period, excluding treasury shares | 3,129,100,824     |
| <b>Earnings per share (€)</b>                                       | <b>0.26</b>       |

(1) See note on methodology

(2) Net tangible book value = Book value – goodwill – intangible assets

(3) Calculated on the basis of 3,135,564,243 shares – end of period



## ROE & ROTE Natixis<sup>(1)</sup>

### Net income attributable to shareholders

| in €m   | <b>3Q16</b> | <b>9M16</b> |
|---|-------------|-------------|
| Net income (gs)                                     | 298         | 879         |
| DSN interest expenses on preferred shares after tax | (21)        | (58)        |
| <b>ROE &amp; ROTE numerator</b>                     | <b>277</b>  | <b>821</b>  |

| in €m                              | <b>ROTE</b> | <b>09/30/2016</b> |
|------------------------------------|-------------|-------------------|
| Shareholders' equity (group share) |             | 19,070            |
| DSN deduction                      |             | (1,868)           |
| Dividends <sup>(2)</sup> provision |             | (455)             |
| Intangible assets                  |             | (714)             |
| Goodwill                           |             | (2,866)           |
| <b>ROTE Equity end of period</b>   |             | <b>13,167</b>     |
| Average ROTE equity (3Q16)         |             | 13,092            |
| <b>3Q16 ROTE annualized</b>        |             | <b>8.5%</b>       |
| Average ROTE equity (9M16)         |             | 13,005            |
| <b>9M16 ROTE annualized</b>        |             | <b>8.4%</b>       |

| in €m   | <b>ROE</b> | <b>09/30/2016</b> |
|---|------------|-------------------|
| Shareholders' equity (group share)  |            | 19,070            |
| DSN deduction   |            | (1,868)           |
| Dividends <sup>(2)</sup> provision  |            | (455)             |
| Exclusion of unrealized or deferred gains and losses recognized in equity (OCI) |            | (306)             |
| <b>ROE Equity end of period</b>   |            | <b>16,441</b>     |
| Average ROE equity (3Q16)   |            | 16,403            |
| <b>3Q16 ROE annualized</b>  |            | <b>6.8%</b>       |
| Average ROE equity (9M16)   |            | 16,356            |
| <b>9M16 ROE annualized</b>  |            | <b>6.7%</b>       |

(1) See note on methodology

(2) Dividend based on 50% of the net income attributable to shareholders excluding FV adjustment on own debt

# Groupe BPCE's MLT refinancing<sup>(1)</sup>

## Robust liquidity reserves and diversified wholesale funding

### Liquidity reserves: €183bn at Sept. 30, 2016

- €45bn in cash placed with central banks
- €138bn of available assets eligible for central bank funding

### 97% of the revised 2016 MLT wholesale funding plan already completed at Oct. 31, 2016

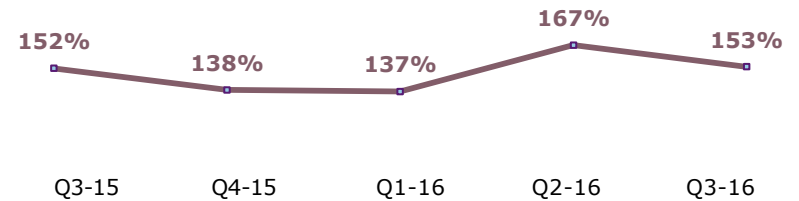
- €22.2bn raised
- Average maturity at issue: 7.5 years
- Average rate: mid-swap +37bps
- 51% in public issues and 49% in private placements

### Unsecured bond segment: €15.0bn

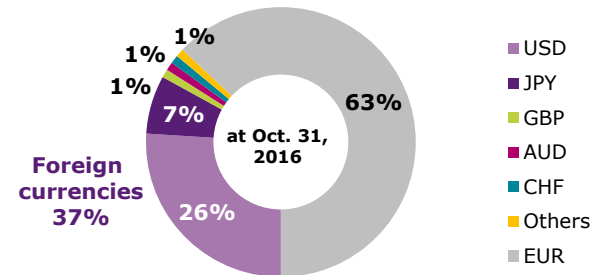
- Senior: €12.7bn
- Tier 2: €2.4bn<sup>(1)</sup>

