Joint stock company with capital of €5,894,485,553.60
Registered office: 7 promenade Germaine Sablon - 75013 Paris France
Paris Trade and Companies Register No. 542 044 524

FIRST AMENDMENT TO THE 2022 UNIVERSAL REGISTRATION DOCUMENT AND HALF-YEARLY FINANCIAL REPORT

FILED WITH THE AMF ON AUGUST 4, 2023

2022 universal registration document and annual financial report filed with the AMF on March 23, 2023, under number D. 23-0140.

This amendment to the universal registration document was filed on August 4, 2023 with the AMF, in its capacity as the competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Natixis universal registration document may be used for the purposes of an offer to the public of securities or for the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and all amendments made to the universal registration document. These documents as a whole are approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

CONTENTS

FIRST AMENDMENT TO THE 2022 UNIVERSAL REGISTRATION DOCUMENT AND HALF-YEARLY FINANCIAL REPORT

I CHAPTER 1: NATIXIS OVERVIEW

The following press releases and all press releases are available at the following web address: https://pressroom.natixis.com/

1.1 Press releases issued since March 23, 2023

- **Paris, April 18, 2023: Delphine Maisonneuve appointed Director of Natixis and Chairwoman of the Appointments Committee**

The Board of Directors of Natixis, at its meeting on April 13, 2023, co-opted Delphine Maisonneuve as an independent director to succeed Diane de Saint Victor. Delphine Maisonneuve is also appointed Chairwoman of the Appointments Committee, member of the Compensation Committee and member of the Strategic Committee.

Delphine Maisonneuve has been Chief Executive Officer of Groupe VYV since June 2021, the leading mutual health group in France founded by four health/personal protection insurance mutuals: Harmonie Mutuelle, MGEN, MNT, MMG and including two subsidiaries specializing in Personal protection insurance, Savings and Retirement (Mutex and UMR). She previously spent 30 years at Axa where she held various management positions in distribution and operations in France and Spain until becoming CEO of Axa Brazil in 2018, then CEO of Axa Next and Director of Innovation for the Axa Group in 2020.

- **Paris, July 17, 2023**

Nathalie Bricker, appointed Chief Financial Officer and Strategy Officer of Natixis Investment Managers and member of the Asset & Wealth Management Committee / Stéphane Morin, appointed Chief Financial Officer of Natixis Corporate & Investment Banking and member of the Groupe BPCE Global Business Lines' Senior Management Committee

Nathalie Bricker, Chief Financial Officer of Groupe BPCE's global business lines, has been appointed Chief Financial Officer and Strategy Officer of Natixis Investment Managers, the asset manager of Groupe BPCE, which relies on more than fifteen affiliated management companies around the world. She will report to Tim Ryan, Chief Executive Officer of Natixis Investment Managers, in charge of Asset & Wealth Management at Groupe BPCE.

Stéphane Morin is appointed Chief Financial Officer of Natixis Corporate & Investment Banking and a member of the Groupe BPCE Global Business Lines' Senior Management Committee, in charge of coordinating cross-functional financial issues. He will report to Stéphanie Paix, Chief Executive Officer of Groupe BPCE's global business lines.

Biography of Nathalie Bricker

Nathalie Bricker began her career at KPMG in 1991. In 1995, she joined Caisse des Dépôts as coordinator of the accounting network for capital markets and custodians. In 1998, she became head of central accounting. She joined CDC IXIS in 2000 as Deputy Head of the Accounting Department and Head of the Parent Company Financial Statements section. She then became Head of Accounting Standards and Systems at Natexis Banques Populaires in 2005 and then Head of Accounting at Natixis in 2007. In 2013, Nathalie Bricker became Head of Accounting and Ratios and joined the Natixis Executive Committee in 2016. Since 2018, she has been Chief Financial Officer and member of the Senior Management Committee of Natixis. Nathalie Bricker is 55 years old.

Biography of Stéphane Morin

Stéphane Morin began his professional career in 1997 at the Banque Populaire Group's General Inspection Department. He then joined Natixis Commodity Markets in 2003 as Director of Credit and Operational Risks. In 2006, he was appointed Director of Credit and Operational Risks for the EMEA platform in London. In 2009, he became Senior Inspector within BPCE Groupe's General Inspection. In 2011, he was appointed Deputy Head of Global Compliance and Permanent Control at Natixis. In 2015, Stéphane Morin became Global Head of Compliance at Natixis and a member of its Executive Committee. Since 2019, he has been US Chief Risk Officer in New York. Stéphane Morin is 52 years old.

1.2 Other information

- **Chapter 1 - 2022 URD: Update of Section 1.1.2 Financial solidarity mechanism with BPCE (page 23 of the 2022 universal registration document)**

Financial solidarity mechanism with BPCE

Including Natixis, all the institutions affiliated with the central institution of Groupe BPCE benefit from a guarantee and solidarity mechanism, whose purpose, according to Articles L.511-31, L.512-107-5 and L.512-107-6 of the French Monetary and Financial Code, is to guarantee the liquidity and capital adequacy of all affiliated institutions, and to organize financial support within the Group. This financial solidarity is based on legislative provisions establishing a legal principle of solidarity requiring the central institution to restore the liquidity or solvency of affiliates in difficulty, and/or all of the Group's affiliates. By virtue of the unlimited nature of the solidarity principle, BPCE is entitled at any time to ask any one, or more, or all of the affiliates to contribute to the financial efforts that may be necessary to restore the position, and may, if necessary, mobilize all the cash and capital of the affiliates in the event of difficulty of one or more of them.

Thus, in the event of difficulties for Natixis S.A., BPCE must do everything necessary to restore the position of Natixis S.A. and may in particular implement the internal solidarity mechanism that it has put in place by (i) first mobilizing its equity as part of its duty as a shareholder; (ii) if these are not sufficient, BPCE could call on the mutual guarantee fund created by BPCE, which had a total of €607.2 million in assets at December 31, 2022 contributed equally by the two Banque Populaire and Caisse d'Epargne networks and which is expected to grow through annual contributions (subject to the amounts that would be used in the event of a call on the fund); (iii) if BPCE's own funds and this mutual guarantee fund were not sufficient, BPCE could draw on the guarantee funds specific to each of the two Banque Populaire and Caisse d'Epargne networks for a total amount of €900 million (i.e. €450 million for each network) and to the Mutual Guarantee Fund of the Banques Populaires and Caisse d'Epargne, consisting of deposits made by the Banques Populaires and the Caisses d'Epargne in the books of BPCE as 10-year term deposits and indefinitely renewable; (iv) if the use of BPCE's equity capital and these three guarantee funds were not sufficient, additional amounts would be requested from all the Banques Populaires and the Caisses d'Epargne. It is specified that the guarantee funds referred to above constitute an internal guarantee mechanism within Groupe BPCE activated at the initiative of the BPCE Management Board, or an authority competent in a banking crisis, which may request that it be implemented if deemed necessary; (v) in addition, BPCE may also make unlimited use of the resources of any one, several or all of the other affiliates.

As a result of this full and complete legal solidarity, one or more affiliates cannot find themselves in compulsory liquidation, or be affected by resolution measures within the meaning of the EU Directive No. 2014/59 for the recovery and resolution of credit institutions, as amended by EU Directive No. 2019/879 (the "BRRD"), without all affiliates being in the same position.

In accordance with Article L.613-29 of the French Monetary and Financial Code, the judicial liquidation procedure would therefore be implemented in a coordinated manner with regard to the central institution and all of its affiliates.

In the event of court-ordered liquidation concerning all the affiliates, the external creditors with equal ranking or identical rights of all the affiliates would be managed in hierarchical order of creditors in equal fashion and irrespective of their association with any given affiliated entity. Consequently, holders of AT1 capital and other pari passu securities would be more affected than holders of T2 capital and other pari passu securities, who would be more affected than holders of senior non-preferred external debt, who, in turn, would be more affected than holders of senior preferred external debt. In the event of termination, and in accordance with Article L.613-55-5 of the French Monetary and Financial Code, identical impairment and/or conversion rates would be applied to debts and receivables of the same rank, regardless of their attachment to a particular affiliated entity in the order of the hierarchy mentioned above.

Due to Natixis S.A.'s affiliation with the BPCE central institution and the systemic nature of Groupe BPCE, and the assessment currently made by the resolution authorities, resolution measures would be more likely to be taken, if necessary, than the opening of court-ordered liquidation proceedings. Resolution proceedings may be initiated against BPCE and all affiliated entities if (i) the default of BPCE and all affiliated entities is proven or foreseeable, (ii) there is no reasonable prospect that another measure could prevent this default within a reasonable timeframe, and (iii) a resolution measure is required to achieve the resolution objectives: (a) guarantee the continuity of critical functions, (b) avoid significant adverse effects on financial stability, (c) protect Government resources by minimizing the use of exceptional public financial support and (d) protect the funds and assets of clients, in particular those of depositors. An institution is considered in default when it does not comply with the conditions of its authorization, if it is unable to pay its debts or other commitments when they fall due, or if it requests exceptional public financial support (subject to limited exceptions) or the value of its liabilities exceeds that of its assets.

In addition to the bail-in power, resolution authorities are given expanded powers to implement other resolution measures in relation to failing institutions or, in certain circumstances, their groups, which may include, among others: the sale of all or part of the activity of the institution to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as debtor of the debt instruments, changes in the terms and conditions of the debt instruments (including modification of the maturity and/or amount of interest payable and/or the temporary suspension of payments), suspension of admission to trading or official listing of the financial instruments, and the removal of executive officers or the appointment of a temporary administrator (special administrator) and the issue of capital or equity.

❖ Ratings

Long-term ratings (situation as of August 2, 2023)

Standard & Poor's: A (stable outlook)
Moody's: A1 (stable outlook)
Fitch Ratings: AA- (negative outlook)

II. CHAPTER 2: CORPORATE GOVERNANCE

2.1 Natixis governance at August 2, 2023

2.1.2 Summary table of the Board of Directors at August 2, 2023

Personal information					Directorship information		Committees						
First name/Last name	Gender	Age (at 31/07/2023)	Nationality	Number of shares (at 31/07/2023)	First appointed	End date of the term of office	RC [1]	US RC [2]	AUC [3]	CompC [4]	AppointC [5]	ESRC [6]	SC [7]
Directors from BPCE													
Nicolas Namias (Chairman since 03/12/2022)	M	47	French	5,986	01/12/2022 (with effect from 03/12/2022)	2027 AGM							X
BPCE Represented by Catherine Halberstadt *(since 01/01/2018)*	F	64	French	3,680,048,693 (a)	25/08/2009	2027 AGM	X	X	X				X
Independent directors													
Diane de Saint Victor (b) *(Director until 08/02/2023)*	F	68	French	0	04/04/2019	2025 AGM				X	C		X
Delphine Maisonneuve (since 13/04/2023)	F	54	French and Ecuadorian	0	13/04/2023	2025 AGM				X	C		X
Anne Lalou	F	59	French	0	18/02/2015	2026 AGM				X	X	C	C
Catherine Pariset	F	69	French	0	14/12/2016	2027 AGM	X	X	C				X
Laurent Seyer	M	58	French	0	13/12/2021	2026 AGM	C	C	X			X	X
Nicolas de Tavernost	M	72	French	0	31/07/2013	2025 AGM				C	X		X
Directors from Banque Populaire													
Sylvie Garcelon	F	58	French	0	10/02/2016	2024 AGM			X			X	X
Dominique Garnier	M	62	French	0	28/05/2021	2024 AGM				X			X
Philippe Hourdain	M	67	French	0	23/06/2020	2026 AGM					X		X
Catherine Leblanc	F	68	French	0	23/06/2020	2025 AGM				X			X
Directors from Caisse d'Epargne													
Valérie Savani	F	54	French	0	15/12/2022	2027 AGM			X		X		X
Dominique Duband	M	65	French	0	06/02/2020	2026 AGM						X	X
Laurent Roubin	M	53	French	0	22/09/2021	2024 AGM	X	X			X		X
Christophe Pinault	M	61	French	0	20/12/2018	2025 AGM	X	X		X			X
Non-voting member													
Henri Proglio	M	74	French	0	04/04/2019	2027 AGM				X			X

C *Chairman / Chairwoman*
X *Member / Participant*
(a) *These shares are held by BPCE.*
(b) *Director whose term of office ended during fiscal year 2023.*

1 Risk Committee
2 US Risk Committee
3 Audit Committee
4 Compensation Committee
5 Appointments Committee
6 ESR Committee
7 Strategic Committee

2.2 Management and oversight of corporate governance

2.2.1 The Board of Directors

2.2.1.1 Composition and organization of the Board of Directors

At August 2, 2023, the Board of Directors of Natixis had 15 directors. It is composed as follows:

- two members from BPCE, namely Nicolas Namias and BPCE itself, represented by Catherine Halberstadt;
- four members from Banques Populaires, namely Sylvie Garcelon, Dominique Garnier, Philippe Hourdain and Catherine Leblanc;
- four members from the Caisses d'Epargne, namely Dominique Duband, Christophe Pinault, Laurent Roubin and Valérie Savani; and
- five independent members, namely Anne Lalou, Delphine Maisonneuve[1], Catherine Pariset, Laurent Seyer and Nicolas de Tavernost.

In accordance with Article L.225-27-1 of the French Commercial Code, the Board of Directors of Natixis does not have a director representing the employees or a director representing the employee shareholders. However, two representatives of the Social and Economic Committee attend every Board of Directors' meeting in an advisory capacity.

In accordance with Article L.225-19 of the French Commercial Code, the number of directors who are over the age of 70 is limited to one third of the number of directors in office. Onedirector of Natixis was over the age of 70 at August 2, 2023 *(see the summary table of the Board of Directors in Section [2.1.2] of this chapter*).

In addition, in accordance with Article 15.1 of the Afep-Medef code, the term of office of Natixis directors is four (4) years.

A – Main changes in the composition of the Board of Directors

The main changes in the composition of the Board of Directors since the publication of the universal registration document on March 23, 2023 that are likely to have a significant impact on the Company's governance are as follows:

- ■ on April 13, 2023, the Board of Directors of Natixis:
  - co-opted with immediate effect, **Delphine Maisonneuve** as Director to replace Diane de Saint Victor, who resigned, for the remainder of her term of office, i.e. until the General Shareholders' Meeting of Natixis called in 2025 to approve the financial statements for the fiscal year ended December 31, 2024 and appointed with immediate effect, Delphine Maisonneuve as member and Chairwoman of the Appointments Committee, and as a member of the Compensation Committee. Delphine Maisonneuve is also an ex-officio member of the Strategic Committee,
- ■ on May 3, 2023, the Board of Directors of Natixis:
  - reappointed Nicolas Namias as Chairman of the Board of Directors for the duration of his term of office as Director, i.e. until the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026, subject to the approval by the General Shareholders' Meeting of May 23, 2023 of the renewal of his term of office as director (12th resolution),
  - subject to approval by the General Shareholders' Meeting of May 23, 2023, of the 13th, 14th, 15th and 16th resolutions,
    - reappointed **BPCE, represented by Catherine Halberstadt**, as a member of the Audit Committee, a member of the Risk Committee and a member of the US Risk Committee;
    - reappointed **Catherine Pariset** as a member and Chairwoman of the Audit Committee, a member of the Risk Committee and member of the US Risk Committee;
    - reappointed **Valérie Savani** as a member of the Appointments Committee and a member of the Audit Committee;
    - reappointed **Henri Proglio** as a member of the Compensation Committee.

[1] Since April 13, 2023, position previously held by Diane de Saint Victor, who resigned from her directorship with effect from the end of the Board of Directors' meeting of February 8, 2023.

In addition, as directors, BPCE, represented by Catherine Halberstadt, Catherine Pariset, Valérie Savani and Henri Proglio are ex-officio members of the Strategic Committee.

- on May 23, 2023, the Combined General Shareholders' Meeting of Natixis:
  - ratified the co-opting of **Nicolas Namias** as Director at the Board of Directors' Meeting of December 1, 2022, with effect from December 3, 2022, to replace Laurent Mignon, who resigned, for the remainder of his term of office, i.e. until the end of the General Shareholders' Meeting called in 2023 to approve the financial statements for the fiscal year ended December 31, 2022,
  - ratified the co-opting of **Valérie Savani** as Director at the Board of Directors' Meeting of December 15, 2022, to replace Didier Dousset, who resigned, for the remainder of his term of office, i.e. until the end of the General Shareholders' Meeting called in 2023 to approve the financial statements for the fiscal year ended December 31, 2022,
  - ratified the co-opting of **Delphine Maisonneuve** as Director at the Board of Directors' Meeting of April 13, 2023, to replace Diane de Saint Victor, who resigned, for the remainder of her term of office, i.e. until the end of the General Shareholders' Meeting called in 2025 to approve the financial statements for the fiscal year ended December 31, 2024,
  - reappointed **Nicolas Namias** as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026,
  - reappointed **BPCE** as Director, **represented by Catherine Halberstadt**, for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026,
  - reappointed **Catherine Pariset** as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026,
  - reappointed **Valérie Savani** as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026,
  - reappointed **Henri Proglio** as non-voting member for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended December 31, 2026.

B – Procedure for staggering terms of office

In accordance with the staggered appointments procedure initiated at the Combined General Shareholders' Meeting on May 23, 2018, the current terms of office expire as follows:

2024 AGM	Sylvie Garcelon, Dominique Garnier, Laurent Roubin
2025 AGM	Catherine Leblanc, Christophe Pinault, Delphine Maisonneuve, Nicolas de Tavernost
2026 AGM	Dominique Duband, Philippe Hourdain, Anne Lalou, Laurent Seyer
2027 AGM	Nicolas Namias, BPCE (represented by Catherine Halberstadt), Catherine Pariset, Valérie Savani (and Henri Proglio – non-voting member)

C – Diversity policy of the Board of Directors

Independent directors

One third of the members of the Board of Directors are independent, in accordance with the Afep-Medef code. At August 2, 2023, the five independent directors of Natixis are: Anne Lalou (Director of the Web School Factory and Chairwoman of the Innovation Factory), Catherine Pariset (Director of PSA Finance, Generali Vie, Generali IA and Generali Retraite), Delphine Maisonneuve (Chief Executive Officer of Groupe VYV), Laurent Seyer (Chairman of Ellesse SAS) and Nicolas de Tavernost (Chairman of the Management Board of the M6 Group).

2.2.1.2 Role and powers of the Board of Directors

B – Code of Ethics for members of the Board of Directors

On April 13, 2023, the Board of Directors amended its Internal Rules and the Code of Ethics for the members of the Board of Directors in order to cancel and replace Article 6 “Independence and conflicts of interest” of the Code of Ethics for the members of the Board of Directors as follows:

Article 6: Independence and conflicts of interest

The examination of the situation of each director or non-voting member in terms of potential conflict of interest is carried out by the Appointments Committee when he is appointed or renewed. The director or the non-voting member strives, for the duration of his term, to avoid any conflict that may exist between his interests and those of Natixis. He therefore takes care to preserve in all circumstances his independence of judgment, decision and action. He refrains from being influenced by any element foreign to the social interest of Natixis that he is responsible for defending and to avoid any situation in which his personal interest interferes, or may interfere, with that of Natixis.

May be a source of conflict of interest, any situation liable to hinder the ability of directors or non-voting members to adopt decisions aimed at best responding to the interests of Natixis and to exercise their functions independently, in particular because of:

- their economic interests;
- their personal or professional relationships with holders of qualified holdings within Natixis;
- their personal or professional relationships with Natixis-wide staff;
- another job currently or recently exercised;
- their personal or professional relationships with external interested parties.

In the event that he cannot avoid being in one of these situations, the director or the non-voting member immediately informs the Chairman of the Board of Directors, or if necessary, the General Counsel in charge of compliance, legal, sustainability, regulatory affairs & governance (“GC”) of Natixis, of any conflict of interests in which he may be involved. He tells him if he is directly or indirectly interested, in what capacity and participates in the documentation of said conflict.

When the Chairman of the Board of Directors has previously held executive positions within Natixis (Executive Manager and Chief Executive Officer), he may find himself in a situation of conflict of interest when he chairs the Board of Directors. In the event that he cannot avoid finding himself in one of the situations referred to above, the Chairman of the Board of Directors informs the GC. He cannot then chair the debates and is replaced by an independent director of the Board of Directors, and if necessary, by the Chairman of the Specialized Committee having examined the item of the agenda concerned.

The Chairman of the Board of Directors, or where appropriate the GC, decides on the existence of a conflict of interest situation and, if necessary, ensures compliance with the procedure on related party agreements.

In the event of a conflict of interest, the director or the non-voting member refrains from participating in debates within the Board of Directors, or the Specialized Committee, if necessary, dealing with the subject related to the conflict of interest; he does not participate in the deliberations or the vote of the Board of Directors, and the part of the minutes of the meeting relating to the subject concerned by the conflict of interest is not submitted to him.

D – “Regulated” agreements

Related-party agreements approved in fiscal year 2023

On May 23, 2023, the Combined General Shareholders’ Meeting of Natixis, pursuant to Article L.225-42 paragraph3 of the French Commercial Code, approved the conclusion of a tax consolidation agreement on December 13, 2022 between BPCE (as the parent company of the consolidated group) and Natixis (as a subsidiary member of the consolidated group), which constitutes a related-party agreement, in accordance with Articles L.225-38 et seq. of the French Commercial Code.

2.2.1.6 The non-voting member

First name/Last na	Age (at 31/07/2023)	Nationality	First appointed	End date of the term of office
Non-voting member				
Henri Proglio	74	French	04/04/2019	2027 AGM

On May 23, 2023, the Combined General Shareholders' Meeting of Natixis reappointed **Henri Proglio** as a non-voting member for a term of four (4) years, terminating at the end of the General Shareholders' Meeting called in 2027 to approve the financial statements for the fiscal year ended 31 December 2026.

