

# 2Q16 Results

//// July 28, 2016

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

## INVESTMENT SOLUTIONS

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

## CIB

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

## SFS

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

## NATIXIS

2Q16 and 1H16<sup>(1)</sup>

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

2Q16 ROTE<sup>(2)</sup>

11.7%o (+70bps YoY)

CET1<sup>(3)</sup>

11.0%

Leverage<sup>(1)</sup>

4,1%

1H16 EPS

€0.17

# Agenda

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**1. 2Q16 and 1H16 results**

**2. Business division results**

**3. Conclusion**

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

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

## ROTE<sup>(2)</sup> up 70bps to 11.7% in 2Q16

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

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

| <i>in €m</i>   | 2Q16       | 2Q15       | 2Q16<br>vs. 2Q15 |
|--|------------|------------|------------------|
| Restatement of IFRIC 21 impact                       | (20)       | (26)       |                  |
| <b>Net income (gs) - restated excl. impact IFRIC</b> | <b>400</b> | <b>379</b> | <b>5%</b>        |
| ROTE excluding IFRIC 21 impact                       | 11.7%      | 11.0%      |                  |

| <i>in €m</i>                      | 2Q16       | 2Q15       | 2Q16<br>vs. 2Q15 |
|-----------------------------------|------------|------------|------------------|
| Exceptional items                 | (39)       | 45         |                  |
| Reinstatement of IFRIC 21 impact  | 20         | 26         |                  |
| <b>Net income (gs) - reported</b> | <b>381</b> | <b>450</b> | <b>(15)%</b>     |

## Solid resilience from core businesses in 1H16

- Despite a tough start to 2016, net revenues from core businesses increased 1% YoY, mainly driven by Capital markets activities, Insurance and Specialized financing

- Operating expenses rose 3% vs. 1H15, excluding the contribution to the Single Resolution Fund (€114m in 1H16 vs. €48m in 1H15)

- Cost of risk was primarily affected by end to additional provisioning efforts on Oil & Gas sector of €72m

- Pre-tax profit for core businesses came out at €1.3bn in 1H16, virtually flat YoY

- Earnings capacity almost stable YoY to €711m and flat ROTE<sup>(2)</sup> YoY despite sharp increase in cost of contribution to Single Resolution Fund

- ROE<sup>(2)</sup> for core businesses improved 20bps vs. 1H15 to 13.4%

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

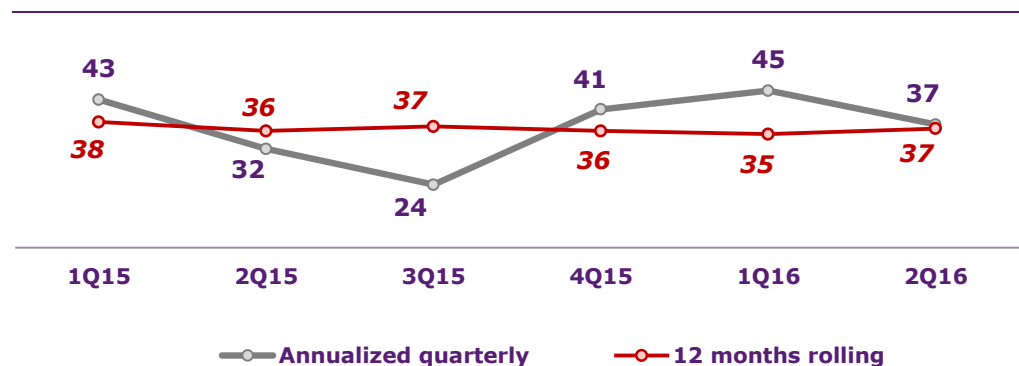
| <i>in €m</i>   | 1H16       | 1H15       | 1H16 vs.<br>1H15 |
|--|------------|------------|------------------|
| Restatement of IFRIC 21 impact                       | 78         | 52         | 51%              |
| <b>Net income (gs) - restated excl. impact IFRIC</b> | <b>711</b> | <b>717</b> | <b>-1%</b>       |
| ROTE excluding IFRIC 21 impact                       | 10.4%      | 10.4%      |                  |

| <i>in €m</i>                      | 1H16       | 1H15       | 1H16 vs.<br>1H15 |
|-----------------------------------|------------|------------|------------------|
| Exceptional items                 | (53)       | 72         |                  |
| Reinstatement of IFRIC 21 impact  | (78)       | (52)       | 51%              |
| <b>Net income (gs) - reported</b> | <b>581</b> | <b>737</b> | <b>(21)%</b>     |

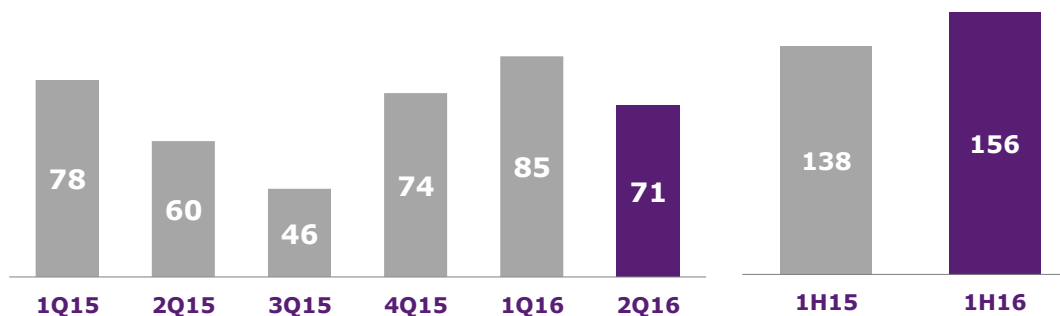
# Cost of risk for core businesses flat in 2Q16 on 12 months rolling basis

- Cost of risk<sup>(1)</sup> for core businesses improved sharply to 37bps in 2Q16 vs. 1Q16
- Cost of risk for core businesses down 17% to €84m in 1H16, excluding Oil & Gas sector, confirming the underlying improvement across all businesses