### Covered bond segment: €7.2bn

### Liquidity reserves/(short-term funding + MLT and subordinated debt maturing within 1 year), expressed as a %



### Diversification of the investor base (for the unsecured bond segment excl. buybacks)



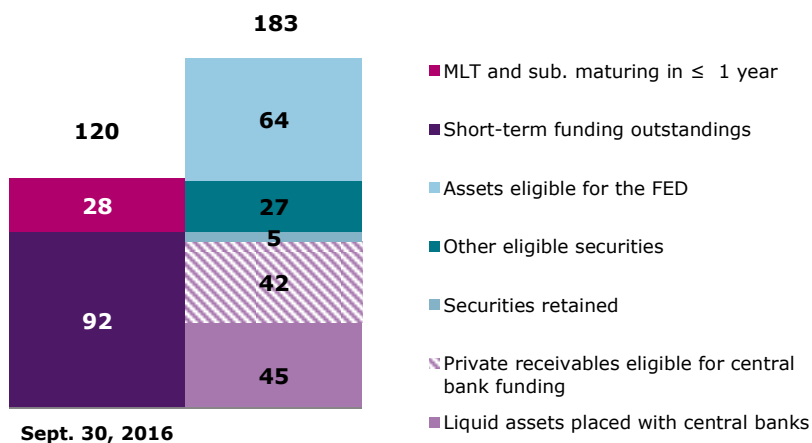
(1) Natixis' MLT refinancing is managed at BPCE level  
(2) Total Tier-2 capital raised in 2016: €3bn, including the issue distributed via the BP and CE retail banking networks

# Groupe BPCE's MLT refinancing<sup>(1)</sup>

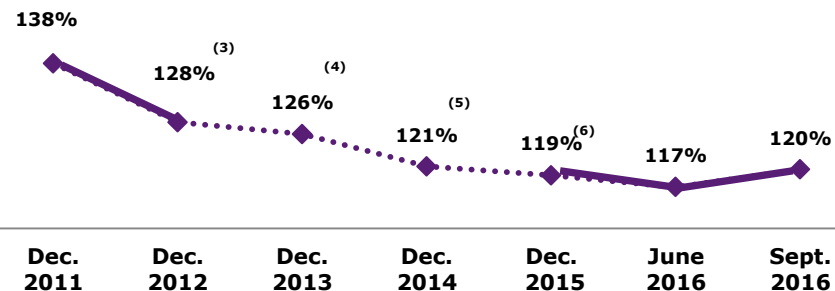
## Liquidity reserves and ST funding (in €bn)