2.2.2 Special Committees: offshoots of the Board of Directors

2.2.2.4 The Compensation Committee

A – Organization

The Compensation Committee has six members. At August 2, 2023, the Compensation Committee consisted of:

Nicolas de Tavernost	**Chairman**
Dominique Garnier	Member
Anne Lalou	Member
Catherine Leblanc	Member
Delphine Maisonneuve	Member
Christophe Pinault	Member

Three of the members are independent (Anne Lalou, Delphine Maisonneuve and Nicolas de Tavernost).

The Compensation Committee has been chaired by Nicolas de Tavernost since August 6, 2013.

Henri Proglio (non-voting member) also participates in the meetings of the Compensation Committee.

The number of independent directors on the Compensation Committee is not greater than half the total number of members, despite the recommendation of the Afep-Medef code. It has a balanced composition (50% independent, 50% non-independent) and is chaired by an independent director *(see summary table on compliance with Afep-Medef code recommendations in Section [2.1.3] of this chapter*). Furthermore, the opinions and proposals of the Compensation Committee are adopted if the majority of members present, including the Chairman, vote for them.

2.2.2.5 The Appointments Committee

A – Organization

The Appointments Committee has six members. At August 2, 2023, its members are:

Delphine Maisonneuve	**Chairwoman**
Philippe Hourdain	Member
Anne Lalou	Member
Laurent Roubin	Member
Valérie Savani	Member
Nicolas de Tavernost	Member

Three of the six members are independent (Anne Lalou, Delphine Maisonneuve and Nicolas de Tavernost). The number of independent directors on the Appointments Committee is not greater than half the total number of members, despite the recommendation by the Afep-Medef code. It has a balanced composition (50% independent, 50% non-independent) and is chaired by an independent director *(see summary table on compliance with Afep-Medef code recommendations in Section [2.1.3] of this chapter*). Furthermore, the opinions and proposals of the Appointments Committee are adopted if the majority of members present, including the Chairwoman, vote for them.

Natixis' Chief Executive Officer is involved as required with the Appointments Committee's work.

The Appointments Committee has been chaired by Delphine Maisonneuve since April 13, 2023, the date on which she was appointed by co-opting, by decision of the Board of Directors, following the resignation of Diane de Saint Victor as from February 8, 2023.

2.3 Compensation policy for corporate officers

2.3.2 Non-executive corporate officers

The Combined General Shareholders' Meeting of May 23, 2023 set the overall annual budget for compensation to be allocated to the members of the Board of Directors at €780,000 for the 2023 fiscal year and subsequent years, until a new decision.

REGULATORY RATIOS AT JUNE 30, 2023

11.2%
CET1 ratio

13.5%
Tier 1 ratio

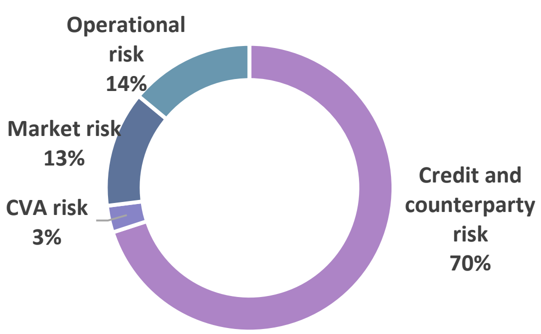
16.6%
Total capital ratio

3.6%
Leverage ratio

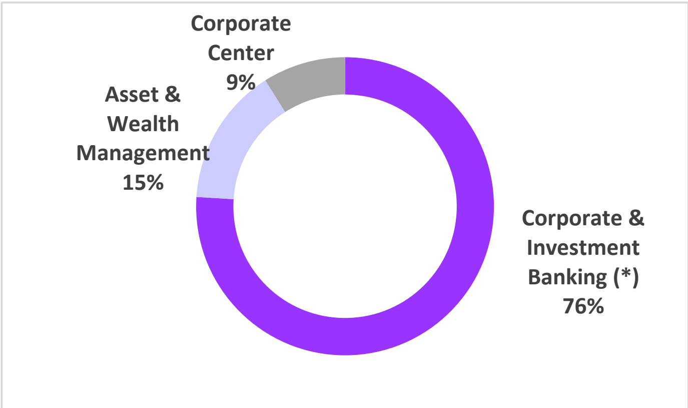
126%
LCR

RISK-WEIGHTED ASSETS AT JUNE 30, 2023

Capital requirements by risk type



Capital requirement by business line



** Including Treasury and Collateral Management*

3.1 Risk factors

The main types of risk to which Natixis is exposed are presented below. They are the material risks identified to date which, by Natixis' estimations, could adversely affect the viability of its activities, and are generally measured in terms of the impact these risks could have on Natixis' capital adequacy ratios or net income. The risks to which Natixis is exposed may arise from several risk factors related to, among other things, macro-economic and regulatory changes to its operating environment, or relating to implementing its strategy and conducting its business. Pursuant to the provisions of Article 16 of Regulation (EU) No. 2017/1129, known as "Prospectus 3", of June 14, 2017, the intrinsic risks of Natixis' business are presented as five main categories:

- credit and counterparty risks;
- financial risks;
- non-financial risks;
- strategic and business risks;
- risks related to the holding of securities issued by Natixis.

The presentation of the risk factors below is to be assessed based on the structure of Natixis on the filing date of this amendment to the 2022 universal registration document. Risk factors are presented on the basis of an assessment of their importance, taking into account their negative impact and the probability of their occurrence, with the major risk being listed first within each category.

Credit and counterparty risks

Natixis is exposed to credit and counterparty risks which may be increased as a result of risk concentrations

Natixis is exposed to credit and counterparty risk through its financing, structuring, trading and settlement activities for financial instruments that are mostly performed by its Corporate & Investment Banking (CIB) division.

Credit and counterparty risk is one of the major risks identified by Natixis and represented 70% of total RWA as of June 30, 2023.

As of June 30, 2023, Natixis' exposure to credit and counterparty risk (Exposure at Default excl. CVA) totaled €341.2 billion, split primarily between banks and similar bodies (40%), corporates (32%) and sovereigns (20%).

Should one or more of its counterparties fail to honor their contractual obligations, Natixis could suffer varying degrees of financial loss depending on the concentration of its exposure to said counterparties. Moreover, if the ratings or default of counterparties belonging to a single group or single business sector were to deteriorate significantly, if a country's economic situation were to weaken, Natixis' credit risk exposure could be increased. Credit risk could also be increased in the context of leveraged financing transactions.

Natixis' ability to carry out its financing, structuring, trading and settlement transactions also depends, among other factors, on the stability and financial soundness of other banks and market participants. This is because the banks are closely interconnected, due in large part to their trading, clearing and financing operations. A default, or the anticipated potential default of one or several participants in the financial industry market, whether or not it is justified, could have repercussions on other banks, causing a chain of defaults by other participants in this market and negatively impacting the market's liquidity, which could have a significant unfavorable impact on Natixis' cost of risk, results and financial position.

A material increase in Natixis' impairments or provisions for expected credit losses could adversely affect its net income and financial position

As part of its activities, and wherever necessary, Natixis recognizes provisions for non-performing loans, reflecting actual or potential losses in respect of its loan and receivables portfolio, under "Cost of risk" on its income statement. As of June 30, 2023, Natixis' cost of risk amounted to -€122.0 million (of which +€4.3 million in net reversals of provisions for stages 1 and 2 exposures).

Natixis applies IFRS 9 "Financial instruments", which requires provisions to be created from the initial recognition of a financial instrument. This provisioning model applies to outstandings recognized at amortized cost or at fair value through other comprehensive income recyclable to income and to loan and guarantee commitments given (excluding those recognized at fair value through profit or loss), as well as to lease receivables *(see Note 5 "Accounting principles and valuation methods" to the consolidated financial statements for the fiscal year ended December 31, 2022 in Chapter [5.1] "Consolidated financial statements and notes" of the 2022 universal registration document*).

At the date of this amendment to the 2022 universal registration document, the economic environment is still marked by a high degree of uncertainty, generated mainly by the conflict in Ukraine and central banks' monetary policies aiming at curbing high inflation rates. Although 2023 should be marked by a sharp slowdown in global growth, growth prospects have been slightly revised upwards since the beginning of the year by the main governmental and supranational institutions. In this context, that the central IFRS 9 scenario has been updated to March 2023. The optimistic and pessimistic scenarios remain unchanged since October 2022, including an adverse stagflation scenario as a pessimistic scenario (scenario also used in internal stress tests). Updates to the macro-economic variables underlying this new scenario are used to estimate the projected risk parameters. The update of the scenario nevertheless led to a slight "refocusing" of the IFRS 9 weightings. In the second quarter of 2023, the weightings used for each geographical area are the following:

- France: 30% for the pessimistic scenario, 35% for the central scenario and 35% for the optimistic scenario;
- Europe excluding France: 18% for the pessimistic scenario, 49% for the central scenario and 33% for the optimistic scenario;
- US area: 16% for the pessimistic scenario, 49% for the central scenario and 35% for the optimistic scenario.

Probabilities of default (PD) are adjusted by sector based on an assessment of each sector's rating over a 6- to 12-month period. The sector's forward-looking weighted average PD, determined by the transition matrix, is compared and adjusted to align with the PD equivalent to the sector's expected rating.

Under this framework, performing loans (Stage 1), for which there has been no material increase in credit risk since initial recognition, are provisioned for 12 months of expected losses. Non-performing loans (Stage 2), for which there has been a material increase in credit risk since initial recognition, without this being sufficient for them to be classified as non-performing loans, are provisioned based on lifetime expected losses. Non-performing loans (Stage 3) are loans for which there is objective evidence of impairment loss. Natixis determines the provisions for non-performing loans based on an individual expected cash flow recovery analysis, whether these cash flows come from the counterparty's activity or from the potential execution of guarantees. Non-performing loans that are not impaired following the individual analysis are provisioned at a flat rate based on historical unexpected losses on unprovisioned loans.

As of June 30, 2023, non-performing loans to customers amounted to €2,117 million and were distributed as follows: 43% for France, 16% for the rest of Europe, 9% for North America, 15% for Asia, 7% for Central and Latin America, 7% for Africa and 2% for the Middle East. The ratio of non-performing loans held by Natixis to gross customer loan outstandings (excluding repurchase agreements) is 3.1% (compared to 3.1% as of December 31, 2022) and the overall coverage rate of these non-performing loans stood at 44.7% (compared to 43.2% as of December 31, 2022).

The increase in credit risk concerning S1 and S2 loans is measured against the following criteria: changes to counterparty ratings (for large corporates, banks and sovereigns loan books) since initial recognition, changes to probability of default within one year (for individual client, professional client, SME, public sector and social housing loan books) since initial recognition; watchlist status; forborne status; the ratings of the country of the counterparty; and the existence of one or more contracts more than 30 days past due.

Uncertainties related to the geopolitical context make it difficult to forecast their impact on Natixis' counterparties. This could result in a substantial increase in losses and provisions, adversely affecting Natixis' cost of risk, its net income and financial position.

Reduced or no liquidity of assets such as loans could make it more difficult for Natixis to distribute or structure such assets and thus have a negative impact on Natixis' results and financial position

In accordance with the "originate to distribute" model, Natixis originates or acquires certain assets with a view to distribute them at a later stage particularly through syndication or securitization.

Natixis' origination activity is mainly focused on financing granted to large corporates as well as on specialized and acquisition financing. Distribution mainly concerns banks and non-banking financial institutions.

Natixis thus also grants various forms of bridge financing to securitization vehicles (SPVs). This financing enables each SPV to build up a temporary portfolio of financial assets (generally loans) during the warehousing phase. At the close of the transaction, the SPV raises capital by issuing securities subscribed by investors and allocates the proceeds to the repayment of the warehousing credit facility. The outcome of this financing is subject to both the good credit performance of the provisional portfolio and the appetite of investors for this type of product (CLO – Collateralized Loan Obligations, RMBS – Residential Mortgage-Backed Securities, in particular).

If there is less liquidity on the syndication or securitization markets in particular for these aforementioned assets, or if Natixis is unable to sell or reduce its positions, Natixis may have to bear more credit risk and market risk associated with these assets for longer than anticipated. The lack of liquidity in the secondary markets for such assets may require Natixis to reduce its origination activities, which could impact revenues and could affect its relations with clients, which in turn could adversely affect its results and financial position. Furthermore, depending on market conditions, Natixis may have to recognize a value adjustment on these assets that are likely to adversely affect its results.

Natixis is exposed to country risk, related to changes in the political, economic, social and financial context in the regions and countries in which it operates

Natixis conducts its business on a global scale and, as such, is exposed to changes in the political, economic, social and financial context in the regions and countries in which it operates. As of June 30, 2023, exposures to credit and counterparty risk are concentrated in France which accounts for 51% of exposures, followed by the rest of Europe (EU and non-EU) accounting for 18%, North America for 19%, and Asia for 6%.

Country risk is specifically monitored and is taken particularly into account in the credit granting and monitoring processes, as well as asset valuation and provisioning. However, a significant deterioration in the political or macro-economic environment in a country or region in which it operates could force Natixis to record additional expenses or recognize losses greater than the amounts already recorded in its financial statements. In particular, Natixis is exposed to increased risks when operating in countries that are not members of the Organization for Economic Co-operation and Development (OECD), which are subject to uncertainties related to political instability, legislative and fiscal unpredictability, expropriation issues and other risks that are less significant in more developed economies.

The armed conflict between Ukraine and the Russian Federation that began in February 2022 is likely to affect Natixis' activities in these countries. Natixis has ceased all new financing for Russian companies and all commercial activity in the country since the start of hostilities. As of June 30, 2023, residual direct and indirect exposures to Russia from customers amounted to €230 million and are managed in run-off. Exposure to Russia through Natixis Investment Managers funds is also marginal. For Ukraine, as of June 30, 2023, direct and indirect exposures amounted to €33 million.

Financial risks

A deterioration in the financial markets could generate significant losses in Natixis' capital markets and Asset Management activities

As part of its capital markets activities and to meet the needs of its clients, Natixis operates on the financial markets – namely the debt, forex, commodity, and equity markets.

In recent years, the financial markets have fluctuated significantly in a sometimes exceptionally volatile environment which could recur and potentially result in significant losses for capital markets activities.

2022 was marked by the conflict in Ukraine and the increase in the cost of commodities and energy which caused a major inflationary shock, leading central banks to implement a policy of rapidly raising key interest rates. Economic activity has abruptly slowed down, creating a risk of recession at regional and global levels. In the first half of 2023, the financial system was also exposed to tensions arising from regional bank failures in the USA and the difficulties of Credit Suisse which led to its takeover by UBS, but the contagion was ultimately relatively contained.

In 2023, the impact on the markets has resulted in:

- a continuation of the key rate hike cycle, with the ECB refinancing rate rising from 2.50% at the end of December 2022 to 4% on June 21, 2023;
- a high level of interest rate volatility;
- a drop in energy prices for both Brent and gas to reach a one-year low of €30 per unit of measurement;
- a rise in equity markets, coupled with an easing of volatility, with the Vix volatility index (implied volatility of European equity options on the S&P500 3-month index) at its lowest point in 2023 at 14% (spot levels on June 27, 2023 of 4,328 points for the S&P500 and 4,286 points for the Eurostoxx50); and
- a decrease in credit spreads (CDS Itraxx CrossOver at 430 points and Itraxx Main at 80 points, approaching the lowest levels in over a year).

In order to limit these potential impacts, Natixis has adopted a cautious approach in the management of its positions. In the event of a fall in the equity markets, extreme risk hedging strategies have been implemented by Natixis since January 2021. These strategies were maintained throughout the first half of 2023.

Prolonged market fluctuations that could lead, in an environment of high volatility, to a deterioration of assets, may also weigh on the level of activity or reduce liquidity in the markets concerned. Such situations may expose Natixis to significant losses if it is unable to quickly close out its loss-making positions. This applies in particular to assets held by Natixis that are structurally less liquid. Assets that are not traded on a stock exchange or other regulated markets (for example, certain derivatives traded over-the-counter between banks) are valued by Natixis using models rather than market prices. Given the difficulty in monitoring changes in the prices of these assets in such circumstances, Natixis could incur losses that are difficult to anticipate.

Another deterioration in the equity and bond financial markets, such as that observed in 2022, could also adversely impact asset management activities, in particular through a negative impact on:

- the valuation of Natixis Investment Managers' seed money portfolio, which would be mitigated by the portfolio hedging strategy;
- the valuations of real assets in the Real Estate or Private Equity areas in Natixis Investment Managers' sponsorship portfolio due to impacts on the real economy and macro-economic parameters (inflation, interest rates, etc.); and
- levels of assets under management and ultimately on revenues of Natixis Investment Managers and its affiliates, as strategies in their fund offering are sensitive to market fluctuations.

Natixis’ access to certain financing could be adversely impacted by the event of a financial crisis and/or a downgrade of its rating and that of Groupe BPCE, and Natixis’ liquidity and ability to ensure adequate asset-liability management of its balance sheet could be impacted by unfavorable market conditions

Since 2011, Natixis’ financing structure has relied on a joint financing platform between Natixis and BPCE. Natixis secures of its medium- and long-term financing for its vanilla, public and private, senior and subordinate subfund emissions from Groupe BPCE via the intermediary of BPCE S.A. Natixis remains Groupe BPCE’s medium and long-term issuer for structured private financing operations.

In the event of the closure of certain funding sources due to a systemic event (such as the 2008 and 2011 crises) or market disruptions related to the default, or the anticipation, whether justified or not, of the potential default of one or several players in the financial industry, the ability of Groupe BPCE, Natixis and the banking industry to refinance each other or to refinance the real economy could be impaired.

In these circumstances, or if Groupe BPCE’s credit ratings were to be downgraded by the main rating agencies, Groupe BPCE’s liquidity and, consequently, that of Natixis, as well as the corresponding cost of financing could be adversely affected or trigger additional obligations under its financial market contracts.

Natixis is exposed to the risk of mismatching the maturities of its cash inflows and outflows, interest rate indices and structural currency risk. In the case of certain assets and liabilities in particular, the dates of cash inflows and outflows are uncertain and dependent on events and market conditions. If necessary, additional financing and liquidity support from the market may be necessary to meet its obligations.

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Fluctuations in the fair value of securities held by Natixis, due to changes in issuer credit quality, may adversely affect Natixis’ shareholders’ equity and its capital adequacy

This risk concerns securities held by Natixis recognized in the prudential banking book at fair value with an offsetting entry in other comprehensive income (OCI). Natixis is mainly exposed to this risk through the debt instruments it holds as part of the management of its liquidity buffer. This risk manifests itself as a decrease in the value of financial assets resulting from changes to credit issuer quality for debt securities (CSRBB – Credit Spread Risk in the Banking Book).

For information purposes, at June 30, 2023, the risk of change in value calculated for the CSRBB (Credit Spread Risk in the Banking Book) on Natixis’ liquidity buffer amounted to less than €174 million compared to €140 million at the end of 2022. This reflects both a change in the maturity profile of Natixis’ asset portfolio allocation, and a methodological change aimed at aligning with the measure used by Groupe BPCE.

The emergence or resurgence of crises could lead to a further deterioration in credit spreads and, consequently, adversely impact Natixis’ shareholders’ equity.

The fair value of the derivatives portfolio includes valuation adjustments that may have an impact on Natixis' net income and shareholders' equity

The fair value of Natixis' derivatives is determined by factoring in certain additional adjustments including:

- the quality of the counterparty (Credit Value Adjustment or CVA) by including in the valuation of derivatives, the credit risk corresponding to the risk of non-payment of the amounts due by the associated counterparty;
- Natixis' own credit spread risk (Debt Value Adjustment or DVA) by including in the liabilities' valuation of non-collateralized or imperfectly collateralized derivatives, the credit risk borne by Natixis' counterparties (i.e. potential losses incurred by Natixis' counterparties in the event of a downgrading of Natixis' rating or default);
- the cost of liquidity (Funding Value Adjustment or FVA) by including in the valuation of non-collateralized or imperfectly collateralized derivatives, the costs related to the financing or refinancing of margin calls and future initial margins associated with hedging derivatives which are collateralized.

These additional adjustments recognized in the income statement have a direct impact on Natixis' net banking income and shareholders' equity. In addition, these additional adjustments may change significantly and could affect activity and the financial position and consequently could have a significant negative impact on Natixis or on the fair value of its derivatives. For information, as of June 30, 2023, changes in CVA, DVA and FVA amounted to €12 million, -€4.1 million and -€18.1 million, respectively.

Non-financial risks

Should Natixis fail to comply with applicable laws and regulations, it could be exposed to significant fines and other judicial, administrative, arbitral and disciplinary (including criminal) sanctions that could have a material adverse impact on its financial condition, business and reputation

Non-compliance risk is defined as the risk of legal, administrative, arbitral or disciplinary sanctions, but also of financial loss or reputational damage, resulting from a failure to comply with the legislative and regulatory provisions, Codes of Conduct and standards of good practice specific to banking activities, whether national or international.

The banking sector is subject to sectoral regulation, both in France and internationally, aimed in particular at regulating the financial markets and relations between investment service providers and clients or investors. These regulations have a major impact on Natixis' operational processes. In addition, the banking sector is also subject to dedicated supervision by the competent local and supranational authorities.