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



Cost of risk of core businesses, in €m



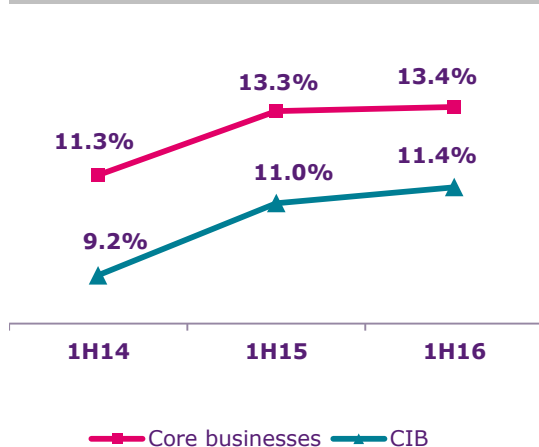
- Confirmation of cost of risk guidance of 30-35bps through the cycle on the New Frontier plan

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

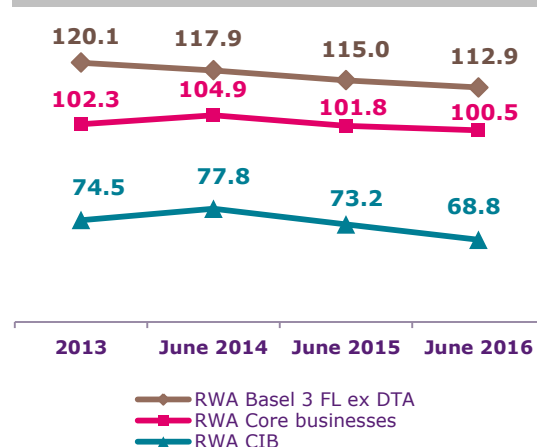


# Acceleration in transformation of Natixis' business model

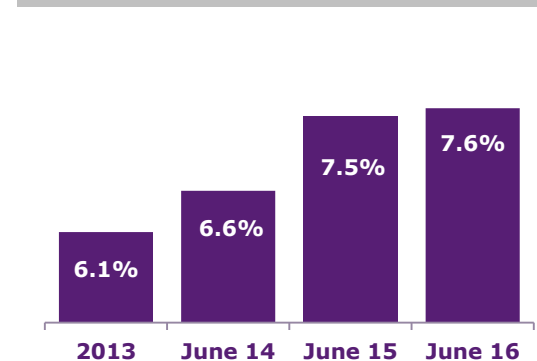
ROE<sup>(1)</sup>



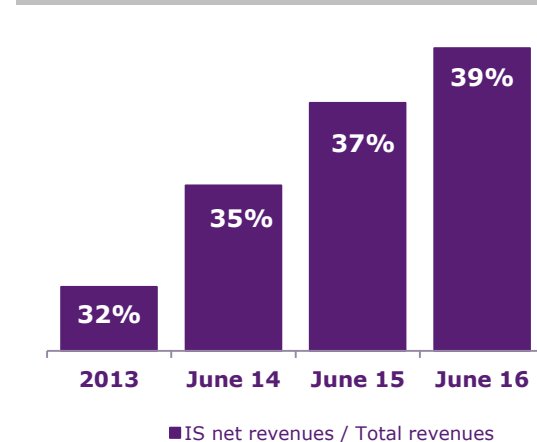
RWA in €bn



Net revenues<sup>(2)</sup> / RWA



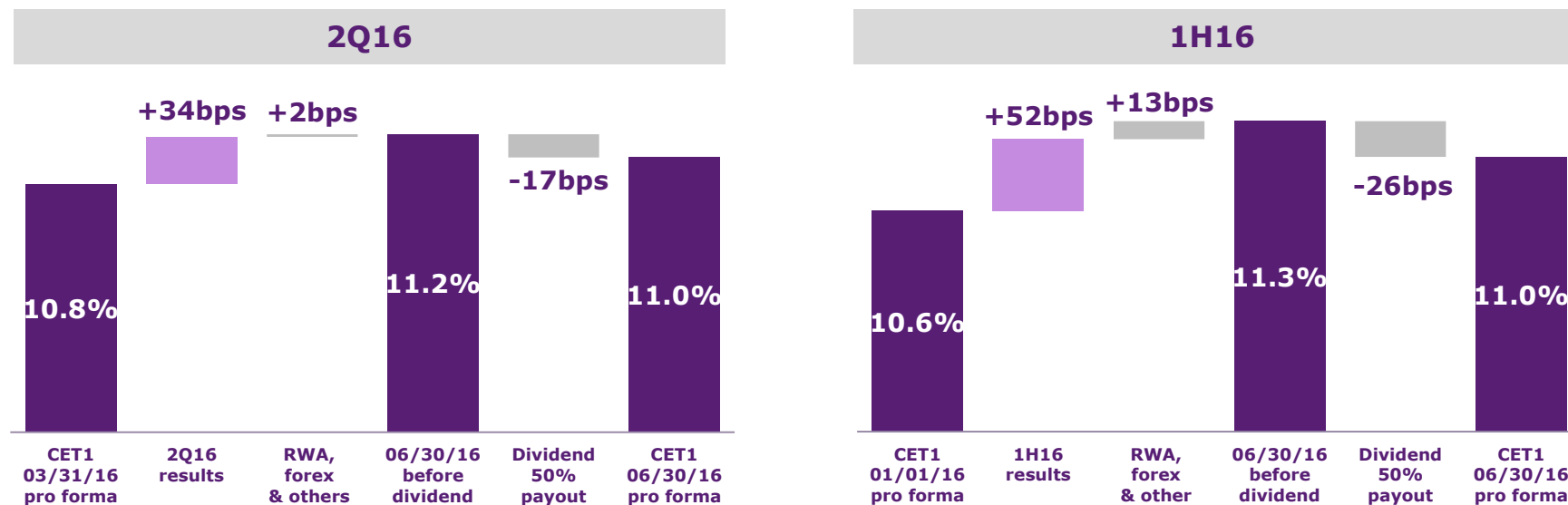
Weight of Investment Solutions



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

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

# Solvency strengthened with pro forma CET1<sup>(1)</sup> ratio of 11.3% before dividend



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

# Agenda

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**1. 2Q16 and 1H16 results**