**199 %** Liquidity reserves / ST funding, as a %

**153 %** Liquidity reserves / (ST funding + MLT and sub. Maturing in ≤ 1 year), as a %



## Group customer loan/deposit ratio<sup>(2)</sup>

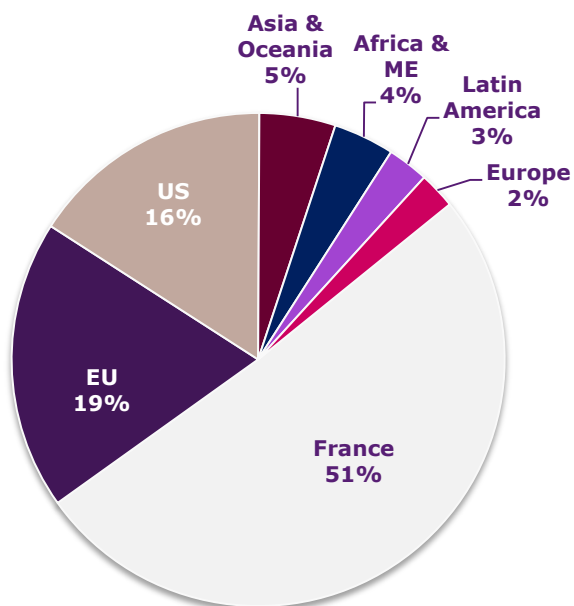


## Balance sheet

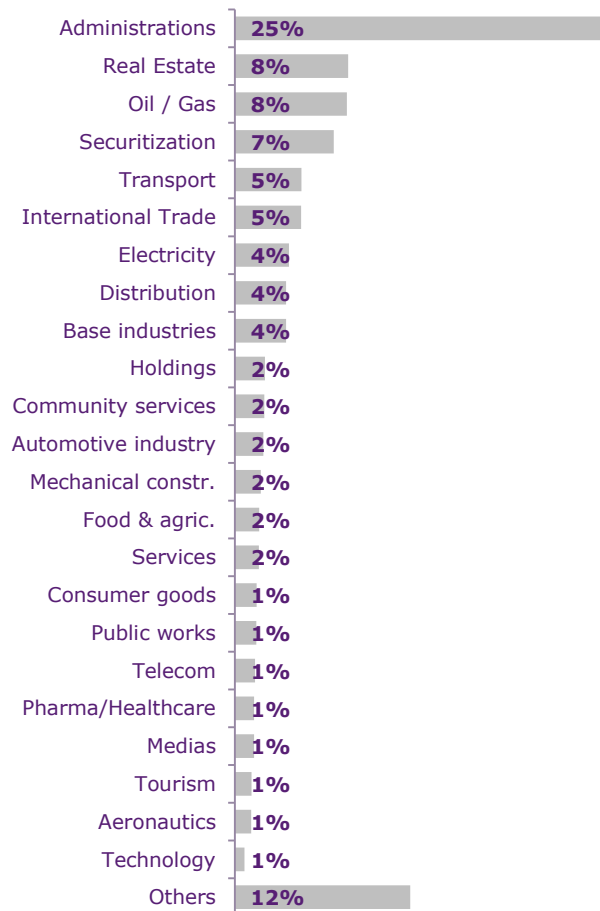
| Assets (in €bn)  | 09/30/2016   | 12/31/2015   | Liabilities and equity (in €bn)                             | 09/30/2016   | 12/31/2015   |
|--|--------------|--------------|---|--------------|--------------|
| Cash and balances with central banks                   | 29.3         | 21.2         | Due to central banks  | 0.0          | 0.0          |
| Financial assets at fair value through profit and loss | 185.5        | 191.6        | Financial liabilities at fair value through profit and loss | 150.1        | 159.0        |
| Available-for-sale financial assets                    | 56.2         | 52.7         | Customer deposits and deposits from financial institutions  | 186.2        | 177.8        |
| Loans and receivables                                  | 190.2        | 178.7        | Debt securities   | 40.3         | 40.4         |
| Held-to-maturity financial assets                      | 2.2          | 2.3          | Accruals and other liabilities                              | 49.4         | 43.1         |
| Accruals and other assets                              | 51.5         | 46.7         | Insurance companies' technical reserves                     | 68.8         | 52.9         |
| Investments in associates                              | 0.7          | 0.7          | Contingency reserves  | 1.7          | 1.7          |
| Tangible and intangible assets                         | 2.5          | 2.8          | Subordinated debt   | 4.7          | 4.9          |
| Goodwill   | 3.5          | 3.6          | Equity attributable to equity holders of the parent         | 19.1         | 19.2         |
|  |              |              | Minority interests  | 1.3          | 1.3          |
| <b>Total</b>   | <b>521.6</b> | <b>500.3</b> | <b>Total</b>  | <b>521.6</b> | <b>500.3</b> |