The occurrence of a compliance risk could involve, for example, the use of inappropriate means to promote and market the bank's products and services, inadequate management of potential conflicts of interest, disclosure of confidential or privileged information, failure to comply with customer identification and know-your-client obligations, or a failure to monitor transactions, particularly in terms of market abuse, financial security (anti-money laundering and the fight against financing of terrorism, compliance with financial sanctions and embargoes, anti-corruption).

Natixis' Compliance Department oversees compliance risk prevention and mitigation (*see Section 3.2.9 of the 2022 universal registration document*). Natixis nevertheless remains exposed to the risk of fines or other major sanctions imposed by regulatory and supervisory authorities, as well as civil, arbitral, or criminal legal proceedings that could have a material adverse effect on its financial position, business and reputation.

In the course of its business, Natixis is exposed to unethical or illegal actions or behavior by its employees, service providers, suppliers or third parties, which could damage its reputation, expose it to sanctions and adversely affect its financial position and business outlook

Natixis' reputation is crucial to building relationships and building client loyalty. The use of inappropriate means to promote and market its products and services, inadequate management of potential conflicts of interest, non-compliance with legal and regulatory requirements, ethics rules, anti-money laundering regulations and the fight against the financing of terrorism, fraud and corruption, non-compliance with international sanctions programs, information security policies and sales and transaction practices could cause reputational damage to Natixis and Groupe BPCE.

Any inappropriate behavior by a Natixis employee or service provider, any cybercrime or cyberterrorism to which Natixis' communication and information systems could be subject, or any fraud, embezzlement or other wrongdoing to which Natixis could be exposed or any court decision or regulatory action with a potentially unfavorable outcome. In order to combat this risk, Natixis employees and service providers are required to comply with the IT Resources Charter.

In addition to the internal regulations, applicable to all Natixis employees, Natixis' Code of Conduct formalizes the general principles of conduct in force at Natixis, and establishes guidelines for all employees regarding expected behavior when carrying out their duties and responsibilities.

Natixis also requires its suppliers and contractors to comply with the key principles of the Code of Conduct.

To strengthen the implementation of the Code of Conduct on a day-to-day basis, Natixis has established a conduct framework with a dedicated Committee (the Global Culture and Conduct Committee) and specific training program.

A new system for reporting and processing internal alerts ("whistleblowing" system) was rolled out in the first half of 2023 within Natixis. It aims to strengthen the compliance and transparency culture by guaranteeing the independent and consistent handling of reports of any irregularities or actions that may concern a violation or attempted violation of the law or regulations in force, or a breach of the compliance and conduct rules, in strict confidentiality to protect the whistleblower.

However, despite the existence of these systems, Natixis is exposed to potential actions or behaviors by employees, suppliers and contractors that are unethical or not in the client's interests, that do not comply with the laws and regulations on corruption or fraud, or that do not meet financial security or market integrity requirements.

Such actions or behavior could have negative consequences for Natixis, damage its reputation and expose Natixis, its employees or its stakeholders to criminal, administrative or civil sanctions that could adversely affect its financial position and business outlook.

An operational failure, or an interruption or failure of Natixis' third-party partners' information systems, or a breach of Natixis' information systems could result in losses or reputational damage

Natixis is exposed to several types of operational risks, including process and procedural weaknesses, acts of fraud (both internal and external), system failures or unavailability, cybercrime, as well as an operational failure related to a health risk.

Due to the nature of its activities, Natixis is highly dependent on its communication and information systems, as its activities require it to process a large number of increasingly complex transactions. Although Natixis has made quality in data exchanges a priority, any breakdown, interruption or failure of these communication and information systems could result in errors or interruptions to the systems it uses for customer relationship management, the general ledger, deposit and loan processing transactions, or risk management. To the extent that interconnectivity increases, Natixis is exposed to the risk of a breakdown or operational failure of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers. Like the other control functions, the Operational Risk function contributes to the assessment of risks borne by suppliers as part of the Groupe BPCE's compliance program with EBA regulations on outsourcing.

Natixis is also exposed to the risk of cybercrime. Cybercrime covers a range of malicious and/or fraudulent acts, perpetrated digitally in an effort to manipulate data (personal, banking, insurance, technical or strategic data), processes and users, with the aim of causing material losses to companies, their employees, partners, clients and counterparties. A company's data assets are exposed to complex and evolving threats likely to have material financial and reputational impacts on all companies, and in particular those in the banking sector. Given the increasing sophistication of the criminal enterprises behind cyberattacks, regulatory and supervisory authorities have begun to highlight the importance of Information and Communication Technology (ICT) risk management. Preventing cybercrime risk is a priority for Natixis, which makes every effort to implement the guidelines established by these authorities through cooperation between its Information Systems (IS) and Technology Risk Management (TRM) Departments. This has resulted in a mapping of risks relating to information systems security, as well as a far-reaching campaign to raise all employees' awareness on IS security matters. Natixis has also put in place a charter for the use of IT resources for its employees and service providers.

During 2022 and the first half of 2023, no incident related to cybercrime had a material adverse impact on Natixis' financial position or reputation. However, as cyberattacks are constantly evolving to become increasingly advanced, and taking into account the evolution of the geopolitical context, the measures described above may not be sufficient in the future to fully protect Natixis, its employees, partners and clients. The occurrence of such attacks could potentially disrupt Natixis' client services, result in the alteration or disclosure of confidential data or lead to business interruptions and, more broadly, have a material adverse effect on its business, financial position and reputation.

Operational difficulties could also arise as a result of unforeseen or catastrophic events, such as terrorist attacks, natural disasters or a major health crisis. To deal with this type of event, Natixis relies on a BCP (Business Continuity Plan) and Global - Technology Risk Management framework aimed at guaranteeing the operational and technological resilience of its organization. This framework has demonstrated its effectiveness in managing crises such as the Russia-Ukraine armed conflict or previously the COVID-19 pandemic.

Natixis strives to prevent the occurrence of interruptions, failures in communication and information systems, or breaches of its information systems, and implements a control framework, particularly for third-party systems. The exceptional occurrence of the events described above could, however, result in lost business, other losses and additional costs, and damage Natixis' reputation.

Any damage to Natixis' reputation could affect its competitive position and have a negative impact on its financial position

Natixis' reputation is pivotal to its ability to conduct its business. Thanks to Natixis' current reputation, it is able to maintain relationships with its clients, employees, suppliers, partners and investors that are built on trust.

The occurrence, whether once or repeatedly, of one or more of the risks identified in this section, a lack of transparency or communication errors could harm Natixis' reputation. There is greater reputation risk today due to the growing use of social media across the economic sphere. In addition to its own negative impact, any damage to Natixis' reputation could be accompanied by a loss of business or affect its competitive position and negatively impact its financial position.

In the specific case of asset management activities, the reputational risk and the associated potential losses are closely linked to the various aspects of the investment process, whether at the level of the management of the various investment funds by the affiliates or through direct investments by Natixis Investment Managers and/or Natixis (i.e. external acquisitions, seed money and sponsorship activities). A confidence shock impacting the reputation of Groupe BPCE or its affiliates could result in an outflow of funds, a decrease in assets under management and, ultimately, in revenues generated by the business.

Strategic and business risks

Adverse market or economic conditions could adversely impact Natixis' profitability and financial position

The Asset & Wealth Management and Corporate & Investment Banking businesses are sensitive to changes in the financial markets and, in general, to economic conditions in France, Europe and worldwide.

As a result, Natixis faces the following risks:

- the main markets in which Natixis operates could be affected by uncertainties such as those relating to changes in global trade (particularly changes in the price of commodities and energy, global supply chain tensions), the geopolitical context (particularly related to the continuing conflict between Ukraine and the Russian Federation), or of any other nature;
- unfavorable economic conditions could affect the business and operations of Natixis' clients, leading to a higher rate of default on loans and receivables and increased provisions for non-performing loans. A significant increase in these provisions or the realization of losses in excess of the provisions recorded could have an adverse effect on Natixis' results and financial position;
- the end of the extremely loose monetary policies of the central banks will require an increase in their key interest rates. In addition to the risk of recession that could potentially arise from a poorly calibrated monetary tightening by central banks and in particular the European Central Bank (ECB), there could also be a risk of arbitrage between the sovereign bonds of different euro zone member states due to an unwanted widening of sovereign spreads. Although the ECB has put in place a new anti-fragmentation instrument, failure to implement it could lead to a repeat of the sovereign debt crisis of 2011;
- a decline in prices on the bond, equity or commodity markets could reduce business volumes on these markets and negatively impact Natixis' revenues;
- an adverse change in the market prices of various asset classes could affect the performance of the Natixis Investment Managers management companies, due in particular to a decrease in the assets on which the management fees are charged;
- macro-economic policies adopted in response to actual or anticipated adverse economic conditions could have unintended negative effects, and may negatively impact market parameters such as interest rates and foreign exchange rates, which could affect the results of Natixis' businesses that are most exposed to market risk;
- perceived favorable economic conditions generally or in specific business sectors could result in asset price bubbles decorrelated from the actual value of the underlying assets; this could in turn exacerbate the negative impact of corrections when conditions become less favorable and cause losses in Natixis' businesses;
- a significant economic disruption (such as the 2008 financial crisis, the European sovereign debt crisis of 2011 or the COVID-19 crisis since 2020) could have a severe negative impact on all Natixis' businesses, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to finance Natixis and to sell certain classes of assets at their estimated market value or, in extreme cases, even to sell them at all;
- increases or decreases in interest rates could have a marginal impact on Natixis' activities, which have a limited sensitivity to interest rate risk. For information, at June 30, 2023, the sensitivities of the economic value of the main entities in the Natixis consolidated scope to a parallel shift (with the regulatory floor) downwards and upwards in rates according to the scenarios and rules defined by the EBA in the new guidelines of October 2022, represent respectively an amount of €23 million and -€56 million, i.e. an impact of less than 1% of Natixis' Tier 1 capital (the asymmetry between the two results is linked to the application of the EBA's cross-currency aggregation rule). However, the impact of changes in interest rates on Groupe BPCE's other activities (retail banking and personal insurance in particular) could have unfavorable consequences on the resources allocated to Natixis and impact its activities, revenues, and the management of its ratios.

Some targets of the strategic plan for 2024 may not be achieved, which could potentially significantly affect Natixis' business, financial position and results

Natixis' strategic plan, communicated as part of Groupe BPCE's 2024 plan in July 2021, sets out the development priorities for Natixis' various divisions and financial targets for 2024. For Natixis, the "BPCE 2024" plan is a growth and investment plan based on three areas:

- diversification, for the benefit of our clients and our development;
- commitment, to the energy transition and SRI finance;
- transformation, and investment to create sustainable value.

These three priorities should enable Natixis to generate revenue growth for the two Asset & Wealth Management and Corporate & Investment Banking divisions of +3% and +7% respectively over the 2020-2024 period.

Failure to achieve these development priorities could adversely impact Natixis' financial trajectory as defined in its strategic plan.

Natixis could be exposed to unidentified or unanticipated risks that could adversely affect its results and financial position in the event of failures in its risk measurement framework, notably based on the use of models

Natixis' risk management framework, which is based on the use of models, may fail and expose Natixis to unidentified or unforeseen risks, and could result in significant losses.

Risk management techniques which often rely on models may prove inadequate for certain types of risks. For instance, some rating or VaR measurement models (*as defined in Section [3.2.6.3] of the 2022 universal registration document*) that Natixis uses to steer its risk management are based on historical market behavior observations. To quantify its risk exposure, Natixis then conducts a primarily statistical analysis of these observations (*see Section [3.2.6.4] of the 2022 universal registration document for a detailed description of the risk management framework*). The measurement metrics and tools used could produce inaccurate conclusions on future risk exposures, as a result of factors that Natixis may not have anticipated or correctly assessed or taken into account in its statistical models, or because of unexpected and unprecedented market trends that could reduce its ability to manage its risks.

Moreover, Natixis' quantitative models do not incorporate all risks. Certain risks are subject to a qualitative analysis that could prove inadequate and expose Natixis to unforeseen losses**.**

Natixis could encounter difficulties in implementing its external growth policy and integrating any new entity in the context of acquisitions or joint ventures, which could adversely affect its profitability, cause losses or affect its reputation

Natixis may consider opportunities for external growth or partnership. Although it is Natixis' intention to conduct an in-depth analysis of the companies it will acquire or the joint ventures in which it will participate, it is generally not possible to conduct an exhaustive review. As a result, Natixis may have to bear commitments or experience risks that were not initially foreseen. Likewise, the expected results of an acquired company or a joint venture may prove to be disappointing and the expected synergies may not be achieved in full or in part, or may result in higher costs than expected. Natixis may also encounter difficulties when integrating a new entity. The failure of an announced external growth operation or the integration of a new entity or joint venture may significantly affect Natixis' profitability.

In particular, the recognition of goodwill during these external growth transactions could lead, in the event of a lasting deterioration in profitability, to an impairment in the financial statements (during periodic testing) or to recognition of a loss in the event of disposal. At the end of June 2023, Natixis' goodwill represented €3,461 million, relating to Corporate & Investment Banking (€146 million) and Asset & Wealth Management (€3,315 million). In the case of joint ventures, Natixis is exposed to additional risks and uncertainties insofar as it may depend on systems, controls and persons beyond its control and, as such, may be held liable, suffer losses or damage to its reputation. Furthermore, conflicts or disagreements between Natixis and its partners within the joint venture may have a negative impact on the benefits sought as part of the joint venture.

In addition, litigation could arise in connection with external growth transactions and have an unfavorable impact on the integration process, on the financial benefits or on the expected synergies.

Prevention of risks related to climate change could have a negative impact on the performance of Natixis' businesses operating in sectors with a negative environmental and climate impact [8]

The main risks related to climate change include:

- transition risk, which results from the process of transition to a low-carbon economy, e.g. regulatory changes, technological breakthroughs or changing consumer preferences; and
- physical risk, which reflects the risks related to the direct impact of climate change through rising sea levels and average temperatures and the increase in extreme weather events such as floods and storms.

Climate change risks are aggravating factors impacting traditional categories of risk (credit and counterparty risks, market risks, ALM risks, operational risks, reputation risks and compliance risks) and could impact Natixis' businesses, results and financial position in the short, medium and long term.

In particular, regulatory changes related to the fight against climate change could adversely impact Natixis or its counterparties, particularly in sectors with a high climatic impact, if they were insufficiently anticipated and/or planned for. This could result, for example, in a deterioration in the quality of Natixis' loan portfolio and/or in loss of revenues from certain businesses.

In addition, a CSR strategy deemed insufficiently ambitious in relation to the expectations of the public authorities and Natixis' stakeholders, or difficulties in implementing this strategy, could adversely impact Natixis' relations with its counterparties and its reputation, which could potentially significantly affect Natixis' business, financial position and results.

Natixis' environmental and social responsibility (CSR) policy, its commitments towards the fight against climate change and its climate risk management framework are described in Chapter 7 "Accountability report environmental and social responsibility" of the 2022 universal registration document. Furthermore, Natixis is part of the Groupe BPCE-wide dedicated program to put a climate risk management framework in place. This program is organized around nine major projects and aims to ensure the most comprehensive coverage of the 13 pillars proposed by the ECB. It strives to develop processes and analysis tools to strengthen the management of climate risks (physical and transition) in order to better integrate them on an operational level in all of the Group's business lines while incorporating the various national and international regulatory perspectives.

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[8] Natixis' climate risk management policy is detailed in Section [7.3.3] of its 2022 universal registration document.

Natixis' ability to attract and retain qualified employees is critical to the success of its business and failure to do so may significantly affect its performance

Natixis employs over 13,600 people (permanent and fixed-term employment contracts) around the world (excluding financial investments) located as follows: 51.5% in France, 19.5% in the EMEA region, 21.5% in the North and South America and 7.5% in Asia-Pacific. The performance of Natixis' activities is closely linked to its people. Indeed, Natixis' business model is based on business line expertise, which requires the recruitment of qualified employees. Moreover, stepped-up regulations on the back of the 2008 financial crisis have required Natixis to strengthen and align its business lines to regulations an area of expertise that requires drawing from a tight job market (scarce and mobile profiles). Natixis' success relies in part on its ability to retain key people, be they at management level, leaders or employees, and to continue to attract highly qualified professionals and talents. A high turnover or the departure of talent could affect Natixis' skills and know-how in key areas, which could reduce its business outlook and consequently affect its financial results.

In addition, the financial sector is subject to specific regulations concerning employee compensation policies, in particular variable compensation, performance conditions and deferred payments. These regulations may constrain Natixis in its ability to attract and retain talent. Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**"), which applies since 2014 to institutions in the European Economic Area ("**EEA**"), and Directive (EU) 2019/878 of the European Parliament and of the Council of May 20, 2019 amending the CRD IV Directive ("**CRD V**"), applicable since January 2021, provide for a cap on the variable portion of compensation compared to its fixed portion, which may reduce Natixis' ability to offer attractive compensation models and thus attract and retain employees, particularly in the face of competitors outside the EEA who are not subject to these regulations.

In addition, the context linked to the COVID-19 pandemic has reinforced the aspirations of some employees to access new work organization methods. If Natixis were unable to adapt its organization to employee expectations, this could affect its ability to attract and retain its employees, or attract new ones, particularly those with high qualifications, and thus reduce their satisfaction and, consequently, affect the quality of its services and its performance. Since 2021, Natixis has implemented a policy favoring hybrid working with, for example, in France, a remote working system of up to 10 days per month which resulted in an average of 8 working days per month worked remotely by employees.

Legislative and regulatory developments could significantly impact Natixis and the environment in which it operates

Laws and regulations are evolving rapidly and continuously. Changes in these circumstances could force Natixis to adapt its businesses, which could affect its results and financial position (increase in capital or increase in total financing costs, etc.).

Among the measures that have been or may be adopted, without being exhaustive, some could potentially:

- prohibit or limit some kinds of financial products or businesses, thereby partially impacting the diversity of Natixis' revenue sources;
- strengthen internal control requirements, which would require investing heavily in human and technical resources for risk monitoring and compliance purposes;
- amend the capital requirement framework and necessitate investment in internal calculation models. For example, changes related to the Basel regulations (in particular, the revised Basel 3) being transposed in Europe could lead to a review of the Risk-Weighted Asset calculation models or liquidity ratios for certain activities;
- strengthen regulatory requirements in terms of client protection and information or on the conditions for granting and monitoring loans, but also influence the management of transactions for clients in difficulty;
- introduce new prescriptive provisions to identify, measure and manage environmental, societal and governance risks, particularly in relation to sustainable development and the transition to a low-carbon economy (for example, amendments to the regulations on financial products, enhanced information disclosure requirements);
- strengthen requirements in terms of personal data protection and requirements in terms of cyber-resilience, in connection with the adoption by the European Council on November 28, 2022 of the European directive and regulation package on the digital operational resilience of the financial sector, which could, among other things, lead to additional costs related to additional investments in the bank's information system;

- introduce European regulatory systems relating to the due diligence resulting from the so-called "CSDD" directive (Corporate Sustainability Due Diligence) as well as sustainable finance with the increase in non-financial reporting obligations, resulting in particular from the CSRD directive (Corporate Sustainability Reporting Directive) and strengthening the inclusion of environmental, social and governance risks in risk management and taking these risks into account in the prudential supervision and evaluation process (Supervisory Review and Evaluation Process - SREP);
- strengthen the banking crisis management and the deposit guarantee framework (CMDI), in particular following the European Commission proposal published on April 18, 2023;
- strengthen the protection of retail investors, in particular through the strategy for retail investors presented by the European Commission on May 24, 2023 aimed at prioritizing the interests of retail investors and strengthening their confidence in the capital markets Union;
- modify, create or strengthen regulations related to digitization and technological innovations in connection with the emergence of crypto assets, discussions on the digital currencies of central banks, the use of artificial intelligence and robotization or because of the technological developments in payment services and fintechs;
- transform the banking model with disintermediation trends, particularly in the context of the retail investment strategy and increased competition related to European "open banking" or "open finance" initiatives such as the "**PSD2**" Payment Services Directive 2;
- require the bank to make a substantial financial contribution to guarantee the stability of the European banking system and limit the impact of a bank failure on public finances and the real economy;
- introduce a tax on financial transactions at the European level; and
- impose new obligations following the proposals for directives and regulations from the European Parliament and the European Council published on December 5, 2022 aimed at strengthening the European framework for the fight against money laundering and the financing of terrorism as well as the establishment of a new European agency dedicated to the fight against money laundering.

Natixis is also subject to complex and changing tax rules in its various jurisdictions. Changes in the applicable tax rules, uncertainty about the interpretation of such changes or their impacts may have a negative effect on Natixis' business, financial position, costs and results.

In this changing legislative and regulatory environment, it is impossible to predict the impact these new measures will have on Natixis. Moreover, Natixis is incurring, and could incur in the future, significant costs to update or develop programs to comply with these new legislative and regulatory measures, and to update or enhance its information systems in response to or in preparation for these measures. Despite its efforts, Natixis may also be unable to fully comply with all applicable legislation and regulations and could therefore be subject to financial or administrative penalties.