**2. Business division results**

**3. Conclusion**

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

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

## Insurance

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

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

|                                  |       |       |         |       |         |
|----------------------------------|-------|-------|---------|-------|---------|
| Cost/Income ratio <sup>(1)</sup> | 70.0% | 68.5% | +1.5pp  | 70.1% | +1.1pp  |
| ROE after tax <sup>(1)</sup>     | 13.8% | 17.0% | (3.2)pp | 14.2% | (2.2)pp |

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

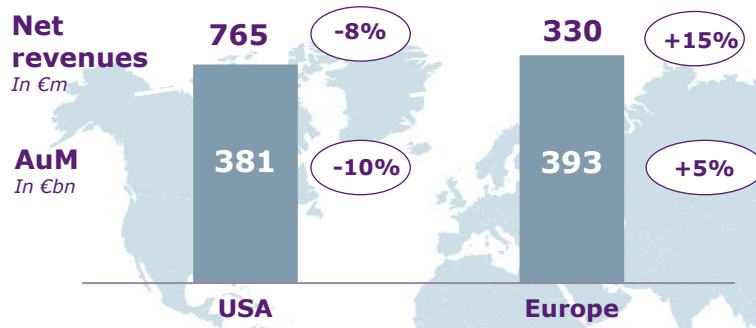
- **Limited decline in net revenues in 2Q16 and 1H16** despite a **drop in AuM in the US** (-10% YoY). Increase in perf. fees to €30m in 2Q16 vs. €20m in 2Q15
- **Europe: limited net outflows** in 2Q16 (€0.9bn) due to MMF. **Net inflows of close to €7bn in 1H16**. Low exposure of AEW Europe to commercial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

## Asset management

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

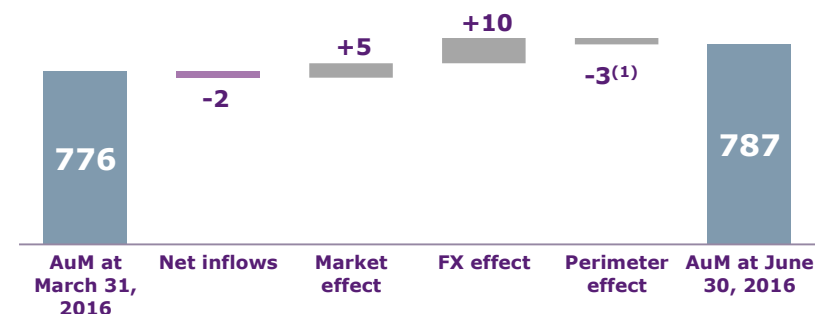
## Change per geographical area

Per asset manager, excluding distribution platform and Holding



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

## Assets under management, in €bn



## Asset management: consolidation in Real Estate

### Completion of AEW Europe shareholding restructuring:

- ✓ **Buyout of “Caisse des Dépôts et Consignation” shareholding (40%)**
- ✓ **Contribution of Ciloger (REIM activities of « La Banque Postale - €5.2bn of AuM as of June 2016) to AEW Europe:**
  - Creation of **a new leader in the French retail market** (#3 for Retail - €4.6bn of combined assets <sup>(2)</sup>) with European investment capabilities and backed by three major Retail Banking networks: Caisses d'Épargne, Banque Populaire and La Banque Postale
  - AEW Europe shareholding structure post transaction: 60% for NGAM and 40% for La Banque Postale
  - Transaction remains subject to regulatory approval expected by end-2016

### Strong organic growth across the platform:

- ✓ **Dynamic inflows mainly in Europe with close to €1bn of net flows during the first 6 months**
- ✓ **Launch of new funds :**
  - Real estate debt fund
  - Residential fund

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

Real Estate Manager by AuM  
Dec 2015 in Bn\$ - Willis Tower Watson Survey 2016

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

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

CIB

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

| <i>In €m</i>                      | 2Q16       | 2Q15       | 2Q16 vs. 2Q15 | 1H16         | 1H16 vs. 1H15 |
|-----------------------------------|------------|------------|---------------|--------------|---------------|
| <b>Net revenues</b>               | <b>887</b> | <b>842</b> | <b>5%</b>     | <b>1,668</b> | <b>1%</b>     |
| <i>Net revenues excl. CVA/DVA</i> | 854        | 845        | 1%            | 1,642        | flat          |
| Expenses                          | (482)      | (459)      | 5%            | (994)        | 4%            |
| <b>Gross operating income</b>     | <b>405</b> | <b>383</b> | <b>6%</b>     | <b>675</b>   | <b>(3)%</b>   |
| Provision for credit losses       | (53)       | (40)       | 32%           | (124)        | 18%           |
| <b>Pre-tax profit</b>             | <b>356</b> | <b>348</b> | <b>2%</b>     | <b>558</b>   | <b>(7)%</b>   |

|                                  |       |       |         |       |        |
|----------------------------------|-------|-------|---------|-------|--------|
| Cost/Income ratio <sup>(1)</sup> | 55.5% | 55.8% | (0.3)pp | 58.3% | +1.9pp |
| ROE after tax <sup>(1)</sup>     | 13.8% | 11.6% | +2.2pp  | 11.4% | +0.4pp |

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

(2) Half-year revenues annualized on RWA end of period. Excluding CVA/DVA: 4.8% in 1H16 and 4.5% in 1H15

# Excellent momentum on Capital markets since early 2016

• **Net revenues for Structured financing down 4% YoY in 2Q16 and down 6% in 1H16**