# EAD (Exposure at Default) at September 30, 2016

## Regional breakdown<sup>(1)</sup>



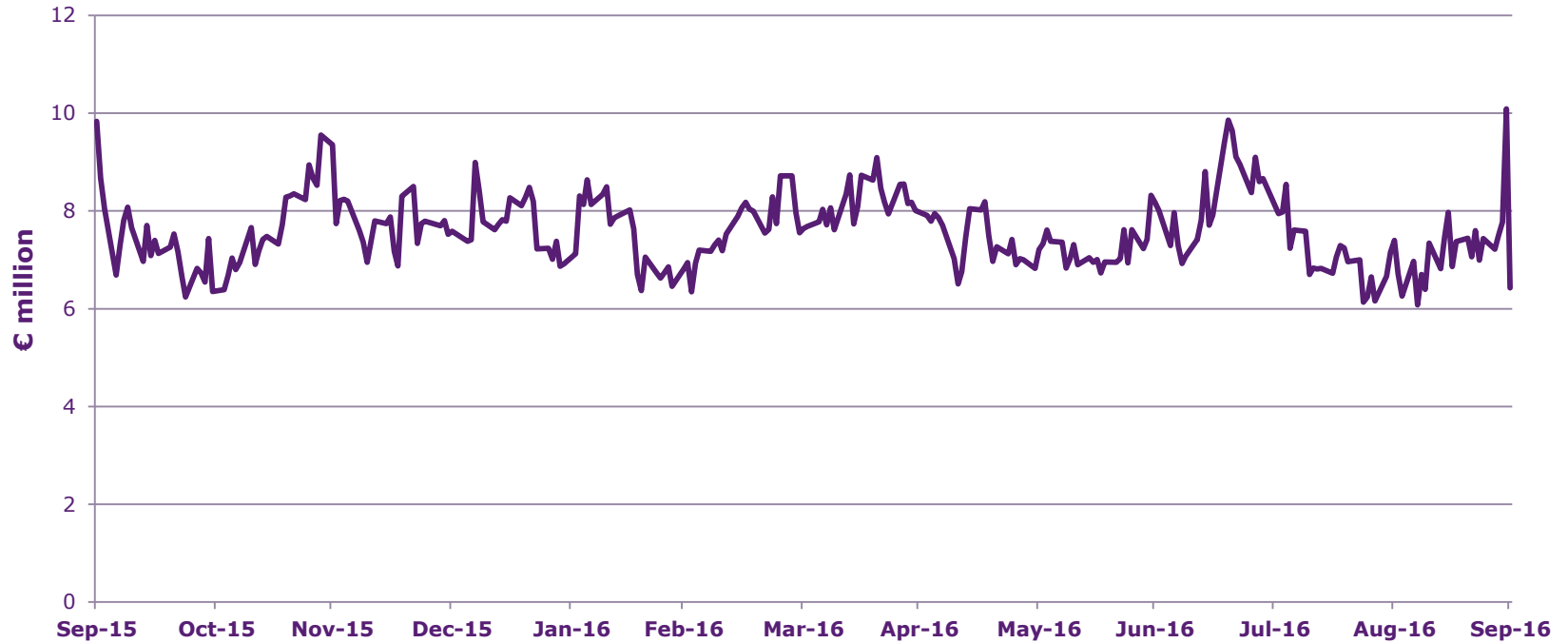
## Sector breakdown<sup>(2)</sup>



(1) Outstanding: €289bn

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

# VaR



- **3Q16 average VaR of €7.5m decreasing by 1% vs. 2Q16**

## Doubtful loans (inc. financial institutions)

| In €bn   | 3Q15       | 4Q15       | 1Q16       | 2Q16       | 3Q16       |
|--|------------|------------|------------|------------|------------|
| Doubtful loans <sup>(1)</sup>                                      | 4.1        | 4.0        | 3.8        | 4.1        | 4.2        |
| Collateral relating to loans written-down <sup>(1)</sup>           | (1.5)      | (1.3)      | (1.3)      | (1.4)      | (1.6)      |
| Provisionable commitments <sup>(1)</sup>                           | 2.7        | 2.7        | 2.6        | 2.6        | 2.6        |
| Specific provisions <sup>(1)</sup>                                 | (1.8)      | (1.8)      | (1.7)      | (1.7)      | (1.7)      |
| Portfolio-based provisions <sup>(1)</sup>                          | (0.4)      | (0.4)      | (0.4)      | (0.4)      | (0.4)      |
| <i>Provisionable commitments<sup>(1)</sup>/ Gross debt</i>         | 2.2%       | 1.9%       | 1.9%       | 2.0%       | 2.2%       |
| <i>Specific provisions/Provisionable commitments<sup>(1)</sup></i> | 67%        | 65%        | 64%        | 64%        | 64%        |
| <b>Overall provisions/Provisionable commitments<sup>(1)</sup></b>  | <b>82%</b> | <b>79%</b> | <b>79%</b> | <b>80%</b> | <b>79%</b> |

(1) Excluding securities and repos

## Note on methodology (1/2)

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### **The results at 09/30/2016 were examined by the board of directors at their meeting on 11/08/2016.**

Figures at 09/30/2016 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.

The 2015 & 1H16 quarterly series have been restated for the change in CIB organization announced on March 15 2016. The new presentation of businesses within CIB mainly takes into account the creation of a new business line: Global Finance & Investment banking housing all financing businesses (structured & plain vanilla financing), as well as M&A, Equity Capital Markets, and Debt Capital Markets.

### **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%.



## 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 goodwill relating to equity affiliates, restated goodwill and intangible assets as follows:

| <i>In €m</i>                             | <b>09/30/2016</b> | <i>In €m</i>  | <b>06/30/2016</b> |
|--|-------------------|---|-------------------|
| Intangible assets                        | 753               | Goodwill  | 3,503             |
| Restatement for Coface minority interest | (39)              | Restatement for Coface minority interest                    | (165)             |
| <b>Restated intangible assets</b>        | <b>714</b>        | Restatement for Investment Solutions deferred tax liability | (499)             |
|  |                   | <b>Restated goodwill</b>                                    | <b>2,839</b>      |

**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. Leverage ratio disclosed including the effect of intragroup cancellation - pending ECB authorization.

**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 6. 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 30<sup>th</sup> 2016,  $\frac{3}{4}$  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.

**Expenses:** Sum of operating expenses and Depreciation, amortization and impairment on property, plant and equipment and intangible assets.