Risks related to holding Natixis securities

Holders of Natixis securities and certain other Natixis creditors may suffer losses if Groupe BPCE should undergo resolution proceedings

Directive (EU) 2014/59 establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD 1**"), transposed into French law by order No. 2015-1024 of August 20, 2015 which also adapted French law to the provisions of European Regulation 806/2014 of July 15, 2014 which established the rules and a uniform procedure for the resolution of credit institutions under a single resolution mechanism and a single Bank Resolution Fund, aim in particular to set up a single resolution mechanism giving resolution authorities a "bail-in" power aimed at combating systemic risks attached to the financial system and in particular at avoiding financial intervention by governments in the event of a crisis. Directive (EU) 2019/879 of May 20, 2019 ("**BRRD 2**", and together with BRRD 1, the "**BRRD**" regulation) amended BRRD 1 and was transposed into French law by order No. 2020-1636 of December 21, 2020. In particular, the powers provided for by the BRRD regulation allow the resolution authorities, in the event that a financial institution or the group to which it belongs subject to BRRD becomes or is close to defaulting, to write down, cancel or convert into shares, the securities and eligible liabilities of this financial institution. In addition to the possibility of using this "bail-in" mechanism, the BRRD grants the resolution authorities more extensive powers, allowing them in particular to (1) force the entity to recapitalize itself in order to comply with the conditions of its authorization and continue the activities for which it is approved with a sufficient level of confidence on the part of the markets; if necessary, by modifying the legal structure of the entity, and (2) reduce the value of the receivables or debt instruments, or convert them into equity securities for transfer to a bridging institution for capitalization, or as part of the sale of a business, or recourse to an Asset Management vehicle.

At June 30, 2023, Natixis' CET 1 capital stood at €10.6 billion, excluding net income for the period, total Tier 1 capital at €12.8 billion and Tier 2 regulatory capital at €2.9 billion.

As an institution affiliated with BPCE, the central institution of Groupe BPCE within the meaning of Article L.511-31 of the French Monetary and Financial Code, and because of the full legal solidarity binding all Groupe BPCE affiliates and the central institution, Natixis S.A. could only be subject to resolution measures in the event of default by BPCE and all affiliates of Groupe BPCE, including Natixis S.A. If the financial position of Groupe BPCE as a whole, including Natixis, were to deteriorate or appear to be deteriorating, the implementation of the resolution measures provided for by BRRD could lead to a more rapid decline in the market value of the financial securities issued by Natixis.

If BPCE and all of its affiliates, including Natixis S.A., were to be subject to resolution measures, the holders of Natixis securities could suffer losses as a result of the exercise of the powers granted by BRRD to the resolution authorities, who can then:

- implement a full or partial impairment of Natixis equity instruments and of eligible financial instruments, leading to the full or partial loss of the value of these instruments;
- the full or partial conversion of eligible financial instruments into Natixis shares, resulting in the unwanted holding of Natixis shares and a possible financial loss when reselling these shares;
- a change to the contractual conditions of the eligible financial instruments that could alter the instruments' financial and maturity terms. Such a change could result in lower coupons or longer maturities and have a negative impact on the value of said financial instruments.

In addition, the implementation of resolution measures at the Groupe BPCE level would significantly affect Natixis' ability to make the payment required by such instruments or, more generally, to meet its payment obligations to third parties. Indeed, the debt securities issued by Natixis under its issue programs constitute general and unsecured and senior contractual commitments (within the meaning of Article L.613-30-3-I 3° of the French Monetary and Financial Code) by Natixis. These securities could be impacted as a last resort once the subordinated receivables and debt instruments (Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments) have been affected by "bail-in" measures. In any event, holders of equity securities would have been the first to be affected by the impairment of Natixis.

3.2 Risk management

Update to Section 3.2 of Chapter 3 of the 2022 universal registration document.

3.2.4. Credit and counterparty risks

3.2.4.11 Quantitative information

EAD, RWA and PFE by Basel approach and exposure class (NX01)

	30/06/2023			31/12/2022		
(in millions of euros)	EAD	RWA	PFE	EAD	RWA	PFE
Credit risk						
Internal approach	**153,121**	**46,439**	**3,715**	**160,524**	**45,773**	**3,662**
Equities	2,977	8,222	658	2,655	7,187	575
Governments and central banks	47,376	517	41	56,389	742	59
Other assets	-	-	-	0	0	0
Retail	-	-	-	-	-	-
Corporates	92,436	35,415	2,833	90,751	34,861	2,789
Institutions	7,196	1,467	117	7,329	2,098	168
Securitization	3,136	817	65	3,399	885	71
Standard approach	**127,387**	**12,918**	**1,033**	**107,474**	**12,423**	**994**
Governments and central banks	6,901	1,841	147	5,197	1,429	114
Other assets	6,039	5,412	433	6,248	5,994	479
Retail	268	188	15	256	179	14
Corporates	3,257	2,392	191	2,962	2,120	170
Institutions	95,554	317	25	78,089	316	25
Defaulted exposures	89	108	9	57	72	6
Exposures secured by mortgages on immovable property	308	127	10	328	138	11
Exposures to institutions and corporates with a short-term credit assessment	95	71	6	45	35	3
Securitization	14,878	2,461	197	14,292	2,140	171
Sub-total credit risk	***280,508***	***59,357***	***4,749***	***267,998***	***58,195***	***4,656***
Counterparty risk						
Internal approach	**39,851**	**6,567**	**525**	**40,396**	**6,947**	**556**
Governments and central banks	11,531	86	7	12,019	240	19
Corporates	13,238	3,640	291	14,415	3,826	306
Institutions	14,991	2,819	225	13,843	2,850	228
Securitization	90	23	2	119	31	2
Standard approach	**20,238**	**351**	**28**	**23,746**	**374**	**30**
Governments and central banks	740	35	3	362	27	2
Retail	24	18	1	0	0	0
Corporates	568	21	2	626	38	3
Institutions	18,747	222	18	22,615	243	19
Defaulted exposures	1	1	0	0	0	0
Exposures to institutions and corporates with a short-term credit assessment	120	49	4	97	58	5
Securitization	38	6	0	45	7	1
CCP default fund contribution	**648**	**297**	**24**	**607**	**242**	**19**
Sub-total counterparty risk	***60,737***	***7,215***	***577***	***64,748***	***7,562***	***605***

Market risk						
Internal approach		6,224	498		7,170	574
Standard approach		6,420	514		6,701	536
Equity risk		496	40		399	32
Foreign exchange risk		3,710	297		3,918	313
Commodity risk		778	62		941	75
Interest rate risk		1,436	115		1,443	115
Sub-total market risk		*12,645*	*1,012*		*13,871*	*1,110*
CVA	9,629	2,678	214	12,348	2,488	199
Settlement-delivery risk		44	4		65	5
Operational risk (standard approach)		12,831	1,026		12,857	1,029
Amount of additional risk exposure related to Article 3 of the CRR		336	27		896	72
TOTAL		95,106	7,608		95,935	7,675

Exposure and EAD by Basel exposure class (NX03)

(Data reported to Statutory Auditors in accordance with IFRS 7)

(in millions of euros)	Exposure		EAD		
Exposure class	30/06/2023	*o/w off-balance sheet*	30/06/2023	*o/w off-balance sheet*	2023 average
Corporates	**137,874**	***82,387***	**109,512**	***54,785***	**114,140**
Other than SMEs and SF	114,474	*73,062*	89,832	*48,720*	92,942
Specialized Financing (SF)	20,568	*8,540*	17,521	*5,494*	19,023
SMEs	2,833	*785*	2,159	*571*	2,175
Institutions	**148,760**	***49,911***	**137,123**	***38,275***	**130,582**
Governments and central banks	**67,314**	***16,012***	**66,548**	***15,247***	**70,403**
Central governments and central banks	65,489	*15,282*	64,865	*14,657*	68,906
Regional governments or local authorities	264	*80*	254	*70*	316
Public sector entities	1,560	*650*	1,429	*520*	1,180
Retail	**628**	***137***	**291**	***55***	**313**
Other than SMEs	463	*85*	182	*37*	197
SMEs	165	*51*	110	*18*	115
Securitization	**18,452**	***12,661***	**18,143**	***12,661***	**16,536**
Other assets	**6,039**	**-**	**6,039**	**-**	**6,131**
Equities	**2,977**	***173***	**2,977**	***173***	**2,806**
Collective investment undertakings	**-**	**-**	**-**	**-**	**-**
Exposures secured by mortgages on immovable property	**308**	***1***	**308**	***0***	**322**
Exposures to institutions and corporates with a short-term credit assessment	**524**	***158***	**215**	***136***	**197**
Defaulted exposures	**218**	***21***	**89**	***6***	**67**
Total as of 30/06/2023	**383,093**	***161,460***	**341,244**	***121,337***	**341,497**
Total as of 31/12/2022	**376,956**	***165,706***	**332,746**	***122,954***	**342,336**

EAD by geographic area and by Basel exposure class (NX05)

(Data reported to Statutory Auditors in accordance with IFRS 7)

(in millions of euros)

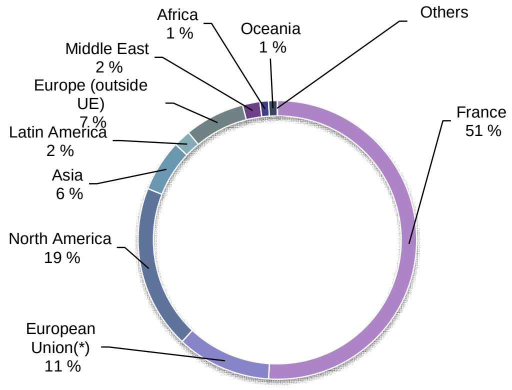
Exposure class	France	Europe*	North America	Others	Total
Corporates	**33,705**	**33,102**	**22,325**	**20,380**	**109,512**
Other than SMEs and SF	29,448	26,776	17,511	16,097	89,832
Specialized Financing (SF)	3,024	5,681	4,779	4,036	17,521
SMEs	1,233	644	35	246	2,159
Institutions	**104,212**	**15,959**	**10,246**	**6,706**	**137,123**
Governments and central banks	**23,512**	**9,002**	**22,130**	**11,904**	**66,548**
Central governments and central banks	22,812	8,148	22,002	11,903	64,865
International organizations	-	-	-	-	-
Multilateral development banks	-	-	-	-	-
Regional governments or local authorities	214	40	-	-	254
Public sector entities	486	814	128	1	1,429
Securitization	**5,352**	**2,270**	**9,755**	**767**	**18,143**
Other assets	**5,432**	**347**	**205**	**55**	**6,039**
Equity	**1,403**	**449**	**1,020**	**105**	**2,977**
Retail	**180**	**56**	**0**	**56**	**291**
Other than SMEs	117	54	0	10	182
SMEs	63	2	0	45	110
Exposures secured by mortgages on immovable property	**299**	**6**	**-**	**2**	**308**
Exposures to institutions and corporates with a short-term credit assessment	**19**	**19**	**61**	**115**	**215**
Defaulted exposures	**21**	**6**	**-**	**63**	**89**
Collective investment undertakings	**-**	**-**	**-**	**-**	**-**
Total as of 30/06/2023	**174,136**	**61,215**	**65,743**	**40,151**	**341,244**
Total as of 31/12/2022	**170,605**	**62,183**	**59,300**	**40,659**	**332,746**

** Europe EU and non-EU*

EAD by geographic area (NX06)

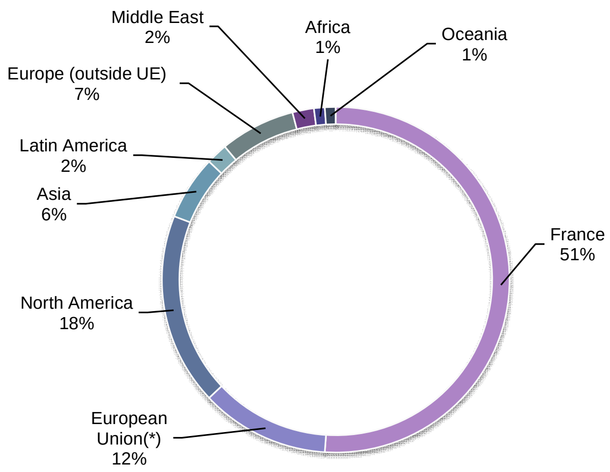
(Data reported to Statutory Auditors in accordance with IFRS 7)

As of 30/06/2023



** The United Kingdom is no longer considered to be in the EU as of 30/06/2023.*

As of 31/12/2022



** The United Kingdom is no longer considered to be in the EU as of 31/12/2022.*

EAD by internal rating (S&P equivalent) (NX12)

(Data reported to Statutory Auditors in accordance with IFRS 7)

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

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

(% breakdown)

Grade	Internal rating	30/06/2023	31/12/2022
Investment Grade	AAA	0.1%	0.2%
	AA+	9.3%	5.3%
	AA	11.0%	17.5%
	AA-	16.6%	15.7%
	A+	10.6%	11.5%
	A	9.1%	8.9%
	A-	8.6%	7.8%
	BBB+	7.1%	5.9%
	BBB	6.1%	5.5%
	BBB-	6.2%	6.3%
Investment Grade		**84.6%**	**84.5%**
Non-Investment Grade	BB+	5.0%	4.7%
	BB	2.8%	3.0%
	BB-	3.1%	2.6%
	B+	1.3%	1.7%
	B	0.9%	0.8%
	B-	0.5%	0.8%
	CCC+	0.0%	0.0%
	CCC	0.0%	0.0%
	CCC-		
	CC	0.0%	0.0%
	C	0.0%	0.0%
Non-Investment Grade		**13.6%**	**13.7%**
Unrated	**Unrated**	**0.5%**	**0.5%**
Default	**D**	**1.2%**	**1.3%**
Total		**100.0%**	**100.0%**

3.2.6 Market risks

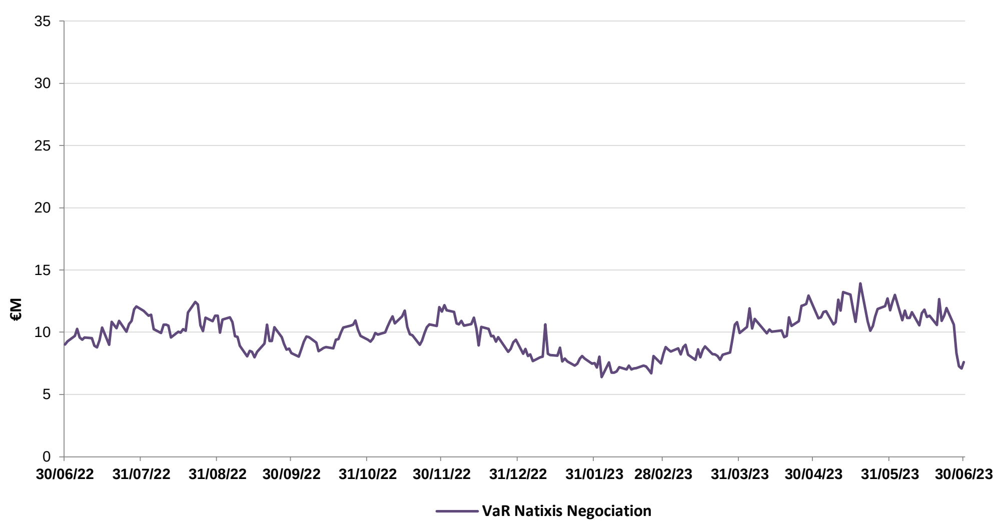
3.2.6.4 Quantitative market risk measurement data

Change in Natixis VaR

The VaR level for Natixis' trading books averaged €9.8 million, with a minimum of €6.4 million on February 3, 2023 and a peak of €13.9 million on May 19, 2023 and standing at €7.6 million as of June 30, 2023.

The following chart shows the VaR trading book history between June 30, 2022 and June 30, 2023 for the entire scope.

Overall Natixis VaR – Trading book (99% VaR 1 day)



Breakdown of overall trading VaR by scope

(Data reported to Statutory Auditors in accordance with IFRS 7)

The following table presents the key VaR figures – (99% VaR, 1 day):

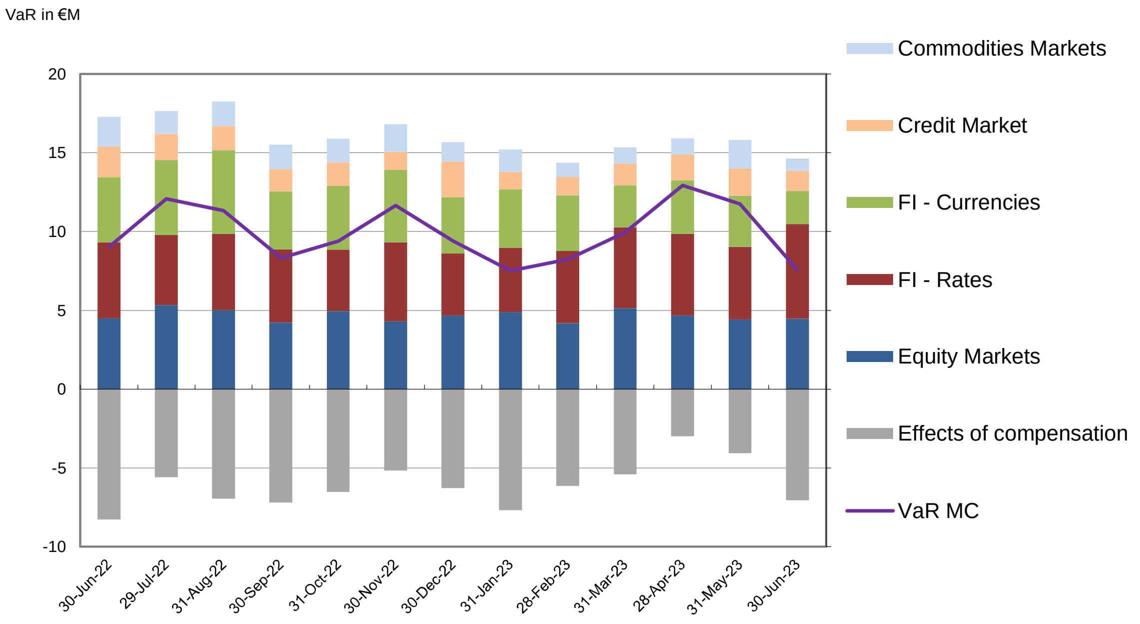
(in millions of euros)

Natixis trading book	VaR as of 30/06/2023
Natixis	**7.6**
o/w:	
Global Markets	7.8
Equity Markets	*4.5*
Commodities	*0.8*
FI – Credit Platform	*1.3*
FI – Rates & Currencies Markets	*6.1*
Global Securities Financing	*6.6*
Other run-off activities	0.6

At June 30, 2023, VaR by activity decreased compared to the previous year (€7.6 million compared to €9 million at June 30, 2022). This decrease is mainly due to the econometrics underlying the VaR calculation in a context of reduced market volatility at the end of June 2023 compared to the end of June 2022.

Breakdown by business line and netting effect

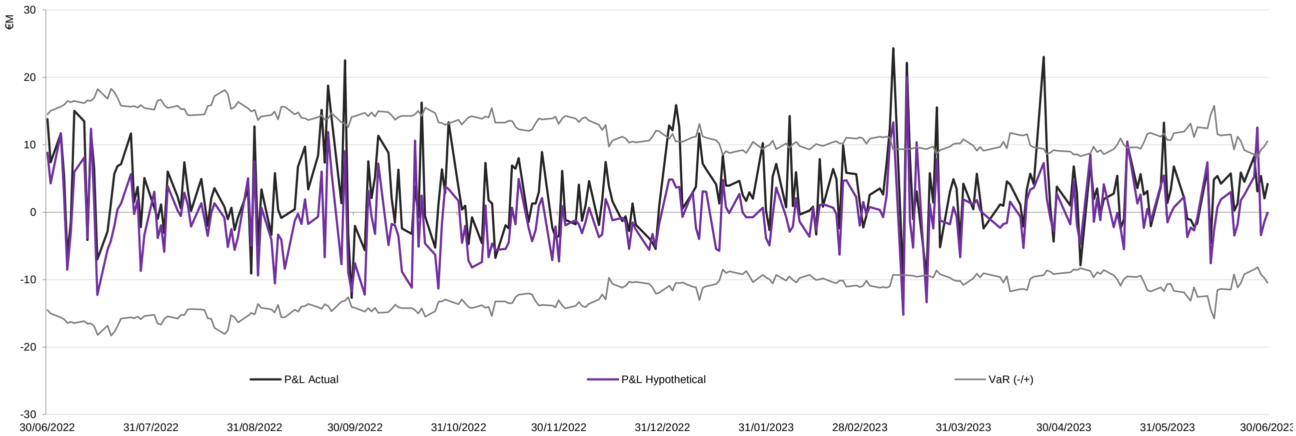
The breakdown of the VaR by business line provides a picture of the monthly contribution of the main risks and the netting effects in terms of VaR.



The decrease in VaR is notably linked to the underlying econometrics, in a context of reduced market volatility at the end of June 2023 compared to the end of June 2022.

Natixis backtesting on regulatory scope

The following chart shows the results of backtesting (ex post comparison of potential losses, as calculated ex ante by VaR (99%, 1 day), with hypothetical and actual P&L impacts) on the regulatory scope, and can be used to verify the solidity of the VaR indicator.