- ✓ New loan production down 7% in 2Q16 to €7.5bn vs. very demanding 2Q15 for Aviation, Export & Infrastructure finance
- ✓ Global Energy & Commodities (GEC) held up well in 2Q16 on the back of Trade finance and robust activity for Acquisition & Strategic Finance (ASF) and Real Estate Finance in Europe
- ✓ Proportion of revenues generated from fees continued to increase: 39% in 2Q16 vs. 37% in 1Q16

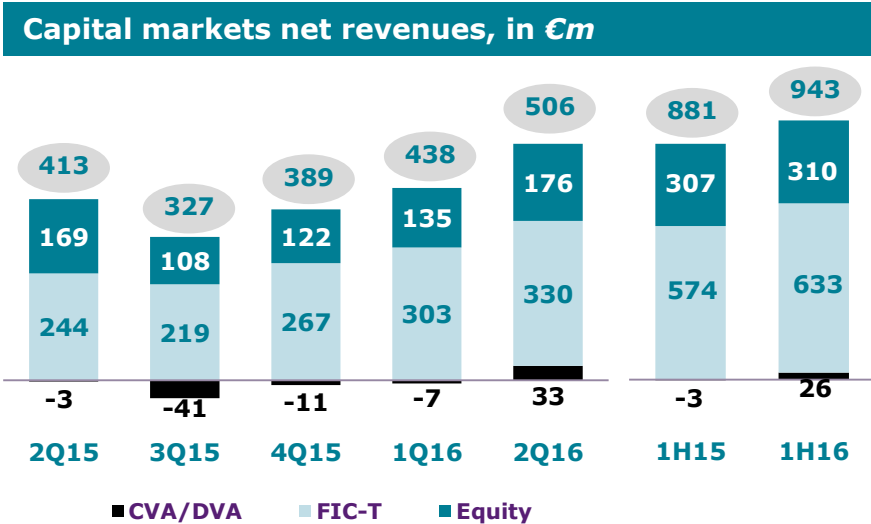
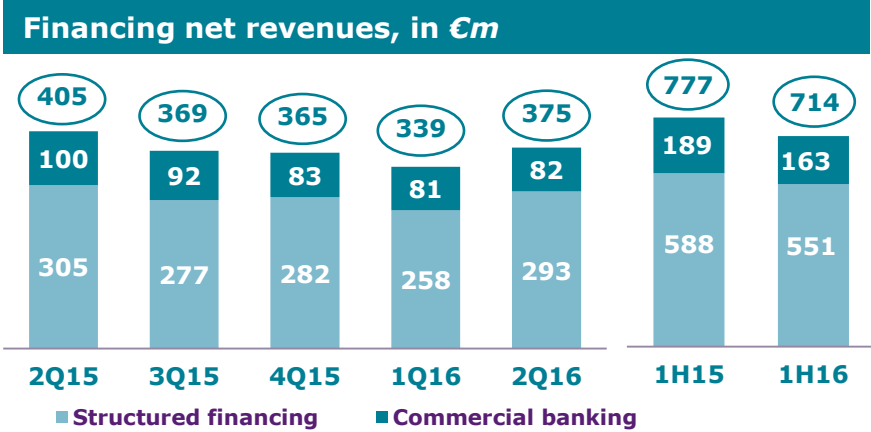
• **Commercial banking: new loan production contracted by 23% to €6.2bn in 1H16**

• **FIC-T: net revenues soared in 2Q16 (+35% vs. 2Q15) and 1H16 (+10% vs. 1H15), excl. CVA/DVA**

- ✓ Very solid performances for Fixed income operations, particularly Rates and Forex (+64% in 2Q16/2Q15 and +27% in 1H16/1H15)
- ✓ GSCS remained very dynamic (revenues +14% in 2Q16/2Q15)

• **Equity: net revenues gained 4% in 2Q16 vs. 2Q15 and 1% in 1H16 vs. 1H15**

- ✓ Expansion of Equity derivatives continued with net revenues up 1% in 1H16 buoyed by the Solutions business
- ✓ Strong momentum in M&A, driven by Natixis Partners
- ✓ Natixis ranked 3<sup>rd</sup> for M&A advisory in France in terms of number of deals concluded in 1H16 (Dealogic)



X Capital markets revenues excl. CVA/DVA



## Very sound performances from Specialized financing

- **ROE<sup>(1)</sup> gained 200bps to 17.3% in 1H16 YoY**, excluding real estate capital gains for CEGC:

- ✓ 1H16 revenues buoyed in particular by Leasing (+12%), Sureties & guarantees (+12%) and Factoring (+10%)
- ✓ Cost of risk kept well under control, down 13% YoY to €29m
- ✓ Allocated capital down 4% YoY

### Specialized financing

- ✓ **Leasing:** new production was very steady once again in 2Q16 (+7% vs. 2Q15 after +72% in 1Q16 vs. 1Q15), chiefly with Groupe BPCE's retail network on Equipment Leasing
- ✓ **Factoring:** factored turnover up 22% YoY in 2Q16 and 17% in 1H16, buoyed primarily by the large corporates segment

### Financial services

- ✓ **Employee benefit schemes:** steady growth in number of Chèque de Table<sup>®</sup> vouchers issued in 2Q16 (+9%) and 1H16 (+7%). Market share ~16% at end-June 2016
- ✓ **Payments:** 8% increase in number of electronic banking transactions processed over the quarter, and 9% over the half-year

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

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

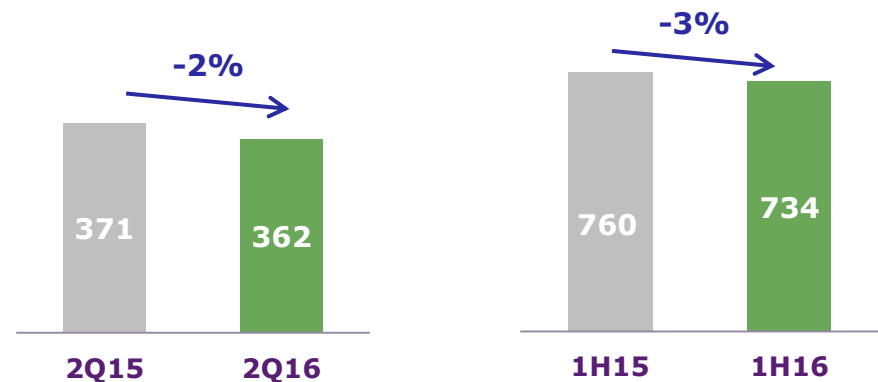
(1) See note on methodology and excluding IFRIC 21 impact