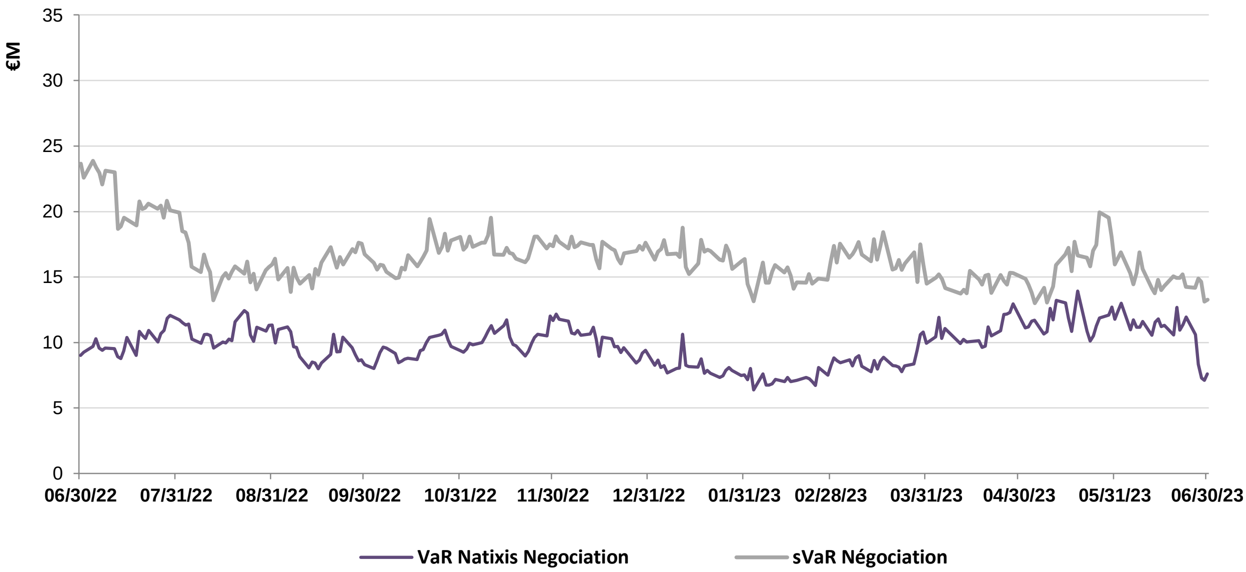
In 2023, Natixis recorded two backtesting exceptions on the current P&L and the hypothetical P&L within the regulatory scope.

They were recorded on March 13 and 20. They follow the disruptions related to the rise in interest rates and the bankruptcy of several American banks. As public institutions intervened quickly, markets returned to normal at the end of the month.

Natixis regulatory stressed VaR

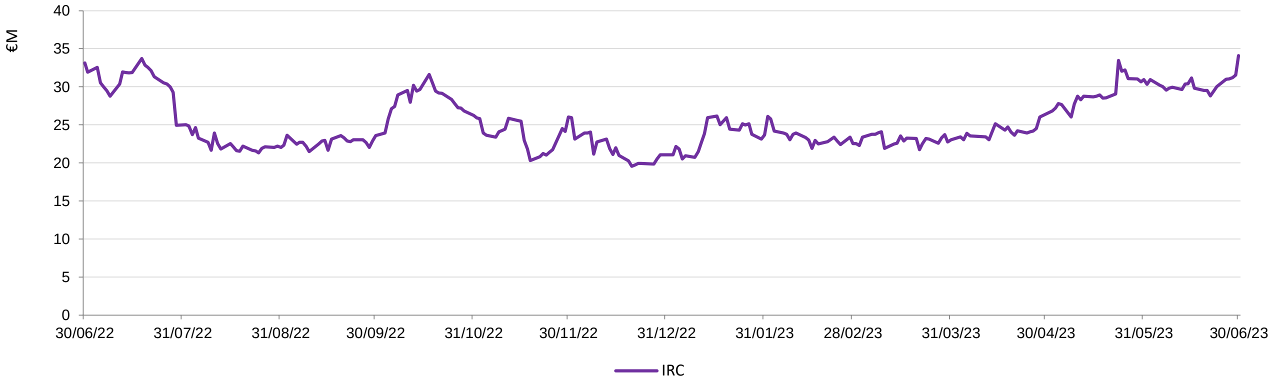
Natixis' regulatory stressed VaR averaged €20.2 million euros, with a minimum of €14.4 million on December 15, 2022, a maximum of €32 million on July 11, 2022, and a level of €17.5 million on June 30, 2023.

Change in regulatory VaR (99% VaR, 1 day) and stressed VaR (99% SVaR, 1 day):



IRC indicator

This indicator covers the regulatory scope. Natixis' IRC averaged €25.3 million, with a minimum of €19.5 million on December 20, 2022 and a maximum of €34.1 million on June 30, 2023.



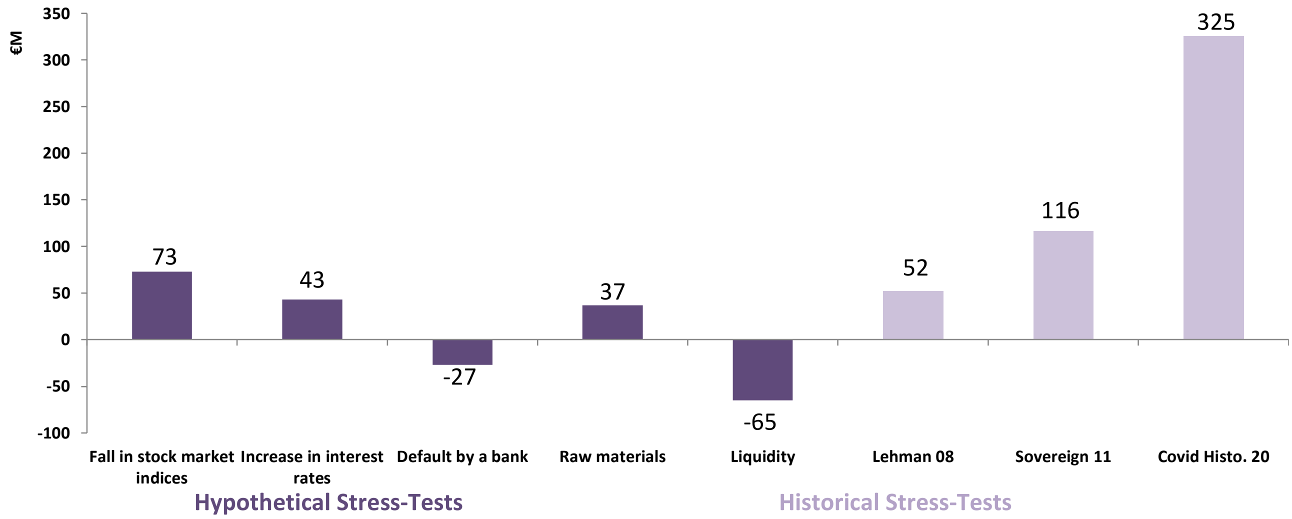
Stress test results for the Natixis scope

(Data reported to Statutory Auditors in accordance with IFRS 7)

Overall stress test levels reached an average of €69 million at June 30, 2023, versus €76 million at June 30, 2022.

The hypothetical stress test simulating a liquidity crisis led to the maximum loss of -€65 million at June 30, 2023.

Overall stress tests as of June 30, 2023



3.2.8 Balance sheet management

3.2.8.2 Management of liquidity and refinancing risk

Refinancing

(Data provided by the Statutory Auditors in accordance with IFRS 7)

Economic and financial context

The first half of 2023 was marked by the continued tightening of monetary policies aimed at countering inflation. This rate hike was initiated last year by the main global central banks including the Fed, the European Central Bank and the Bank of England. The pace of price increases in Western economies has tended to slow in recent months. The movement is particularly striking in the overall index, which, due in particular to the drop in energy prices, fell from 6.50% to 3.00% in the United States over the half-year and from 9.20% to 5.50% in the euro zone. Nevertheless, when the most volatile items such as energy and food prices are excluded, inflation remains too high (4.8% in the United States and 5.40% in the euro zone) and far from the central banks' targets. The Fed and the ECB therefore do not wish to lower their guard and continue to send the message that the rate hike is not over. The very good resilience of the labor market, both in Europe (unemployment rate at 6.50%) and in the United States (unemployment rate at 3.60%) is watched in particular by monetary decision-makers who fear that employment tensions may promote a price-wage spiral that maintains long-term inflation.

Short-term refinancing

The rise in short-term rates has two consequences on the short-term debt market. Initially, it tends to limit investor appetite for fixed-rate assets with long maturities (greater than three months) due to an increased valuation risk. But this increase in yields also has an advantage: it favors monetary debt over other asset classes. Indeed, the absolute level of rates and the inversion yield curves between the 1-year and the 10-year may encourage re-allocations to monetary assets. This half-year, we have seen a significant increase in money market fund outstandings in the United States, as well as in France, which prefer short-term debt issues.

The short-term debt markets held up well to the turbulence experienced during the half-year. Tensions over the solvency of US regional banks did not spread to the entire market for long, as investors remained selective and eager to take advantage of any widening spreads to increase their purchases. The negotiations on the renewal of the US debt ceiling, another difficult period, did not cause major tensions in the short-term bank debt markets. Discussions were never interrupted even if they slowed down during the last days of the bi-party negotiations that enabled an agreement to be reached in the US Congress.

Over the half-year, Natixis' short-term debt outstandings remained relatively stable (€37.93 billion at the end of June 2023 compared to €39.82 billion at the end of 2022). Demand from American investors for Natixis' short-term issues remains strong, with 60% of our outstandings from US-based programs denominated in US dollars.

Natixis' short-term issue program outstandings

(in millions of euros or euro equivalents)	Deposit certificates	Commercial papers	Total
Program cap*	45,000	25,805	70,805
Outstanding	23,096	14,831	37,927

** For certificates of deposit, the cap of the NEU CP (Negotiable EUropean Commercial Paper) program only.*

Long-term financing

The sharp rise in short-term rates is also having a major impact on bond markets, contributing to the further inversion of yield curves. At the end of June, the 10-year UST rate was 3.85%, the same level as at the start of the year, and the 10-year minus 2-year slope hit a low of -108 bps (vs. -55 bps at the start of the year). In the euro zone, the yield on German 10-year debt fell by -15 bps over the half-year to 2.40%, with a -64 bp yield curve inversion (vs. -19 bps at the beginning of the year).

In Europe, the ECB began reducing the APP program. On average, €15 billion of debt maturing each month was not reinvested between March and June, i.e. around half of the total. A complete halt to reinvestment is planned from July onwards.

On the credit market, banks were very active in the primary market segment in the first half of the year. The expected rate hike in an uncertain environment encouraged them to get ahead of their annual refinancing program. Across a wide range of European banks, an average of 60% of their issuance program had been completed by the end of June.

Over the half-year, despite the banking stress caused by the woes of US regional banks in March, IG dollar funds collected +US$ 26 billion in inflows and IG euro funds +€13.6 billion. Credit spreads for core euro zone banks have widened by an average of +30 bps on the secondary market for senior preferred euro-denominated debt.

Against this market backdrop, Natixis raised €11.1 billion of unsecured debt in the first half of 2023 (of which €1 billion in self-held securities) under its medium- and long-term refinancing program. As the only long-term issuer in the public issues segment, BPCE provided Natixis with financing for a total euro-equivalent amount of €4.6 billion.

Issues and outstandings of Natixis' medium- and long-term debt issuance programs

(in millions of euros or euro equivalents)	***EMTN***	***NEU MTN***	***US MTN***	***Bonds***
Issues as of 30/06/2023	1,932	0	0	4,552
Outstandings as of 30/06/2023	15,202	116	91	16,170

3.2.8.4 Overall interest rate risk

Overall interest rate risk management framework

(Data reported to Statutory Auditors in accordance with IFRS 7)

Natixis is subject to the interest rate risk measurement and monitoring framework laid down by the ALM Group, supplemented by a measurement and monitoring framework calibrated internally according to the specific needs of each entity. These mechanisms are produced for Natixis' consolidated banking portfolio from the consolidated ALM database.

The interest rate risk of Natixis' banking portfolio is managed and monitored under the authority of the ALM Committee, which is chaired by the Chief Executive Officer and attended by the members of the Senior Management Committee in charge of the Finance division, Risk division and the CIB division, as well as the Head of the Liquidity Pool, and the Head of Financial Management of Natixis and his BPCE counterpart.

Three families of measurements are carried out:

- a static fixed interest rate gap; it represents the schedule of transactions until their next rate resetting date;
- sensitivity of economic value calculations (ΔEVE): this indicator measures the change in this value under different yield curve distortion scenarios (including those regulatorily-defined by the EBA);

- changes in net interest margin (∆MNI): this measure consists of calculating the sensitivity of future net interest income under different scenarios (including the new standard EBA scenarios, for a parallel increase and a decrease in rates).

Limits were approved by the Group Strategic ALM Committee for these indicators. They are part of the Groupe BPCE mechanism but also of Natixis' internal risk appetite framework, with a low level of materiality.

The SBSR Department acts as a second line of defense and second-level controller of these indicators and their limits, which are reported in the ALM Committee and in the risk dashboard.

SBSR also calculates the sensitivity of revenues from instruments recognized at fair value in the banking book, with a second-level control carried out by the risk assessment team.

In addition to this mechanism, operational interest rate risk monitoring measures by portfolio are calculated daily by the front-office IT systems. Their monitoring and control is carried out by the SBSR Department.

In the case of subsidiaries, monitoring compliance with the rate limits is the responsibility of each local Risk division.

Quantitative information

(Data reported to Statutory Auditors in accordance with IFRS 7)

The Natixis contribution to Groupe BPCE's fixed rate gap presented below consolidates all transactions in the regulatory banking book regardless of their IFRS management intention. These transactions are matured in this indicator until their next rate refix date. This indicator is calculated on a quarterly basis.

Interest rate gap by maturity at June 30, 2023

Maturity (*in millions of euros*)	**1 year**	**3 years**	**5 years**	**7 years**
Interest rate gap (fixed-rate)	(485)	(565)	(293)	(215)

The table below shows the sensitivity of the economic value (∆EVE) and the net interest income (∆NII) of Natixis' consolidated banking book according to the various regulatory scenarios of interest rate changes at the reporting dates:

Sensitivity of economic value and net interest income (IRRBB – Table B)

	∆EVE		**∆NII**	
Period *(in millions of euros)*	**30/06/2023**	**31/12/2022 Proforma**	**30/06/2023**	**31/12/2022 Proforma**
Parallel upward shift	(56)	5	5	22
Parallel downward shift	23	(23)	(28)	(61)
Steepening	(58)	(75)		
Flattening	24	28		
Rise in short rates	8	28		
Fall in short rates	(32)	(83)		
Maximum				
Period	**30/06/2023**		**31/12/2022**	
Tier-1 capital	**12,840**		**13,090**	

The measures reported in the table above were produced by applying the new EBA Guidelines of October 2022, and applicable from June 30, 2023: they include the new regulatory floor for the determination of interest rate shocks, as well as a standard outlier test (SOT) calculation on the NIM.
The asymmetries observed between the parallel rise and fall scenarios are due to the application of the inter-currency aggregation method defined in the EBA Guidelines (taking into account positive sensitivities up to 50% in the sum).
The sensitivity presented relating to the net interest income is that of the first year.

Given its nature, overall interest rate risk is a marginal risk for Natixis and calls for no special comments. The banking book is therefore not very sensitive to interest rate movements, with fixed-rate exposure concentrated on very short maturities.

The regulatory stress scenarios set by the European Banking Authority (parallel upward or downward shift in yield curves, steepening, flattening, rise or fall in short rates with a progressive floor) show a change of -

€58 million in the economic value of the banking book (using the EBA's currency offsetting rules) based on the steepening yield curve scenario of June 30, 2023.

The sensitivity of Natixis' NIM to interest rate variations under various stress scenarios in 2023 was relatively stable. In the event of a parallel rise in the yield curves (EBA scenarios), the sensitivity is positive and represents less than 1% of Tier 1 capital.

3.2.10 Legal risks

Update to Sections 3.2.10.1 and 3.2.10.2 of Chapter 3 of the 2022 universal registration document, pages 152 to 155. Only new and updated procedures are presented here.

3.2.10.1 Legal and arbitration proceedings

Madoff fraud

The outstanding Madoff amount is estimated at €332,3 million in exchange value at June 30, 2023, fully provisioned at that date, compared to 339.7 million in exchange value at December 31, 2022. The effective impact of this exposure will depend on both the extent of recovery of down invested for Natixis and the outcome of the measures taken by the bank, notably in terms of legal proceedings. Furthermore, in 2011 a dispute emerged over the application of the insurance policy for professional liability in this case, which had been taken out with successive insurers for a total amount of €123 million. In November 2016, the Paris Court of Appeal vindicated the Commercial Court's prior ruling that primary insurers were liable to cover the losses incurred by Natixis due to the Madoff fraud, up to the amount for which the bank was insured. On September 19, 2018, the Court of Cassation subsequently annulled the judgment under appeal and referred the case back to the Paris Court of Appeal with a differently constituted bench. On September 24, 2019, the Court ruled against Natixis, overturning the ruling by the Commercial Court of Paris. Natixis filed an appeal with the Court of Cassation in December 2019. The Court of Cassation dismissed the appeal on November 4, 2021, so that the judgment of the Paris Court of Appeals of September 24, 2019, unfavorable to Natixis, became final and irrevocable.

Irving H. Picard, the court-appointed trustee for Bernard L. Madoff Investment Securities LLC (BMIS), submitted a restitution claim concerning the liquidation of amounts received prior to the discovery of the fraud through a complaint filed with the United States Bankruptcy Court for the Southern District of New York against several banking institutions, including a US$400 million claim against Natixis. Natixis denies the allegations made against it and has taken the necessary steps to defend its position and protect its rights. Natixis has launched appeals, including a motion to dismiss the case on a preliminary basis, or prior to any ruling on the merits, and a motion to withdraw the reference to transfer certain matters to the United States District Court. These proceedings have been subject to numerous rulings and appeals and are still ongoing. A November 2016 ruling by the bankruptcy court dismissed a number of restitution claims initiated by the trustee on the grounds of extraterritoriality. In September 2017, the Second Circuit Court granted the BMIS liquidator and the defendants the right to appeal the bankruptcy court's ruling on the grounds of extraterritoriality directly through the Second Circuit, thereby avoiding the need to file an intermediary appeal with the district court. In February 2019, the Court of Appeals for the Second Circuit overturned the bankruptcy court's extraterritoriality ruling. In August 2019, Natixis joined the group of defendants that filed a request for permission to appeal the Second Circuit Court's ruling before the Supreme Court. In June 2020, the Supreme Court refused to hear the case. On August 30, 2021, the court of the Second Circuit clarified the concept of "good faith" by deciding (i) that it is determined according to the standard of "inquiry notice" which is less favorable to the defendants, and (ii) that the burden of proof lies not with the liquidator of BMIS but with the defendants. These preliminary points having now been decided, the proceedings are continuing on the merits. The BMIS liquidator has initiated proceedings to split into two separate actions the claim for restitution brought initially against Natixis, one against Natixis S.A. (initial action amended to include only the buybacks of Fairfield Sentry shares) and the other. against Natixis Financial Products LLC (new action to be brought relating to the buyback of Groupement Financier shares). These two separate actions have been filed and are ongoing.

Furthermore, the liquidators of Fairfield Sentry Limited and Fairfield Sigma Limited have initiated a large number of proceedings against investors having previously received payments from these funds for redemptions of shares (over 200 proceedings have been filed in New York). Some Natixis entities have been named as defendants in some of these proceedings. Natixis deems these proceedings to be entirely unfounded and is vigorously defending its position. These proceedings have been suspended for several years, and in October 2016 the bankruptcy court authorized the liquidators to modify their initial claim. The defendants filed joint responses in May and June 2017. In August 2018, the bankruptcy court ruled on a motion to dismiss filed by the defendants (requesting that the case be dismissed on a preliminary basis and prior to any ruling on the merits). The judge only gave a ruling on one of the merits (that of personal jurisdiction), having found that the latter was missing from the claim made against the defendants. In December 2018, the judge ruled on the motion to dismiss, rejecting the liquidators' common law claims (unjust enrichment, money had and received, mistaken payment and constructive trust) as well as contractual claims. However, it overturned the motion to dismiss in respect of claims founded on British Virgin Islands' law, while reserving the right to file a plea for the application of Section 546(e) safe harbor provision. In May 2019, the liquidators appealed the bankruptcy court's ruling before the District Court. The defendants, including Natixis, submitted on March 9, 2020 a motion to dismiss this appeal and renewed this initial motion on March 16, 2020. The bankruptcy court asked the defendants to limit the motion to dismiss to arguments that can lead to the dismissal of all the actions of the liquidators (as per Section 546(e) of the safe harbor provision or impropriety of the initial petition). In December 2020, the bankruptcy court dismissed the action brought under the law of the British Virgin Islands, considering that the defendants, including Natixis, are covered by Section 546(e) safe harbor. In August 2022, the District Court upheld the bankruptcy court's decision dismissing the actions of the liquidators against all defendants, including Natixis. The liquidators appealed this decision to the Second Circuit. The case is ongoing.

Criminal complaint coordinated by ADAM

In March 2009, the Paris public prosecutor's office (Parquet de Paris) launched a preliminary investigation into a complaint filed by Natixis minority shareholders and coordinated by the Association de Défense des Actionnaires Minoritaires (ADAM – Association for the Defense of Minority shareholders). As the plaintiffs have initiated civil proceedings, a judicial investigation opened in 2010. On February 14, 2017, Natixis came under investigation for false and misleading information on account of two messages sent in the second half of 2007, at the beginning of the subprime crisis.

After judicial investigation, a committal for trial was ordered on June 28, 2019.

The committal concerns only one of the messages, disseminated on November 25, 2007, explaining the risks to which Natixis was exposed at the time as a result of the subprime crisis. The second message was dismissed.

The Paris Criminal Court, in a judgment handed down on June 24, 2021, condemned Natixis, deeming insufficient the information provided by said press release of November 25, 2007, and more specifically the risks to which the bank was exposed at the time due to the subprime crisis.

It imposed a fine of €7.5 million. The civil parties were awarded total compensation of around €2 million. Natixis, which considers that it has not committed any offense, appealed against this judgment, as the Paris Criminal Court did not take into account the arguments presented at the hearing.

The Paris Court of Appeal has scheduled a setting hearing for September 11 and hearings on the merits between January 22 and 31, 2024.

Securitization in the United States

Since 2012, five separate legal proceedings regarding residential mortgage-backed security (RMBS) transactions executed between 2001 and mid-2007 have been initiated against Natixis Real Estate Holdings LLC before the New York Supreme Court.

Two of these five proceedings relate to accusations of fraud. One was dismissed in 2015 as time-barred. Some of the claims relating to the second case were also dismissed as time-barred and, in 2018, Natixis settled the outstanding claims before the court issued a final ruling on the merits of the case.

Three of these five proceedings have been brought against Natixis, purportedly on behalf of certificate holders, alleging that Natixis failed to repurchase defective mortgages from certain securitization transactions. Two of them were dismissed as time-barred, and the plaintiffs' appeals were also dismissed. As for the only action currently in progress, which involves a claim of approximately US$820 million, Natixis believes that the claims against it are unfounded for a number of reasons including because the claims are time-barred and because the plaintiff does not have standing to act.

Natixis and the plaintiff are engaging in meaningful discussions to resolve the litigation. Whilst such discussions are ongoing, Natixis and the plaintiff have agreed to stay the legal proceedings, which the Supreme Court of the State of New York has authorized.

Lucchini Spa

In March 2018, Natixis S.A. was summoned, jointly and severally with other banks, by Lucchini Spa (under extraordinary administration) to appear before the Court of Milan, with Lucchini Spa's receiver alleging improprieties in the implementation of the loan restructuring agreement granted to Lucchini Spa.

In its decision on July 21, 2020, the Court of Milan dismissed all Lucchini Spa's claims and sentenced it to pay cost of proceedings for a total amount of €1.2 million, of which €174,000 for each bank or group of banks.

Lucchini Spa appealed against the judgment. According to the decision of December 28, 2022, the Milan Court of Appeal rejected Lucchini Spa's claim and ordered a set off on the costs of the proceedings between the parties. Lucchini Spa did not appeal within the applicable time limit and the decision of 28 December 2022 is now final.

Bucephalus Capital Limited/Darius Capital Conseil

On June 7, 2019, Bucephalus Capital Limited (a company governed by English law) brought an action against Darius Capital Partners (a company governed by French law and renamed Darius Capital Conseil, a 70% held subsidiary of Natixis Investment Managers), jointly and severally with others, before the Paris Commercial Court, to contest the breach of various contractual obligations, particularly with respect to a framework agreement dated September 5, 2013 setting out their contractual relations and various subsequent agreements. Bucephalus Capital Limited claims a total of €178,487,500.

During proceedings, Bucephalus Capital Limited increased the amount of its claims and sought payment of €418,492,588 or, in the alternative, €320,645,136, in addition to €100,000 under Article 700 of the French Code of Civil Procedure.

Darius Capital Conseil consider these claims to be unfounded. In a decision of 16 March 2023, the Commercial Court of Paris rejected all the claims of Bucephalus Capital Limited and ordered it to pay the costs of the proceedings of Darius Capital Conseil in the amount of 150,000 euros. Bucephalus Capital Limited appealed on 28 June 2023. The case is ongoing.

European Government Bonds Antitrust Litigation

At the end of December 2019, Natixis was added as a defendant in a class action brought to the US District Court, SD New York, on allegations of violations in the market for European Government Bonds (EGBs) between January 1, 2007 and December 31, 2012. The class action was initially brought against several identified banks and banks of unknown identity ("John Doe") in March 2019.

Natixis, like the other defendants in this case, requested the dismissal of the action on a preliminary basis and before any decision on the merits on multiple grounds, a request which was denied.

Natixis has reached an agreement to settle with the plaintiffs that has been preliminary approved by the US District Court, SD New York. The settlement is subject to final approval that will not occur before 2024.

3.2.10.2 Tax proceedings

Natixis is the subject of preliminary investigations opened by the French National Financial Prosecutor's Office (*Parquet National Financier*) in France and by the Cologne Prosecutor in Germany.

As part of the investigations conducted in France, particularly the dawn raids carried out on 28 March 2023 on the premises of several banks including Natixis, the French National Financial Prosecutor's Office published a press release stating that five preliminary investigations were opened on 16 and 17 December 2021 on charges of aggravated laundering, of aggravated tax fraud and, for some of them, aggravated tax fraud related to the taxation of dividends received by banks in the context of market transactions.

As part of the investigations conducted by the Cologne Prosecutor, a dawn raid was carried out on 13 June 2023 mainly on the premises of Natixis' Frankfurt branch but also of Natixis Pfandbriefbank AG's head office and Natixis Investment Managers International SA's offices in Frankfurt and Munich.
The investigations are ongoing and covered by the secrecy of the investigation. Natixis intends to cooperate with the authorities in respect of its rights and will assert its position before the courts.

3.2.10.3 Situation of dependency

Natixis is not dependent on any patent or license, or on any industrial, commercial or financial supply contract.

3.3 Basel 3 Pillar III disclosures

Update to Section [3.3] of Chapter [3] of the 2022 universal registration document.

Regulatory framework for the Pillar III report

The report on Pillar III is prepared in accordance with the European Regulation (CRR II) No. 2019/876, in particular according to Articles 431 to 455 of the regulation, which detail the information to be published by institutions under Pillar III. The CRR II-CRD V legislative package was adopted on May 20, 2019 by the European Parliament and entered into force on June 28, 2021. The information to be provided under Pillar III has also been prepared in accordance with Implementing Regulation (EU) No. 2021/637 of the European Commission of March 15, 2021.

Policy, validation and approval

Throughout the first half of 2023, and to date, Natixis has implemented a framework of disclosure controls and procedures to ensure the accuracy of the disclosures provided in Natixis' Pillar III.

3.3.1 Capital management and capital adequacy

Regulation (EU) No. 2019/876 of the European Parliament and of the Council (Capital Requirements Regulation II known as "CRR II") requires reporting institutions to publish quantitative and qualitative information about their activities.
Natixis' risk management framework and level of risk exposure are described in Section [3.2] "Risk management" of the 2022 universal registration document.

3.3.1.1 Regulatory framework

Since January 1, 2014, the CRD IV and the Capital Requirements Regulation (CRR) have applied Basel 3 regulations in Europe.

As under Basel 2, the Basel 3 regulatory provisions are divided into three pillars:

- Pillar I: a set of rules defining the measurement of risks and capital based on various possible methodologies and minimum observable requirements;
- Pillar II: framework governing the role of the supervisory authorities. For each supervised institution, the competent authorities may define additional capital requirements according to the risk exposure, and internal governance and steering framework;
- Pillar III: requires institutions to disclose a large number of items highlighting the level of risks incurred, capital adequacy and the adequacy of their management.

The CRR/CRD IV package aims to strengthen the financial soundness of banking institutions, notably by proposing:

- a stricter definition of the capital items eligible to meet regulatory capital requirements;
- reinforced regulatory capital requirements, in particular for counterparty risk on derivatives;
- higher ratios to observe, specifically regarding CET1 capital and capital buffers:
  - a capital conservation buffer, which represents 2.5% of total weighted exposures;
  - a countercyclical capital buffer, i.e. the average of the countercyclical capital buffer of each country in which Natixis holds risk exposures, weighted by the amount of these exposures. Since the second half of 2022 and especially from 2023, the national macroprudential authorities in many countries have increased their countercyclical buffer rate. In France, the rate applied had been zero from the 2nd quarter of 2020, but the HCSF decided to raise the rate to 0.5% from April 7, 2023 and then to 1% from January 2, 2024;
  - buffer for systemically important institutions: additional requirement for large institutions (G-SIBs/O-SIB), it aims to reduce their risk of bankruptcy. Natixis is not subject to this buffer;
  - systemic risk buffer: its objective is to limit long-term non-cyclical systemic or macroprudential risks. It can be applied to all of the institution's exposures or to sectoral exposures. It is currently at 0%.
- in addition, other mechanisms have been introduced, including mechanisms to limit dividend payouts, interest on Additional Tier One (AT1) subordinated debt and variable compensation (Maximum Distributable Amount, or MDA).

Since November 2014, the supervision of major European banks has been exercised directly by the ECB. Based on the SREP process (or Supervisory Review and Evaluation Process) of Pillar II, the ECB sets for each institution the level of ratio to comply with in addition to the minimum requirements of the prudential regulations (applicable to all institutions supervised in a uniform manner): each subject institution is thus assigned an additional solvency requirement to be complied with (referred to as “P2R” or Pillar 2 Requirement) as well as a recommended additional requirement (“P2G” or Pillar 2 Guidance).

As of 2023, under the SREP process, Natixis must comply with a CET 1 capital ratio of 8.50%, of which 2.5% under the capital conservation buffer, 1.41% under Pillar II (excluding P2G) and 0.09% for the countercyclical capital buffer; the latter, recalculated quarterly, was increased to 0.37% as of June 30, 2023. This brings Natixis' regulatory requirements to 8.78%

3.3.1.2 Composition of capital

Composition of regulatory capital (EU CC1)

		(a)	(b)
		Amount	Source based on balance sheet reference numbers/letters within the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	9,227	
	o/w ordinary shares	9,227	
	o/w instrument type 2		
	o/w instrument type 3		
2	Retained earnings	4,642	
3	Accumulated other comprehensive income (and other reserves)	2,773	
EU-3a	Fund for general banking risks		
4	Amount of qualifying items referred to in Article 484 (3), and the related share premium accounts subject to phase out from CET1		
5	Non-controlling interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**16,643**	
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(649)	
8	Intangible assets (net of related tax liability) (negative amount)	(3,480)	
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(830)	1
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments not measured at fair value	(98)	2
12	Negative amounts resulting from the calculation of expected loss amounts	(42)	
13	Any increase in equity that results from securitized assets (negative amount)		
14	Gains or losses on liabilities at fair value resulting from changes in own credit standing	(311)	
15	Defined-benefit pension fund assets (negative amount)	(34)	
16	Direct, indirect or synthetic holdings by an institution of own CET1 instruments (negative amount)	0	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the equity of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of CET 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings of CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Empty set in the EU		
EU-20a	Exposure amount of the following items which qualify for a risk weighting of 1,250%, where the institution opts for deduction		
EU-20b	o/w qualifying holdings outside the financial sector (negative amount)		
EU-20c	o/w securitization positions (negative amount)		
EU-20d	o/w free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liabilities where the conditions of Article 38 (3) are met) (negative amount)		
22	Amount exceeding the 17.65% threshold (negative amount)		
23	o/w direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Empty set in the EU		
25	o/w deferred tax assets arising from temporary differences		
EU-25a	Losses for the current fiscal year (negative amount)		

EU-25b	Foreseeable tax expenses relating to CET1 items, unless the institution correctly adjusts the amount of CET1 items when these tax expenses proportionally reduce the amount against which such items can be used to cover risks or losses (negative amount)		
26	Empty set in the EU		
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 phase-in arrangements if applicable)	(590)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1) capital**	(6,035)	
29	**Common Equity Tier 1 (CET1) capital**	**10,608**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	2,232	
31	o/w classified as equity under applicable accounting standards	2,232	
32	o/w classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts which will be progressively excluded from AT1, in accordance with Article 486 (3) of CRR		
EU-33a	Amount of qualifying items referred to in Article 494 a (1) subject to exclusion of AT1 capital		
EU-33b	Amount of qualifying items referred to in Article 494 b (1) subject to the exclusion of AT1 capital		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including non-controlling interests not included in line 5) issued by subsidiaries and held by third parties		
35	o/w instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**2,232**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect or synthetic holdings by an institution of its own AT1 instruments (negative amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings of AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Empty set in the EU		
42	Qualifying AT2 deductions that exceed the AT2 capital of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		
44	**Additional Tier 1 (AT1) capital**	**2,232**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**12,840**	
Tier 2 capital: instruments			
46	Capital instruments and the related share premium accounts	2,770	3
47	Amount of qualifying items referred to in Article 484 (5), and the related share premium accounts subject to phase out from T2		
EU-47a	Amount of qualifying items referred to in Article 494 a (2) subject to exclusion of AT2 capital		
EU-47b	Amount of qualifying items referred to in Article 494 b (2) subject to the exclusion of AT2 capital	101	3
48	Qualifying own funds instruments included in consolidated T2 capital (including non-controlling interests and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties		
49	o/w instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments	32	
51	**Tier 2 (T2) capital before regulatory adjustments**	**2,903**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect or synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)		
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Empty set in the EU		
55	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Empty set in the EU		
EU-56a	Deductions of qualifying liabilities exceeding the bank's qualifying liabilities (negative amount)		
EU-56b	Other regulatory adjustments to Tier 2 capital		
57	**Total regulatory adjustments to Tier 2 (T2) capital**		
58	**Tier 2 (T2) capital**	**2,903**	
59	**Total capital (TC = T1 + T2)**	**15,743**	
60	**Total risk exposure amount**	**95,106**	
Capital ratios and buffers			
61	Common Equity Tier 1 capital (as a percentage of total risk exposure amount)	11.2%	
62	Tier 1 capital (as a percentage of total risk exposure amount)	13.5%	
63	Total capital (as a percentage of total risk exposure amount)	16.6%	
64	Overall CET 1 capital requirement of the institution (CET 1 requirement in accordance with Article 92 (1), plus additional CET 1 requirement that the institution is required to hold in accordance with Article 104 (1) (a) of Directive 36/2013/EU, plus the overall buffer requirement in accordance with Article 128 (6) of Directive 36/2013/EU) expressed as a percentage of the risk exposure amount	8.8%	
65	o/w capital conservation buffer requirement	2.5%	
66	o/w countercyclical buffer requirement	0.4%	
67	o/w systemic risk buffer requirement	0.0%	
EU-67a	o/w global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0%	
EU-67b	o/w additional capital requirements to address risks other than the risk of excessive leverage	1.4%	
68	**Common Equity Tier 1 capital available to meet buffer requirements (as a percentage of risk exposure amount)**	5.2%	

National minima (if different from Basel 3)			
69	(not relevant in EU regulations)		
70	(not relevant in EU regulations)		
71	(not relevant in EU regulations)		
Amount below deduction thresholds (before risk weighting)			
72	Direct and indirect holdings of the capital and qualifying liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold; net of eligible short positions)	111	4
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold; net of eligible short positions)	601	5
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	458	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standard approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standard approach	166	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	32	
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	264	
Capital instruments subject to progressive exclusion			
80	Current cap on CET1 instruments subject to phase-out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase-out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase-out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Reconciliation of regulatory own funds to balance sheet in the audited financial statements (EU CC2)

		a		b	c
		Balance sheet as in the published financial statements	**Other restatements**	**Balance sheet under regulatory effect of consolidation**	**Reference**
		at June 30, 2023		**at June 30, 2023**	
	Assets - Breakdown by assets according to the balance sheet in the published financial statements				
1	Cash, central banks	33,934		33,934	
2	Financial assets at fair value through profit or loss	224,204	(304)	223,900	
	o/w holdings of CET 1 instruments of financial sector entities in which the institution does not have a significant investment			84	4
	o/w holdings of CET 1 instruments of financial sector entities in which the institution has a significant investment			28	5
3	Hedging derivatives	720		720	
4	Financial assets at fair value through other comprehensive income	9,663	0	9,663	
	o/w holdings of CET 1 instruments of financial sector entities in which the institution does not have a significant investment			10	4
	o/w holdings of CET 1 instruments of financial sector entities in which the institution has a significant investment			573	5
5	Debt instruments at amortized cost	1,644	55	1,699	
6	Loans and receivables due from banks and similar items at amortized cost	89,382	(8)	89,374	
7	Loans and receivables due from customers at amortized cost	68,929	(3,651)	65,278	
	o/w Subordinated loans to customers – when the institution does not hold a significant investment			17	4
8	Insurance business investments	0		0	
9	Current tax assets	209		209	
10	Deferred tax assets	1,192	0	1,192	
	Loss carryforwards			840	1
	Other temporary differences			352	
11	Accrual account and miscellaneous assets	6,304	30	6,334	
12	Non-current assets held for sale	0		0	
13	Investments in Associates	520		520	
14	Investment property	0		0	
15	Property, plant and equipment	866		866	
16	Intangible assets	475		475	
17	Goodwill	3,461		3,461	
	Total assets	441,503	(3,878)	437,625	
	Liabilities – Breakdown by liability according to the balance sheet in the published financial statements				
1	Central banks				
2	Financial liabilities at fair value through profit or loss	213,849	1	213,849	
3	Hedging derivatives	414		414	
4	Deposits and loans due to banks and similar items	109,907	0	109,907	
5	Customer deposits and loans	40,508		40,508	
6	Debt securities	43,860	(3,864)	39,995	
7	Revaluation adjustments on portfolios hedged against interest rate risk	4		4	
8	Current tax liabilities	1,088		1,088	
9	Deferred tax liabilities	434	0	434	
	o/w deferred tax liabilities associated with deferred tax assets that depend on future profits and do not result from temporary differences			10	1
10	Accrual account and miscellaneous liabilities	7,796	(14)	7,783	
11	Liabilities on assets held for sale	0		0	
12	Liabilities related to insurance contracts	0		0	
13	Provisions	1,216	(1)	1,215	
14	Subordinated debt	3,028		3,028	
	o/w subordinated loans under the regulatory Tier 2 category, net of discount			2,870	3
	Total liabilities	422,104	(3,878)	418,226	
	Shareholders' equity				
1	Shareholders' equity (Group share)	19,361	0	19,361	
	o/w Cash flow hedge reserve			98	2
2	Non-controlling interests	38	0	38	
	Total equity	19,399	0	19,399	

3.3.1.3 Changes in regulatory capital, regulatory capital requirements and ratios in 2023

Regulatory capital and capital adequacy ratio

The CET 1, Tier 1 and total ratios at the end of June 2023 are presented below by major component. The same ratios at end-2022 are shown by way of comparison.
In accordance with the Basel 3/CRR regulatory framework, under Pillar I, these ratios must exceed the minimum limits of 4.5%, 6% and 8%, respectively, in addition to the cumulative safety buffers, of 7.09%, 8.59% and 10.59%, respectively, for 2022, and of 7.36%, 8.86% and 10.86%, respectively, for 2023.

Total capital ratio

(in millions of euros)	**30/06/2023**	**31/12/2022**
Shareholders' equity (Group share)	**19,361**	**19,534**
Deeply subordinated notes (DSN)	2,181	2,181
Perpetual subordinated notes (PSN)	0	0
Consolidated shareholders' equity (Group share) net of DSNs and PSNs	**17,180**	**17,353**
Non-controlling interests (Amount before phase-in arrangements)	38	46
Intangible assets	(380)	(383)
Goodwill	(3,100)	(3,171)
Dividends proposed to the General Shareholders' Meeting and expenses	0	(442)
Deductions, prudential restatements and phase-in arrangements	(3,130)	(2,583)
Total Common Equity Tier 1 capital	**10,608**	**10,819**
Deeply subordinated notes (DSN)	2,232	2,271
Additional Tier 1 capital	0	0
Tier 1 deductions and phase-in arrangements	0	0
Total Tier 1 capital	**12,840**	**13,090**
Tier 2 instruments	2,870	2,885
Other Tier 2 capital	32	120
Tier 2 deductions and phase-in arrangements	0	0
Overall capital	**15,743**	**16,095**
Total risk-weighted assets	**95,106**	**95,935**
Credit risk-weighted assets	69,255	68,246
Market risk-weighted assets	12,689	13,936
Operational risk-weighted assets	12,831	12,857
Other risk-weighted assets	331	896
Capital adequacy ratios		
Common Equity Tier 1 ratio	11.2%	11.3%
Tier 1 ratio	13.5%	13.6%
Total capital ratio	16.6%	16.8%

Geographical distribution of credit exposures used in the countercyclical buffer (CCYB1)

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – market risk				Capital requirements						
	(in millions of euros)	Exposure at default under the standard approach	Exposure at default under the IRB approach	Sum of long and short exposure positions in the trading book for the standard approach	Value of trading book exposures for internal models	Securitization exposures Non-trading book exposure at default	Total exposure value	Relevant credit risk exposures – credit risk	Relevant credit exposures – market risk	Relevant credit exposures – securitization positions in the non-trading book	Total	Risk-weighted exposure amount	Capital requirement weightings (%)	Countercyclical buffer rate (%)
010	Breakdown by country:													
	Germany	1	1,358	132	2,397	255	4,143	55	15	4	74	923	1.52%	0.75%
	Australia	0	1,805	43	0	588	2,435	63	0	7	70	878	1.44%	1.00%
	Bulgaria													1.50%
	Croatia													0.50%
	Denmark		62	2	4		67	1	0		1	10	0.02%	2.50%
	Estonia													1.00%
	France	7,829	33,568	4,563	7,773	5,021	58,753	1,797	52	77	1,926	24,078	39.55%	0.50%
	Ireland	73	2,623	226	0	223	3,145	50	14	4	69	857	1.41%	0.50%
	Iceland		93				93	3			3	36	0.06%	2.00%
	Czech Republic		0	0			0	0	0		0	0	0.00%	2.50%
	Hong Kong	11	3,608	31		179	3,828	103	1	3	106	1,326	2.18%	1.00%
	Luxembourg	260	6,605	71,824	546		79,235	269	2		271	3,386	5.56%	0.50%
	Norway		405	5	2		411	10	0		10	127	0.21%	2.50%
	Netherlands	1	3,574	167	773	517	5,032	84	12	10	106	1,331	2.19%	1.00%
	Romania													0.50%
	United Kingdom	720	6,657	129	69	1,459	9,033	233	6	18	257	3,214	5.28%	1.00%
	Slovakia	0		0	52		52	0	0		0	2	0.00%	1.00%
	Sweden		147	14	16		177	8	1		9	110	0.18%	2.00%
	Sub-total	8,895	60,504	77,135	11,631	8,241	166,405	2,675	104	123	2,902	36,279	59.59%	
	Other countries with a 0% risk weighting	1,872	48,466	4,742	4,376	9,902	69,358	1,781	45	142	1,968	24,601	40.41%	
020	Total	10,766	108,971	81,876	16,007	18,143	235,764	4,457	149	265	4,870	60,880	100.00%	