(2) Excluding real estate capital gain for CEGC in 2Q16

# Adjustment to business model under way against tough backdrop

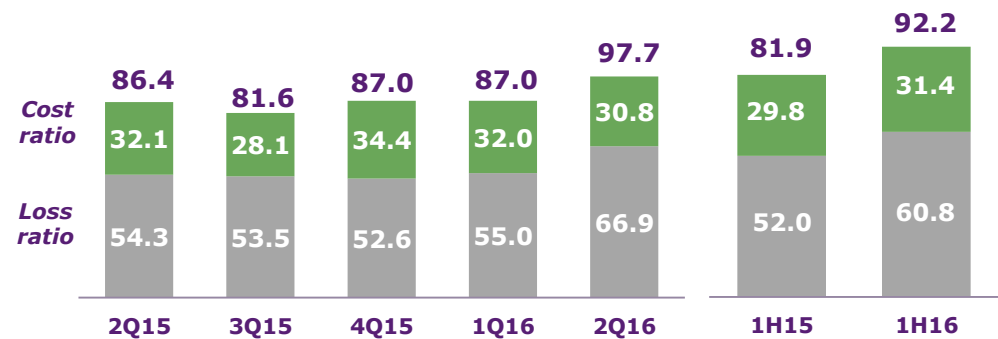
- Turnover<sup>(1)</sup> down 2% vs. 2Q15
- Net revenues<sup>(1)</sup> fell 16% YoY in 2Q16 to €135m
- Expenses flat at €277m in 1H16 vs. 1H15<sup>(1)</sup>

Turnover<sup>(1)</sup>, in €m



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

Credit insurance, ratios - net of reinsurance, in %



(1) At constant exchange rate

# Agenda

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**1. 2Q16 and 1H16 results**

**2. Business division results**

**3. Conclusion**

# Conclusion

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

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

## **Ability to meet ROE targets set out in New Frontier plan**

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

## **Dividend payout policy confirmed**

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

(1) Excl. CVA/DVA

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

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# A Appendix – Detailed Results (2Q16)

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

### Breakdown of the €12.5bn Exposure at Default (EAD) by customer segment for SAF (Structured financing)<sup>(1)</sup>

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

## 2Q16 results: from data excluding non-operating items<sup>(1)</sup> to reported data

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



# 1H16 results: from data excluding non-operating items<sup>(1)</sup> to reported data

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

## Natixis – Consolidated

| <i>in €m</i>                    | 1Q15         | 2Q15         | 3Q15         | 4Q15         | 1Q16         | 2Q16         | 2Q16<br>vs. 2Q15 | 1H15         | 1H16         | 1H16 vs.<br>1H15 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|--------------|--------------|------------------|
| <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>(4)%</b>      | <b>4,491</b> | <b>4,274</b> | <b>(5)%</b>      |
| Expenses                        | (1,553)      | (1,431)      | (1,393)      | (1,578)      | (1,605)      | (1,522)      | 6%               | (2,984)      | (3,127)      | 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>(21)%</b>     | <b>1,507</b> | <b>1,147</b> | <b>(24)%</b>     |
| Provision for credit losses     | (78)         | (64)         | (83)         | (66)         | (88)         | (88)         | 38%              | (141)        | (176)        | 25%              |
| Associates                      | 9            | 13           | 8            | 16           | 8            | 7            | (49)%            | 22           | 14           | (36)%            |
| Gain or loss on other assets    | 0            | (30)         | 2            | (3)          | 29           | 31           |                  | (30)         | 60           |                  |
| Change in value of goodwill     | 0            | 0            | 0            | 0            | 0            | (75)         |                  | 0            | (75)         |                  |
| <b>Pre-tax profit</b>           | <b>568</b>   | <b>789</b>   | <b>502</b>   | <b>614</b>   | <b>407</b>   | <b>564</b>   | <b>(29)%</b>     | <b>1,357</b> | <b>970</b>   | <b>(29)%</b>     |
| Tax                             | (239)        | (312)        | (190)        | (230)        | (172)        | (211)        | (32)%            | (551)        | (383)        | (30)%            |
| Minority interest               | (42)         | (27)         | (20)         | (68)         | (34)         | 28           |                  | (69)         | (6)          | (91)%            |
| <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>(15)%</b>     | <b>737</b>   | <b>581</b>   | <b>(21)%</b>     |

## Natixis – Breakdown by Business division

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

## IFRIC 21 effects by business line

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

| Effect in Net Revenues                   |            |          |          |          |            |          |            |            |
|--|------------|----------|----------|----------|------------|----------|------------|------------|
| <i>in €m</i>                             | 1Q15       | 2Q15     | 3Q15     | 4Q15     | 1Q16       | 2Q16     | 1H15       | 1H16       |
| Specialized Financial Services (Leasing) | (2)        | 1        | 1        | 1        | (2)        | 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> |

# Investment Solutions

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

# Corporate & Investment Banking

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

# Specialized Financial Services

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

## Financial Investments

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

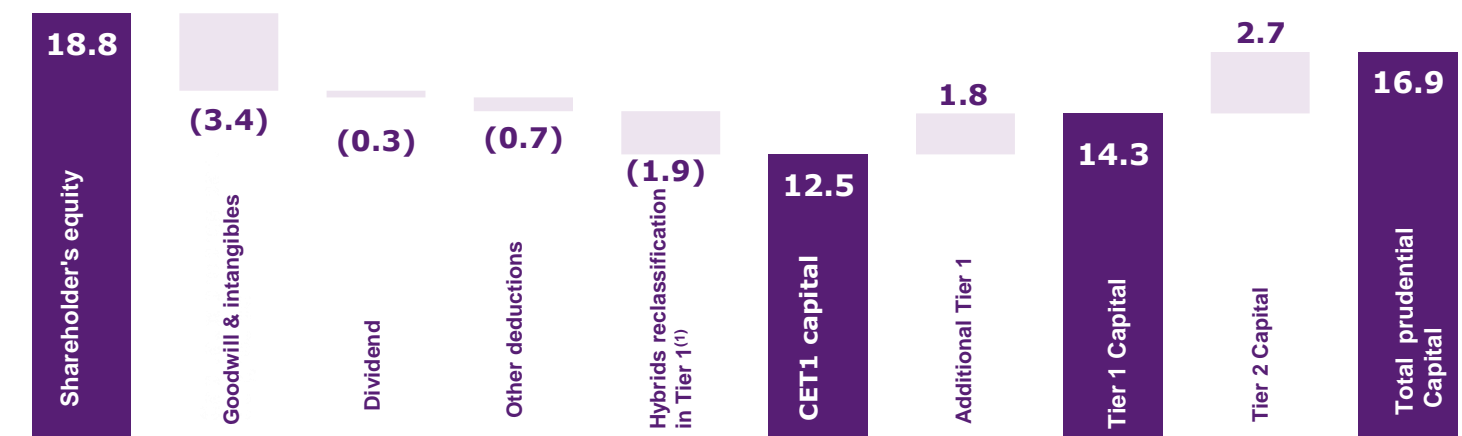


## Corporate center

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

# Regulatory capital in 2Q16 & financial structure Basel 3

Regulatory reporting, in €bn



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

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

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

# Leverage ratio

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

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

# Normative capital allocation

## Normative capital allocation and RWA breakdown at end-June 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/>1H16</b> |
|---------------------------------------|--------------------------------|------------------------------|---|---|-----------------------------------|
| <b>CIB</b>                            | 68.8                           | 65%                          | 0.1   | 6.9   | 11.0%                             |
| <b>Investment Solutions</b>           | 17.0                           | 16%                          | 2.8   | 4.4   | 13.9%                             |
| <b>SFS</b>                            | 14.8                           | 14%                          | 0.3   | 1.6   | 19.3%                             |
| <b>Financial Investments</b>          | 5.5                            | 5%                           | 0.2   | 0.7   |                                   |
| <b>TOTAL (excl. Corporate Center)</b> | <b>106.0</b>                   | <b>100%</b>                  | <b>3.4</b>                                      | <b>13.6</b>   |                                   |

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

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

### Earnings per share (1H16)

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

(1) Net tangible book value = Book value - goodwill - intangible assets

(2) Calculated on the basis of 3,126,429,212 shares - end of period

(3) See note on methodology

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

### Net income attributable to shareholders

| en M€   | <b>2Q16</b> | <b>1H16</b> |
|---|-------------|-------------|
| Net income (gs)                                     | 381         | 581         |
| DSN interest expenses on preferred shares after tax | (20)        | (37)        |
| <b>ROE &amp; ROTE numerator</b>                     | <b>361</b>  | <b>544</b>  |

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

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

(1) See note on methodology

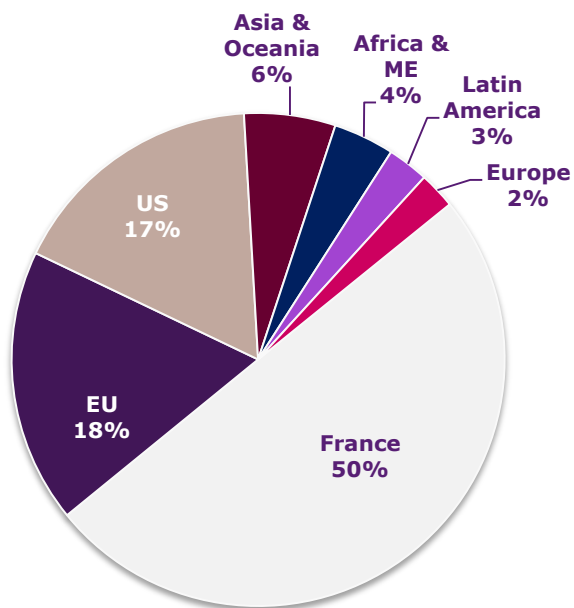
(2) Dividend based on 50% of the net income attributable to shareholders excluding FV adjustment on own debt