Amount of institution-specific countercyclical capital buffer (CCYB2)

	(in millions of euros)	a
1	Total risk exposure amount	95,106
2	Institution-specific countercyclical capital buffer rate	0.37%
3	Institution-specific countercyclical capital buffer requirement	347

The change in regulatory capital under Basel 3/CRR over the first half of 2023 is shown below:

Changes in regulatory capital after applying phase-in arrangements for the period

(in millions of euros)	**H1 2023**
Common Equity Tier 1 (CET1) capital	
Amount at start of period	**10,819**
New instruments issued (including issue premiums)	0
Instruments redeemed	0
Retained earnings from previous periods	(44)
Net income/(loss) for the period	0
Gross dividend proposed	0
Dividend payout in new shares	0
Changes in other comprehensive income	
Translation adjustments	(177)
Available-for-sale assets	0
Cash flow hedging reserve	(8)
Others	43
Others	(55)
Non-controlling interests	0
Filters and deductions not subject to the phase-in arrangements	
Goodwill and intangible assets	75
Own credit risk	(82)
Other comprehensive income CFH	8
Prudent valuation adjustment	(6)
Other	(15)
Other, including prudential adjustments and phase-in arrangements	
Deferred tax assets that rely on future earnings (excluding temporary differences)	42
Deductions in respect of breaches of capital thresholds	0
Others	8
Impact of phase-in arrangements	0
o/w impact of changes in phase-in rate	0
o/w impact of changes in base subject to phase-in arrangements	0
Amount of Common Equity Tier 1 (CET1) capital at end of period	**10,608**
Additional Tier 1 (AT1) capital	
Amount at start of period	**2,271**
New eligible instruments issued	0
Redemptions during the period	0
Other, including prudential adjustments and phase-in arrangements	(39)
o/w impact of changes in phase-in rate	0
o/w other impact of changes in base	(39)
Amount of Additional Tier 1 (AT1) capital at end of period	**2,232**
Tier 1 capital	**12,840**
Tier 2 capital	
Amount at start of period	**3,005**
New eligible instruments issued	300
Redemptions during the period	(300)
Other, including prudential adjustments and phase-in arrangements	(102)
o/w impact of changes in phase-in rate	0
o/w other impact of changes in base	(102)
Amount of Tier 2 capital at end of period	**2,903**
Total regulatory capital	**15,743**

Common Equity Tier 1 capital (CET 1) amounted to €10.6 billion at June 30, 2023, down by -€0.2 billion during the first half of 2023. This decrease is mainly due to the following changes:

- Change in other comprehensive income (gains and losses recyclable and not recyclable directly recognized in equity), including an unfavorable impact of goodwill of -€0.2 billion;
- Decrease in prudential deductions for goodwill and intangible assets and to deferred taxes on tax loss carryforwards for +€0.1 billion;
- Perpetual deeply subordinated notes (interest and conversion effect) for -€0.1 billion;

Interim profits are not included in Common Equity Tier 1 capital. Changes in other aggregates are not significant overall during the first half of 2023.

Additional Tier 1 capital decreased by -€0.1 billion to €2.2 billion mainly due to a foreign exchange effect.

Tier 2 capital amounted to +€2.9 billion, a decrease of -€0.1 billion following a decrease in the surplus of accounting provisions for expected losses, recognized in this category. The latter also includes a new Tier 2 issue to replace an issuance of the same amount and quality.

At €95.1 billion, risk-weighted assets decreased by -€0.8 billion during the first half of 2023.

Risk-weighted assets flow statements (NX07)

(in billions of euros)	**Credit risk**	**Market risk**	**CVA**	**Operational risk**	**Total RWA**
31/12/2022	**66.6**	**14**	**2.5**	**12.9**	**95.9**
Foreign exchange movements	(0.4)				(0.4)
Change in business activity	(1.1)		0.2	0	(0.9)
Change in risk parameters	(1.7)	(1.3)			(3)
Acquisitions and disposals of investments	0				0
Impact of guarantees	3.5				3.5
30/06/2023	**66.9**	**12.7**	**2.7**	**12.8**	**95.1**

The +€0.3 billion change in credit risk in the first half of 2023 was primarily due to the following factors:

- a decrease in outstandings (-€1.1 billion) concentrated mainly in the Corporate & Investment Banking business lines;
  - the impact of risk factors (-€1.7 billion), in particular due to shorter maturities (-€0.7 billion), lower default probabilities (-€0.5 billion) and lower weighted risks linked to non-performing exposures (-€0.3 billion);
  - the impact of dollar appreciation against the euro (-€0.4 billion);
  - a “guarantees” impact of +€3.5 billion, in particular due to the reduction in guarantees.
- The -€1.3 billion decrease in market risks, mainly due to changes in risk parameters.
- The slight increase in CVA risk of +€0.2 billion is mainly explained by the evolution of exposures.
- Operational risk was stable (annual update in December 2022).

Basel 3 RWA by main Natixis business line (NX02)

	Basel 3 RWA as of 30/06/2023			
Division *(in millions of euros)*	**TOTAL**	**Credit** [(a)]	**Market** [(b)]	**Operational**
Corporate & Investment Banking [(c)]	72,783	53,627	11,981	7,175
Asset and Wealth Management	14,053	9,501	29	4,523
Corporate Center business lines	8,270	3,750	3,387	1,133
TOTAL AS OF 30/06/2023	**95,106**	**66,878**	**15,397**	**12,831**
TOTAL AS OF 31/12/2022	**95,934**	**66,562**	**16,515**	**12,857**

(a): Including counterparty risk.
(b): Including €44 million in settlement/delivery risk and €2,678 million in respect of the CVA RWA.
(c): Including Treasury and Collateral Management.

Risk-weighted assets decreased by -€0.8 billion in the first half of 2023.

This decrease was mainly driven by Corporate & Investment Banking (-€4.9 billion) partially offset by Corporate Center (+€ 3.6 billion) and Asset & Wealth Management (+€0.5 billion).

The decrease in Corporate & Investment Banking (-€4.9 billion) was mainly due to changes in credit risk (-€4 billion) and market risks (-€0.9 billion).

The increase in the Corporate Center (+€3.6 billion) is mainly due to the change in credit risk.

3.3.1.4 Capital planning

Capital planning consists of determining Natixis' target capital adequacy level, continually ensuring compliance with regulatory capital requirements in all compartments and capital adequacy in line with the risk appetite defined by the institution, and adapting capital allocation and measurement of business line profitability accordingly.

In the first half of 2023, Natixis' CET 1 ratio was thus maintained above a level of 10.5%.

The steering framework adapts all processes with the aim of ultimately meeting the requirements of the supervisory authorities and BPCE S.A. or investors:

- continuously maintaining the targets set in terms of capital adequacy;
- the development of the Natixis internal capital adequacy assessment process (ICAAP), carried out using two approaches:
  - a so-called "normative" approach aimed at measuring the impact on Natixis of internal stress tests over a three-year period based on the Pillar I regulatory baseline;
  - a so-called "economic" approach which consists of identifying, quantifying and hedging risks with internal capital over a short-term horizon (one year) and using internal methodologies. At the Natixis level, the methodologies developed allow a better assessment of the risks already covered under Pillar I, and also an additional assessment of risks not covered by Pillar I;
- projecting/forecasting capital requirements specific to business lines, within the framework of Natixis' overall capital adequacy policy;
- anticipating regulatory changes and their impact on Natixis' business lines;
- implementing a mechanism for analyzing the capital consumption of the business lines and their profitability on the basis of Basel 3/CRR-CRR3 risk-weighted assets;
- allocating capital to the business lines, within the framework of strategic plan and annual budget procedures, taking into account business requirements, profitability and balance between the business lines.

Outlook

Capital management now anticipates future changes in the short/medium term, in particular the implementation of the revised Basel 3 framework.

3.3.2 Other regulatory ratios

3.3.2.1 Leverage ratio

Since January 1, 2014, the leverage ratio must be calculated and reported to the European supervisor by the credit institutions. The leverage risk framework, introduced by the Basel Committee, was incorporated into the CRR Regulation: the leverage ratio is defined as the ratio between the institution's Tier 1 capital and the bank's balance sheet exposures (after taking into account certain restatements, in particular for derivatives and repurchase agreements) and off-balance sheet exposures (after applying balance sheet conversion factors). Its publication as part of the financial communication has been mandatory since January 1, 2015.

From June 2021, with the CRR2 Regulation, the leverage ratio has become a requirement to be complied with at all times by institutions. This requirement, which amounts to 3% of Tier 1 capital, may trigger the activation of the Maximum Distributable Amount (MDA). To address the risk of excessive leverage, the supervisor may impose additional capital requirements.

The CRR2 Regulation thus modified the rules for calculating the leverage ratio by excluding certain exposures (in particular "incentive" loans and assets linked to central banks, subject to conditions). New rules for offsetting and calculating exposure to derivatives have also been introduced.

Natixis calculates and publishes its leverage ratio according to the CRR2 rules, and implements the actions needed to converge towards the target ratio under consideration.

Comparison of accounting exposures and leverage exposures (LR1)

	(in millions of euros)	Applicable amount
1	Total assets according to reported financial statements	441,503
2	Adjustment for entities consolidated from an accounting point of view but which do not fall within the scope of prudential consolidation	(3,878)
3	(Adjustment for securitized exposures that meet the operational requirements for transfer of risk)	
4	(Adjustment for temporary exemption of exposures to central banks (where applicable))	
5	(Adjustment for fiduciary assets recognized on the balance sheet in accordance with the applicable accounting framework but excluded from the total exposure measurement under Article 429 a (1) (i) of the CRR)	
6	Adjustment for normalized purchases and sales of financial assets recognized at the transaction date	
7	Adjustment for qualifying centralized cash management system transactions	
8	Adjustment for derivative financial instruments	(12,590)
9	Adjustment for securities financing transactions (SFTs)	7,427
10	Adjustment for off-balance sheet items (resulting from the translation of off-balance sheet exposures into credit equivalent amounts)	49,382
11	(Adjustment for valuation adjustments for prudent valuation purposes and specific and general provisions that reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measurement under Article 429 a (1) (c) of the CRR)	(110,968)
EU-11b	(Adjustment for exposures excluded from the total exposure measurement under Article 429 a (1) (j) of the CRR)	
12	Other adjustments	(15,839)
13	**Measurement of total exposure**	**355,037**

3.3.2.2 Oversight of the leverage ratio

Leverage ratio (LR2)

	(in millions of euros)	Leverage ratio exposures under the CRR	
		a	b
		30/06/2023	31/12/2022
Balance sheet exposures (excluding derivatives and SFTs)			
1	Items recorded on the balance sheet (excluding derivatives and SFTs, but including collateral)	288,215	278,681
2	Addition of the amount of collateral provided for derivatives, when they are deducted from balance sheet assets in accordance with the applicable accounting framework		
3	(Deduction of receivables recognized as assets for cash variation margin provided in derivative transactions)	(9,804)	(12,578)
4	(Adjustment for securities received in connection with securities financing transactions that are recognized as assets)		
5	(Adjustments for general credit risk of balance sheet items)		
6	(Amounts of assets deducted when determining Tier 1 capital)	(6,035)	(6,002)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**272,376**	**260,101**
Derivative exposures			
8	Replacement cost of all SA-CCR derivative transactions (i.e. net of eligible cash variation margins)	15,813	18,273
EU-8a	Derogation for derivatives: contribution of replacement costs under the simplified standard approach		
9	Mark-up amounts for potential future exposure associated with SA-CCR derivative transactions	24,992	25,676
EU-9a	Derogation for derivatives: Contribution of potential future exposure under the simplified standard approach		
EU-9b	Exposure determined by applying the original exposure method		
10	(CCP leg exempted from exposures to client cleared transactions) (SA-CCR)		
EU-10a	(CCP leg exempted from exposures to client cleared transactions) (simplified standard approach)		
EU-10b	(CCP leg exempted from exposures to client cleared transactions) (original exposure method)		
11	Adjusted effective notional value of written credit derivatives	48,102	37,879
12	(Adjusted actual notional differences and add-on deductions for written credit derivatives)	(38,006)	(34,268)
13	**Total derivative exposures**	**50,901**	**47,559**
Exposure on securities financing transactions (SFTs)			
14	Gross SFT assets (excluding netting) after adjustment for transactions recognized as written	112,976	96,944
15	(Net value of cash payables and receivables of gross SFT assets)	(25,800)	(20,180)
16	Counterparty credit risk exposure for SFT assets	7,427	9,961
EU-16a	Derogation for SFTs: Exposure to counterparty credit risk in accordance with Article 429 e (5) and Article 222 of the CRR		
17	Exposures when the institution acts as agent		
EU-17a	(CCP leg exempted from client cleared SFT exposures)		
18	**Total exposure to securities financing transactions**	**94,604**	**86,725**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional value	102,161	102,718
20	(Adjustments for conversion into equivalent credit amounts)	(54,037)	(54,925)
21	(General provisions deducted when determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**48,125**	**47,793**
Excluded exposures			
EU-22a	(Exposures excluded from total exposure measurement under Article 429 a (1) (c) of the CRR)	(110,968)	(98,838)
EU-22b	(Exposures exempted under Article 429 a (1) (j) of the CRR (on-balance sheet and off-balance sheet))		
EU-22c	(Exclusions of exposure of public development banks (or units of banks) – Public investments)		
EU-22d	(Exclusions of exposure of public development banks (or units of banks) – Incentive loans)		
EU-22e	(Exclusions of exposures arising from the transfer of incentive loans by banks (or units of banks) that are not public development banks)		
EU-22f	(Exclusions of secured portions of exposures resulting from export credits)		
EU-22g	(Exclusions of excess collateral deposited with tripartite agents)		
EU-22h	(Exclusion of CSD services provided by institutions/CSDs, pursuant to Article 429 a (1) (o) of the CRR)		
EU-22i	(Exclusion of CSD services provided by designated institutions, pursuant to Article 429 a (1) (p) of the CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediary loans)		
EU-22k	**(Total exempt exposures)**	**(110,968)**	**(98,838)**
Capital and total exposure measurement			
23	**Tier 1 capital**	**12,840**	**13,090**
24	**Measurement of total exposure**	**355,037**	**343,340**

Leverage ratio			
25	Leverage ratio (%)	3.6%	3.8%
EU-25	Leverage ratio (excluding the impact of the exemption of public investments and incentive loans) (%)	3.6%	3.8%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	3.6%	3.8%
26	Minimum leverage ratio regulatory requirement (%)	3.0%	3.0%
EU-26a	Additional capital requirements to address excessive leverage risk (%)		
EU-26b	o/w to be created with CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
Choice of phase-in arrangements and relevant exposures			
EU-27b	Choice of phase-in arrangements for the definition of capital measurement		
Publication of average values			
28	Average daily values of gross SFT assets, after adjustment for transactions recognized as written and net of corresponding cash payables and receivables	114,208	109,671
29	End-of-quarter value of gross SFT assets, after adjustment for transactions recognized as written and net of corresponding cash payables and receivables	87,176	76,764
30	Total exposure measurement (including the impact of any applicable temporary exemption from central bank reserves) including the average values of gross SFT assets in line 28 (after adjustment for transactions recognized as written and net of corresponding cash payables and receivables)	382,069	376,246
30a	Total exposure measurement (excluding the impact of any applicable temporary exemption from central bank reserves) including the average values of gross SFT assets in line 28 (after adjustment for transactions recognized as written and net of corresponding cash payables and receivables)	382,069	376,246
31	Leverage ratio (including the impact of any applicable temporary exemption from central bank reserves) including the average values of gross SFT assets in line 28 (after adjustment for transactions recognized as written and net of corresponding cash payables and receivables)	3.4%	3.5%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption from central bank reserves) including the average values of gross SFT assets in line 28 (after adjustment for transactions recognized as written and net of corresponding cash payables and receivables)	3.4%	3.5%

The leverage ratio remained at a high level of 3.6%, down 20 bps due to the increase in the net assets of Natixis' businesses.

Breakdown of on-balance sheet exposures (excluding derivatives, SFT and exempt exposures) (LR3)

		a
	(in millions of euros)	Leverage ratio exposures under the CRR
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs and exempt exposures), o/w:**	**193,878**
EU-2	Trading book exposures	58,674
EU-3	Banking book exposures, o/w:	135,205
EU-4	Covered bonds	240
EU-5	Exposures considered as sovereign	50,376
EU-6	Exposures to regional governments, multilateral development banks, international organizations and public sector entities not considered as sovereign borrowers	563
EU-7	Institutions	13,267
EU-8	Exposures secured by mortgages on immovable property	773
EU-9	Retail exposures	492
EU-10	Corporates	52,819
EU-11	Defaulted exposures	2,406
EU-12	Other exposures (including equities, securitizations and other assets not corresponding to credit obligations)	14,269

3.3.2.3 Large exposures ratio

Large exposures ratio

The regulations relating to the control of large exposures were reviewed in 2014 when they were incorporated into the CRR. The objective of this regulation is to limit the exposure of a credit institution to the risks associated with a set of counterparties, grouped under a "Group Head". Compliance with this regulation is measured on a daily basis, ensuring that the risk-weighted assets (RWA-LE) relating to each "Group Head" systematically remain below the Large Exposure Limit, currently set at 10% of Natixis' Tier 1 capital. Natixis complied with this regulation throughout the last half-year.

3.3.3 Breakdown and changes in risk-weighted assets

3.3.3.1 Exposure to credit and counterparty risks

RWA overview (EU OV1)

		Total Risk Exposure Amount (TREA)		Total capital requirements
		a	b	c
	(in millions of euros)	30/06/2023	31/12/2022	30/06/2023
1	Credit risk (excluding CCR)	56,414	56,066	4,513
2	o/w standard approach	10,457	10,283	837
3	o/w foundation IRB approach (F-IRB)	9	1,234	1
4	o/w referencing approach			
EU 4a	o/w equity under the simple risk-weighted approach	6,720	5,601	538
5	o/w advanced IRB approach (A-IRB)	37,391	36,466	2,991
6	Counterparty credit risk – CCR	9,866	10,013	789
7	o/w standard approach	1,760	1,922	141
8	o/w internal model method (IMM)	3,205	3,422	256
EU 8a	o/w exposures on a CCP	521	473	42
EU 8b	o/w credit valuation adjustment – CVA	2,678	2,488	214
9	o/w other CCRs	1,701	1,707	136
15	Settlement-delivery risk	44	65	4
16	Securitization exposures in non-trading book (after cap)	3,307	3,063	265
17	o/w SEC-IRBA approach	474	508	38
18	o/w SEC-ERBA (including IAA)	156	223	12
19	o/w SEC-SA approach	2,410	2,108	193
EU 19a	o/w 1,250%/deduction	267	224	21
20	Position, currency and commodity risks (Market risk)	12,645	13,871	1,012
21	o/w standard approach	6,420	6,701	514
22	o/w Internal Models Approach	6,224	7,170	498
EU 22a	Major risks			
23	Operational risk	12,831	12,857	1,026
EU 23a	o/w elementary approach			
EU 23b	o/w standard approach	12,831	12,857	1,026
EU 23c	o/w advanced measurement approach			
24	*Amount below the deduction thresholds (subject to a weighting of 250%)*	*2,647*	*2,920*	*212*
29	**Total**	**95,106**	**95,935**	**7,608**

The data provided in line 24 are for information purposes only since the amounts indicated here are also included in line 1. However, €1,503 million of equities excluding the simple weighting method subject to a weighting of 250% could not be placed among the sub-totals defined for credit risk excluding CCR although included in the total in line 1.