## Balance sheet

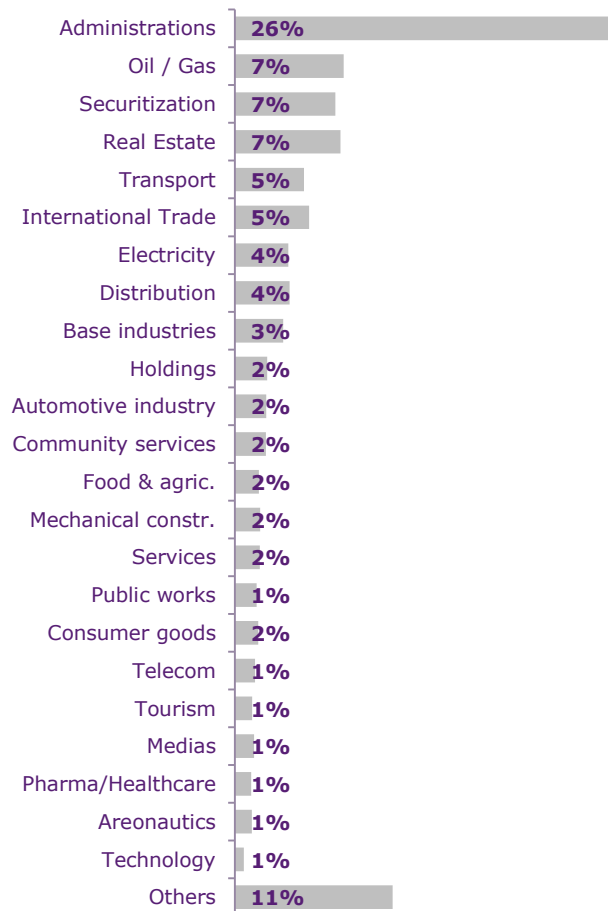
| Assets (in €bn)  | 06/30/2016   | 12/31/2015   | Liabilities and equity (in €bn)                             | 06/30/2016   | 12/31/2015   |
|--|--------------|--------------|---|--------------|--------------|
| Cash and balances with central banks                   | 27.9         | 21.2         | Due to central banks  | 0.0          | 0.0          |
| Financial assets at fair value through profit and loss | 192.1        | 191.6        | Financial liabilities at fair value through profit and loss | 164.8        | 159.0        |
| Available-for-sale financial assets                    | 55.3         | 52.7         | Customer deposits and deposits from financial institutions  | 191.2        | 177.8        |
| Loans and receivables                                  | 198.4        | 178.7        | Debt securities   | 35.5         | 40.4         |
| Held-to-maturity financial assets                      | 2.2          | 2.3          | Accruals and other liabilities                              | 49.2         | 43.1         |
| Accruals and other assets                              | 52.2         | 46.7         | Insurance companies' technical reserves                     | 67.3         | 52.9         |
| Investments in associates                              | 0.7          | 0.7          | Contingency reserves  | 1.7          | 1.7          |
| Tangible and intangible assets                         | 2.6          | 2.8          | Subordinated debt   | 5.2          | 4.9          |
| Goodwill   | 3.5          | 3.6          | Equity attributable to equity holders of the parent         | 18.8         | 19.2         |
|  |              |              | Minority interests  | 1.2          | 1.3          |
| <b>Total</b>   | <b>534.9</b> | <b>500.3</b> | <b>Total</b>  | <b>534.9</b> | <b>500.3</b> |

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

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

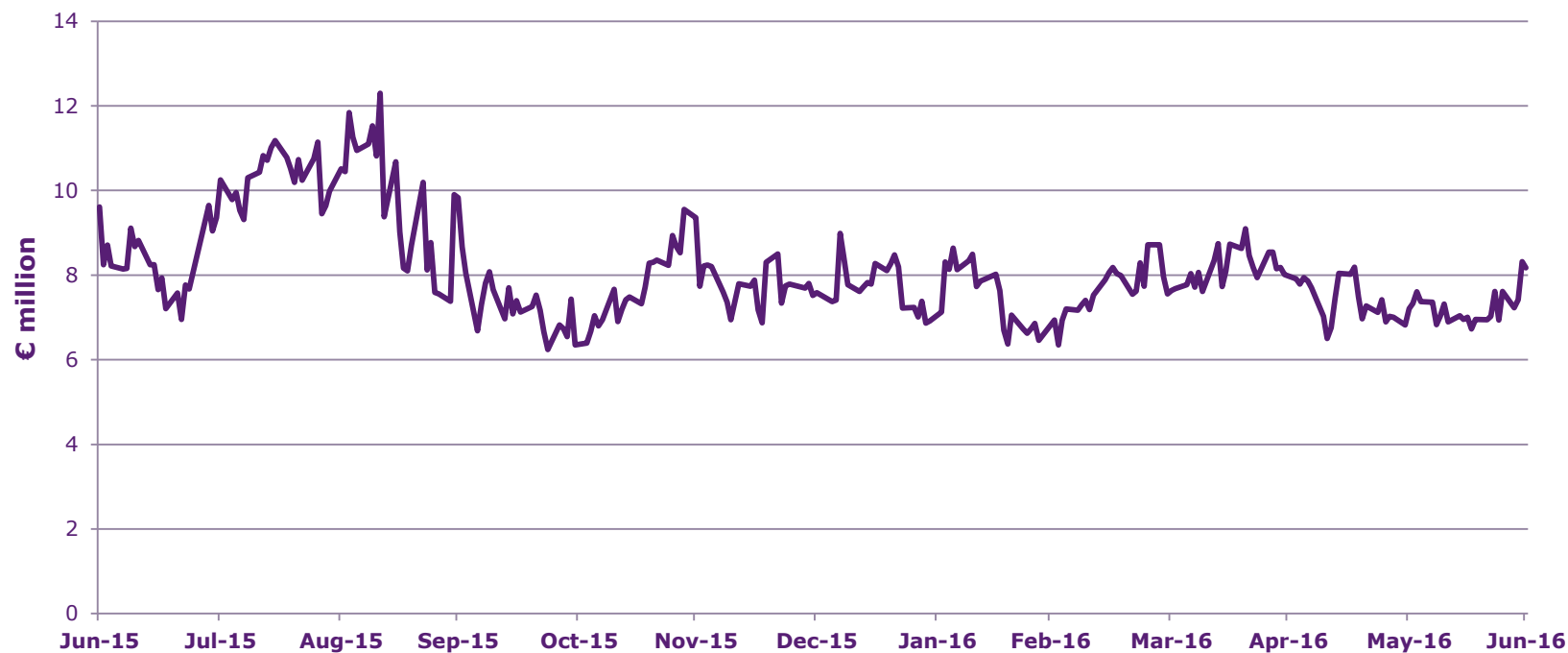


## Sector breakdown<sup>(2)</sup>



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

## VaR(1)



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



## Doubtful loans (inc. financial institutions)

| In €bn   | 2Q15       | 3Q15       | 4Q15       | 1Q16       | 2Q16       |
|--|------------|------------|------------|------------|------------|
| Doubtful loans <sup>(1)</sup>                                      | 4.2        | 4.1        | 4.0        | 3.8        | 4.1        |
| Collateral relating to loans written-down <sup>(1)</sup>           | (1.5)      | (1.5)      | (1.3)      | (1.3)      | (1.4)      |
| Provisionable commitments <sup>(1)</sup>                           | 2.7        | 2.7        | 2.7        | 2.6        | 2.6        |
| Specific provisions <sup>(1)</sup>                                 | (1.8)      | (1.8)      | (1.8)      | (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>         | 2.1%       | 2.2%       | 1.9%       | 1.9%       | 2.0%       |
| <i>Specific provisions/Provisionable commitments<sup>(1)</sup></i> | 67%        | 67%        | 65%        | 64%        | 64%        |
| <b>Overall provisions/Provisionable commitments<sup>(1)</sup></b>  | <b>81%</b> | <b>82%</b> | <b>79%</b> | <b>79%</b> | <b>80%</b> |

(1) Excluding securities and repos

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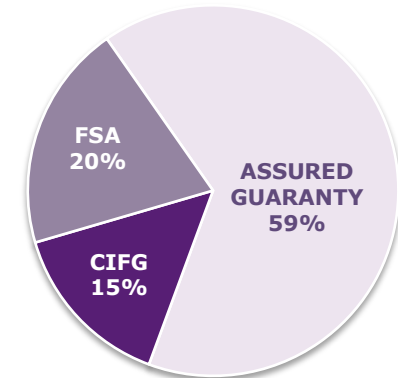
# **B** Appendix – Specific information on exposures (FSB Recommendation)

# Protection

## Protection purchased from Monoline

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

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



## Protection purchased from CDPC

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

No net notional as of 06/30/2016

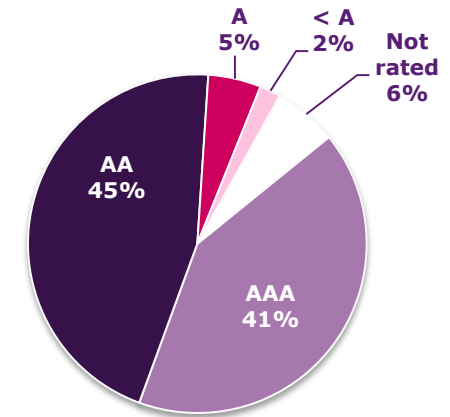
Gross notional amount: €3.4bn

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

## CDO not exposed to US housing market

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

## Residual exposure



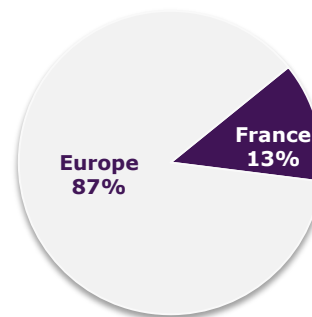
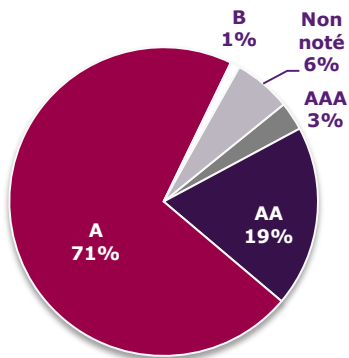
## Non-hedged Mortgage Backed Securities

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

# Sponsored conduit

## MAGENTA – conduits sponsored by Natixis, in €bn

|                          |        |                  |     |
|--------------------------|--------|------------------|-----|
| Country of issuance      | France | Automobile loans | 19% |
| Amount of asset financed | 1.5    | Business loans   | 67% |
| Liquidity line extended  | 1.9    | Mortgage loans   | 6%  |
| Age of assets:           |        | Consumer credit  | 7%  |
| 0 – 6 months             | 30%    | Non US RMBS      |     |
| 6 – 12 months            | 27%    | CDO / CLO        |     |
| > 12 months              | 44%    | Other            | 1%  |



# Monoline

## Valuation assumptions

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### Monoline

#### Fair value of protection before value adjustments

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

#### Value adjustment

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

## Note on methodology (1/2)

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

Figures at 06/30/2016 are presented in accordance with IAS/IFRS accounting standards and IFRS Interpretation Committee (IFRIC) rulings as adopted in the European Union and applicable at this date.

### **2015 figures are presented pro forma:**

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

### **Changes in rules as of January 1, 2016:**

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

### **Business line performances using Basel 3 standards:**

- The performances of Natixis business lines are presented using Basel 3 standards. Basel 3 risk-weighted assets are based on CRR-CRD4 rules as published on June 26th, 2013 (including the Danish compromise treatment for qualified entities).
- **Natixis' ROTE** is calculated by taking as the numerator net income (group share) excluding DSN interest expenses on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, excluding average hybrid debt, average intangible assets and average goodwill.
- **Natixis' ROE:** results used for calculations are net income (group share), deducting DSN interest expenses on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, excluding average hybrid debt, and excluding unrealized or deferred gains and losses recognized in equity (OCI).
- **ROE for business lines** is calculated based on normative capital to which are added goodwill and intangible assets for the business line. Normative capital allocation to Natixis' business lines is carried out on the basis of 10% of their average Basel 3 risk-weighted assets. Business lines benefit from remuneration of normative capital allocated to them. By convention, the remuneration rate on normative capital is maintained at 3%.

## Note on methodology (2/2)

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

| <i>In €m</i>                             | <b>06/30/2016</b> | <i>In €m</i>  | <b>06/30/2016</b> |
|--|-------------------|---|-------------------|
| Intangible assets                        | 756               | Goodwill  | 3,524             |
| Restatement for Coface minority interest | (39)              | Restatement for Coface minority interest                    | (165)             |
| <b>Restated intangible assets</b>        | <b>716</b>        | Restatement for Investment Solutions deferred tax liability | (504)             |
|  |                   | <b>Restated goodwill</b>                                    | <b>2,855</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.

**Exceptional items:** figures and comments on this presentation are based on Natixis and its businesses' income statements excluding non-operating and/or exceptional items detailed page 5. Natixis and its businesses' income statements including these items are available in the appendix of this presentation.

**Restatement for IFRIC 21 impact:** the cost/income ratio and the ROE excluding IFRIC 21 impact calculation take into account as of June 30<sup>th</sup> 2016, 1/2 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.