MODEL FOR KEY INDICATORS (EU KM1)

		a	b	c	d	e
	(in millions of euros)	30/06/2023	31/03/2023	31/12/2022	30/09/2022	30/06/2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	10,608	10,651	10,819	11,199	10,833
2	Tier 1 capital	12,840	12,890	13,090	13,628	13,141
3	Total own funds	15,743	15,868	16,095	16,537	16,083
	Risk-weighted exposure amount					
4	Total risk exposure amount	95,106	94,048	95,935	97,947	98,556
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 capital ratio (%)	11.2%	11.3%	11.3%	11.4%	11.0%
6	Tier 1 capital ratio (%)	13.5%	13.7%	13.6%	13.9%	13.3%
7	Total capital ratio (%)	16.6%	16.9%	16.8%	16.9%	16.3%
	Additional capital requirements to address risks other than excessive leverage risk (as a percentage of the risk-weighted exposure amount)					
EU 7a	Additional capital requirements to address risks other than excessive leverage risk (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 7b	o/w to be satisfied with CET 1 capital (percentage points)	1.4%	1.4%	1.4%	1.4%	1.4%
EU 7c	o/w to be satisfied with Tier 1 capital (percentage points)	1.9%	1.9%	1.9%	1.9%	1.9%
EU 7d	Total SREP capital requirements (%)	10.5%	10.5%	10.5%	10.5%	10.5%
	Total buffer requirement and total capital requirement (as a percentage of the risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer arising from the macroprudential or systemic risk observed at the level of a Member State (%)					
9	Institution-specific countercyclical capital buffer (%)	0.4%	0.1%	0.1%	0.0%	0.0%
EU 9a	Systemic risk buffer (%)					
10	Global systemically important institution buffer (%)					
EU 10a	Other systemically important institution buffer (%)					
11	Overall buffer requirement (%)	2.9%	2.6%	2.6%	2.5%	2.5%
EU 11a	Total capital requirements (%)	13.4%	13.1%	13.1%	13.1%	13.1%
12	CET1 capital available after compliance with total SREP capital requirements (%)	5.2%	5.4%	5.4%	5.5%	5.1%
	Leverage ratio					
13	Measurement of total exposure	355,037	359,932	343,340	375,226	351,141
14	Leverage ratio (%)	3.6%	3.6%	3.8%	3.6%	3.7%
	Additional capital requirements to address the risk of excessive leverage (as a percentage of the total exposure measurement)					
EU 14a	Additional capital requirements to address excessive leverage risk (%)	0%	0%	0%	0%	0%
EU 14b	o/w to be satisfied with CET 1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Leverage ratio buffer requirement and overall leverage ratio requirement (as a percentage of total exposure measurement)					
EU 14d	Leverage ratio buffer requirement (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Liquidity coverage ratio					
15	Total High Quality Liquid Assets (HQLA) (weighted average)	62,410	69,983	68,644	70,723	67,996
EU 16a	Cash outflows – Total weighted value	107,649	105,133	99,119	129,034	128,147
EU 16b	Cash inflows – Total weighted value	60,008	55,657	49,432	60,514	67,147
16	Total net cash outflows (adjusted value)	47,641	49,476	49,687	68,520	61,000
17	Liquidity requirement coverage ratio (%)	125.7%	141.4%	138.2%	103.2%	111.5%
	Net stable financing requirement					
18	Total available stable financing	161,138	154,909	148,328	156,740	159,882
19	Total required stable financing	154,982	150,525	145,408	149,980	149,426
20	NSFR ratio (%)	104.0%	102.9%	102.0%	104.5%	107.0%

3.3.3.2 Credit risks

Credit risk management methodologies are described in Section [3.2.4] "Credit and counterparty risks" of the 2022 universal registration document.
The principles applied concerning defaulted outstandings and restructured loans are presented in Notes [5.1] and [5.3] of Chapter [5.1] "Consolidated financial statements at December 31, 2022" of the 2022 universal registration document.

A - Credit risk mitigation techniques at June 30, 2023

Credit risk mitigation techniques (CR3)

	(in millions of euros)	**Carrying amount not guaranteed**	**Guaranteed carrying amount**	o/w guaranteed by collateral	o/w guaranteed by financial guarantees	o/w guaranteed by credit derivatives
		a	b	c	d	e
1	Loans and advances	154,865	34,782	15,342	19,440	0
2	Debt securities	12,088	0	0	0	
3	**Total**	**166,953**	**34,782**	**15,342**	**19,440**	**0**
4	*o/w non-performing exposures*	562	646	236	410	0
EU-5	*o/w defaulted*	562	646	236	410	0

IRB – internal rating – effect on RWA of credit derivatives used as CRM techniques (CR7)

	(in millions of euros)	**Risk weighted exposure amount before credit derivatives**	**Actual risk-weighted exposure amount**
		a	**b**
1	Exposures subject to the foundation IRB approach	9	9
2	Central governments and central banks		
3	Institutions	8	8
4	Corporates	0	0
4.1	*o/w Corporates – SMEs*	*0*	*0*
4.2	*o/w Corporates – Specialized lending*		
5	Exposures subject to the advanced IRB approach	37,161	37,391
6	Central governments and central banks	472	517
7	Institutions	1,308	1,459
8	Corporates	35,381	35,415
8.1	*o/w Corporates – SMEs*	*889*	*891*
8.2	*o/w Corporates – Specialized lending*	*6,967*	*6,553*
9	Retail		
9.1	*o/w Retail– SMEs – Guaranteed by real estate collateral*		
9.2	*o/w Retail – non-SMEs – Guaranteed by real estate collateral*		
9.3	*o/w Retail – qualifying revolving exposures*		
9.4	*o/w Retail – Other SMEs*		
9.5	*o/w Retail – Other non-SMEs*		
10	**TOTAL (including simple IRB and advanced equity exposure approaches)**	**37,169**	**37,399**

B – Exposure to credit risks at June 30, 2023

Maturity of exposures (CR1-A)

	(in millions of euros)	a Sight	b <= 1 year	c > 1 year <= 5 years	d > 5 years	e No due date declared	f Total
1	Loans and advances	1,578	95,928	32,440	18,981	102,848	**251,775**
2	Debt securities	0	808	134	9,613	23,352	**33,907**
3	**Total**	**1,578**	**96,736**	**32,574**	**28,594**	**126,201**	**285,682**

The balances presented include transactions in the trading book that have not matured.

Credit quality of forborne exposures (CQ1)

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount for exposures to which forbearance measures have been extended				**Accumulated impairments, accumulated negative fair value variations due to credit risk and provisions**		**Collateral and financial guarantees received on forborne exposures**	
	(in millions of euros)	**Performing forborne**	**Non-performing forborne**	**o/w defaulted**	**o/w depreciated**	**On performing forborne exposures**	**On non-performing forborne exposures**		**o/w collateral and financial guarantees received on non-performing exposures to which forbearance measures have been extended**
005	**Cash balances at central banks and other demand deposits**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**976**	**1,088**	**1,088**	**1,082**	**(38)**	**(445)**	**881**	**362**
020	*Central banks*	-	4	4	4	-	(4)	-	-
030	*Government institutions*	-	2	2	2	-	(2)	-	-
040	*Banks*	-	-	-	-	-	-	-	-
050	*Other financial companies*	-	55	55	55	-	(41)	7	7
060	*Non-financial companies*	976	1,021	1,021	1,015	(38)	(393)	873	354
070	*Households*	-	6	6	6	-	(4)	1	1
080	**Debt securities**	**-**	**7**	**7**	**7**	**-**	**(4)**	**-**	**-**
090	**Loan commitments given**	**336**	**41**	**41**	**41**	**7**	**-**	**111**	**29**
100	**Total**	**1,312**	**1,135**	**1,135**	**1,130**	**(46)**	**(449)**	**992**	**390**

The principles and methodology for calculating impairments are described in Note [5.3] of Chapter [5.1] "Consolidated financial statements at December 31, 2022" of the 2022 universal registration document.

Credit quality of performing and non-performing exposures by days past due (CQ3)

	(in millions of euros)	a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Payment unlikely, but not past due or past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	o/w defaulted
005	**Cash balances at central banks and other demand deposits**	**39,610**	**39,610**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**149,149**	**148,890**	**259**	**2,146**	**1,625**	**170**	**57**	**40**	**136**	**30**	**89**	**2,146**
020	*Central banks*	8	8	-	19	1	-	-	-	4	0	13	19
030	*Government institutions*	958	958	-	65	26	-	2	0	-	8	29	65
040	*Banks*	83,726	83,726	-	5	5	-	-	-	-	-	0	5
050	*Other financial companies*	12,183	12,181	2	73	44	-	-	-	1	-	29	73
060	*Non-financial companies*	51,428	51,181	247	1,963	1,541	167	55	38	125	21	17	1,963
070	*o/w SMEs*	4,164	4,037	126	65	22	3	6	17	6	-	12	65
080	*Households*	846	836	10	21	8	3	1	2	6	0	1	21
090	**Debt securities**	**12,056**	**12,056**	**-**	**130**	**71**	**-**	**-**	**-**	**59**	**-**	**0**	**130**
100	*Central banks*	94	94	-	-	-	-	-	**-**	**-**	**-**	**-**	-
110	*Government institutions*	4,573	4,573	-	-	-	-	-	**-**	**-**	**-**	**-**	-
120	*Banks*	3,778	3,778	-	-	-	-	-	**-**	**-**	**-**	**-**	-
130	*Other financial companies*	2,884	2,884	-	84	26	-	-	**-**	**59**	**-**	**-**	84
140	*Non-financial companies*	728	728	-	45	45	-	-	**-**	**-**	**-**	**0**	45
150	**Loan commitments given**	**119,189**	-	-	**193**	-	-	-	-	-	-	-	**193**
160	*Central banks*	117	-	-	-	-	-	-	-	-	-	-	-
170	*Government institutions*	7,022	-	-	-	-	-	-	-	-	-	-	-
180	*Banks*	16,429	-	-	0	-	-	-	-	-	-	-	0
190	*Other financial companies*	24,350	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial companies*	71,172	-	-	192	-	-	-	-	-	-	-	192
210	*Households*	98	-	-	1	-	-	-	-	-	-	-	1
220	**Total**	**320,003**	**200,556**	**259**	**2,469**	**1,696**	**170**	**57**	**40**	**194**	**30**	**89**	**2,469**

The principles concerning past-due exposures are presented in Note [7.7.4] of Chapter [5.1] of the 2022 universal registration document.

Performing and non-performing exposures and corresponding provisions (EU CR1)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairments, accumulated negative fair value variations due to credit risk and provisions						Partial disposal from consolidated balance sheet	Received collaterals and financial guarantees	
	(in millions of euros)	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairments and provisions			Non-performing exposures – accumulated impairments, accumulated negative fair value variations due to credit risk and provisions				On performing exposures	On non-performing exposures
			o/w step 1 (1)	o/w step 2 (1)(2)		o/w step 2	o/w step 3 (2)		o/w step 1	o/w step 2 (2)		o/w step 2	o/w step 3 (2)			
005	**Cash balances at central banks and other demand deposits**	**39,610**	**39,561**	**49**	**-**	**-**	**-**	**(42)**	**(1)**	**(41)**	**-**	**-**	**-**	**-**	**26**	**-**
010	**Loans and advances**	**149,149**	**138,258**	**9,641**	**2,147**	**-**	**1,618**	**(244)**	**(79)**	**(163)**	**(971)**	**-**	**(735)**	**(163)**	**34,136**	**646**
020	*Central banks*	8	1	7	19	-	15	(0)	-	(0)	(19)	-	(15)	-	-	-
030	*Government institutions*	958	711	225	65	-	64	(2)	(0)	(2)	(36)	-	(35)	-	206	26
040	*Banks*	83,726	83,503	214	6	-	1	(24)	(1)	(23)	(6)	-	(1)	-	344	-
050	*Other financial companies*	12,183	11,281	804	74	-	56	(8)	(6)	(2)	(60)	-	(42)	-	3,571	7
060	*Non-financial companies*	51,428	41,946	8,362	1,963	-	1,462	(208)	(72)	(135)	(837)	-	(629)	(163)	29,211	610
070	*o/w SMEs*	4,164	3,525	639	65	-	63	(19)	(6)	(13)	(43)	-	(42)	-	2,874	12
080	*Households*	846	817	29	21	-	21	(1)	(1)	(1)	(14)	-	(14)	-	805	3
090	**Debt securities**	**12,056**	**10,426**	**68**	**130**	**-**	**88**	**(2)**	**(1)**	**(0)**	**(97)**	**-**	**(88)**	**-**	**-**	**-**
100	*Central banks*	94	94	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*Government institutions*	4,573	4,569	4	-	-	-	(0)	(0)	-	-	-	-	-	-	-
120	*Banks*	3,778	3,763	15	-	-	-	(0)	(0)	-	-	-	-	-	-	-
130	*Other financial companies*	2,884	1,279	49	84	-	84	(1)	(0)	(0)	(84)	-	(84)	-	-	-
140	*Non-financial companies*	728	721	-	46	-	4	(1)	(1)	-	(13)	-	(4)	-	-	-
150	**Off-balance sheet exposures**	**119,189**	**112,324**	**6,544**	**193**	**-**	**132**	**200**	**47**	**148**	**24**	**-**	**17**	**-**	**43,035**	**74**
160	*Central banks*	117	117	-	-	-	-	-	-	-	-	-	-	-	49	-
170	*Government institutions*	7,023	6,814	209	-	-	-	1	1	-	-	-	-	-	1,037	-
180	*Banks*	16,429	16,169	260	-	-	-	1	1	0	-	-	-	-	361	-
190	*Other financial companies*	24,350	23,606	744	-	-	-	2	2	0	-	-	-	-	13,898	-
200	*Non-financial companies*	71,172	65,521	5,330	192	-	132	196	44	148	24	-	16	-	27,625	73
210	*Households*	98	96	2	1	-	1	-	-	-	0	-	0	-	65	0
220	***Total***	**320,003**	**300,568**	**16,302**	**2,469**	**-**	**1,838**	**(488)**	**(128)**	**(353)**	**(1,092)**	**-**	**(840)**	**(163)**	**77,171**	**719**

(1) Exposures recognized at amortized cost;
(2) Excluding depreciated assets upon origination or acquisition.

Change in the stock of non-performing loans and advances (EU CR2)

		a
	(in millions of euros)	**Gross carrying amount**
010	**Initial stock of non-performing loans and advances**	**2,255**
020	Inflows of non-performing loans and advances	406
030	Outflows of non-performing loans and advances	(503)
040	Outflows due to write-offs	(345)
050	Outflows due to other situations	(158)
060	**Final stock of non-performing loans and advances**	**2,146**

Quality of non-performing exposures by geographical area (EU CQ4)

		a	c	e	f	g
	(in millions of euros)	**Gross carrying amount/nominal amount**		**Accumulated impairment**	**Provisions for off-balance sheet commitments and financial guarantees given**	**Cumulative negative changes in fair value due to credit risk on non-performing exposures**
			o/w default			
010	***On-balance sheet exposures***	**163,481**	**2,276**	**(1,312)**		**(2)**
020	*France*	104,473	943	(499)		-
030	*United States*	12,371	190	(84)		-
070	*Other countries*	46,637	1,143	(728)		**(2)**
080	***Off-balance sheet exposures***	**119,381**	**193**		**224**	
090	*France*	52,219	74		151	
100	*United States*	27,788	70		25	
140	*Other countries*	39,374	49		48	
150	***Total***	**282,862**	**2,469**	**(1,312)**	**224**	**(2)**

Credit quality of loans and advances granted to non-financial companies by industry (EU CQ5)

	(in millions of euros)	a	c	e	f
		Gross carrying amount		Accumulated impairment	Cumulative negative changes in fair value due to credit risk on non-performing exposures
			O/w non-performing		
010	A Agriculture, forestry and fishing	160	0	-	0
020	B Extractive industries	2,854	146	(98)	0
030	C Manufacturing industry	5,232	200	(143)	0
040	D Production and distribution of electricity, gas, steam and air conditioning	5,506	212	(53)	0
050	E Water supply	270	0	-	0
060	F Building and public works services	1,207	58	(41)	0
070	G Retail	7,927	370	(224)	0
080	H Transportation and storage	1,719	67	(36)	0
090	I Accommodation and catering	802	21	(29)	0
100	J Information and communication	2,203	29	(22)	0
110	K Financial and insurance activities	10,632	243	(209)	0
120	L Real estate activities	7,541	182	(69)	0
130	M Professional, scientific and technical activities	2,718	133	(38)	0
140	N Administrative and support service activities	2,288	133	(43)	0
150	O Public administration and defense, compulsory social security	0	0	-	0
160	P Education	29	1	(1)	0
170	Q Human health and social action	409	143	(18)	0
180	R Arts, entertainment and recreational activities	903	21	(14)	0
190	S Other services	990	4	(6)	0
200	**LOANS AND ADVANCES**	**53,391**	**1,963**	**(1,046)**	**0**

Collateral obtained by taking possession and execution processes (EU CQ7)

	(in millions of euros)	a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Cumulative negative changes
010	Property, plant and equipment	0.0	-
020	Other than property, plant and equipment	150.1	(14)
030	*Residential real estate*	0.0	-
040	*Commercial real estate*	0.0	-
050	*Movable assets*	0.0	-
060	*Shareholders' equity and debt securities*	150.1	(14)
070	*Others*	0.0	-
080	***Total***	**150.1**	**(14)**

At June 30, 2023, Natixis has assets on its balance sheet obtained by taking possession of guarantees. These are variable-income securities classified as financial assets at fair value through other comprehensive income for €135.7 million at June 30, 2023 (€150.1 million initial value) and corresponding to securities received as part of the exercise of a guarantee.

C – Credit risk: standard approach

Credit risk exposure: standard approach

STANDARD APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS (EU CR4)

(in millions of euros)	Exposure classes	Exposures before CCF and before CRM		Exposures after CCF and after CRM		RWA and RWA density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWA	RWA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	5,515		5,660	7	1,748	31%
2	Regional governments or local authorities	180	20	184	10	33	17%
3	Public sector entities	910	260	909	130	60	6%
4	Multilateral development banks						
5	International organizations						
6	Institutions	89,632	4,224	92,456	3,098	317	0%
7	Corporates	3,248	1,664	2,774	482	2,392	73%
8	Retail	863	128	236	32	188	70%
9	Exposures secured by mortgages on immovable property	307	1	307	0	127	41%
10	Defaulted exposures	129	21	83	5	108	122%
11	Particularly high risk exposures						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment	364	37	79	16	71	75%
14	Collective investment undertakings						
15	Equities						
16	Other items	6,039		6,039		5,412	90%
17	**TOTAL**	**107,188**	**6,354**	**108,728**	**3,781**	**10,457**	**9%**

SA – EXPOSURES (EAD) BY ASSET CLASSES AND RISK WEIGHTING (CR5) +*

	Exposure classes *(in millions of euros)*	Risk weighting															Total	o/w unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	4,606									603		458				5,667	*916*
2	Regional governments or local authorities	31				163											194	*147*
3	Public sector entities	786				223		30			1						1,039	*2*
4	Multilateral development banks																	
5	International organizations																	
6	Institutions	93,957	1,088			264		3			241	0					95,554	*95,286*
7	Corporates	401				19	332	205	184		2,030	85					3,257	*3,013*
8	Retail exposures									268							268	*258*
9	Exposures secured by mortgages on immovable property						177	131									308	*308*
10	Defaulted exposures										49	39					89	*89*
11	Particularly high risk exposures																	
12	Covered bonds																	
13	Exposures to institutions and corporates with a short-term credit assessment					32		23			14	26					95	
14	Units or shares of undertakings for collective investment																	
15	Equity exposures																	
16	Other items	46	0								4,340					1,653	6,039	*6,036*
17	**TOTAL**	**99,827**	**1,088**			**701**	**509**	**392**	**184**	**268**	**7,279**	**151**	**458**			**1,653**	**112,508**	***106,053***

D – Credit risk: internal ratings-based approach

RWA flow statements of credit risk exposures under the IRB approach (CR8)

		Risk-weighted exposure amount
	(in millions of euros)	a
1	**Risk-weighted exposure amount at the end of the previous reporting period (31/12/2022)**	**37,700**
2	Asset size (+/-)	(1,634)
3	Asset quality (+/-)	43
4	Model updates (+/-)	
5	Methodology and policy (+/-)	
6	Acquisitions and disposals (+/-)	
7	Foreign exchange movements (+/-)	(359)
8	Others (+/-)*	1,649
9	**Risk-weighted exposure amount at the end of the reporting period (30/06/2023)**	**37,399**

** €2,102 million change in the impact of guarantees included in Other.*

IRB – internal rating – credit risk exposure by portfolio and PD range (CR6)

(in millions of euros)	PD scale	On-balance sheet exposures	Off-balance sheet exposures before CCF	Weighted average CCF	Exposures after CCF and after CRM	Weighted average PD (%)	Number of obligors	Average LGD, weighted (%)	Weighted average maturity (years)	Weighted exposure amount after supplementary factors	Density of weighted exposure amount	Amount of expected losses	Value adjustment and provisions
A-IRB	**a**	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**
Central governments or central banks	0.00 to < 0.15	42,264	1,002	93.44%	43,664		65	9.43%	1	51	0.12%	0	(0)
	0.00 to < 0.10	*42,264*	*1,002*	*93.44%*	*43,664*		*65*	*9.43%*	*1*	*51*	*0.12%*	*0*	*(0)*
	0.10 to < 0.15												
	0.15 to < 0.25	16	522	100.00%	645	0.02%	5	11.93%	5	39	6.06%	0	(0)
	0.25 to < 0.50	22	418	100.00%	890	0.03%	6	11.78%	4	72	8.05%	0	(0)
	0.50 to < 0.75				3	3.19%		47.10%	1	4	129.60%	0	(0)
	0.75 to < 2.50				655	0.01%		16.07%	4	29	4.36%	0	(1)
	0.75 to < 1.75				*650*	*0.01%*		*16.13%*	*4*	*29*	*4.39%*	*0*	*(1)*
	1.75 to < 2.50				*5*			*7.10%*	*2*				
	2.50 to < 10.00	232	169	100.00%	628	0.53%	9	14.24%	2	149	23.66%	2	(1)
	2.50 to < 5.00	*232*	*169*	*100.00%*	*399*	*0.83%*	*8*	*17.45%*	*2*	*148*	*37.12%*	*2*	*(1)*
	5.00 to < 10.00	*0*			*229*		*1*	*8.64%*	*3*	*0*	*0.15%*	*0*	*(0)*
	10.00 to < 100.00	30			659	1.26%	5	16.04%	4	174	26.44%	8	(26)
	10.00 to < 20.00				*619*			*12.50%*	*4*	*21*	*3.46%*	*0*	*(0)*
	20.00 to < 30.00	*30*			*30*	*27.61%*	*5*	*91.47%*	*1*	*153*	*506.23%*	*8*	*(26)*
	30.00 to < 100.00				*10*			*7.10%*	*2*				*(0)*
	100.00 (default)	83			228	26.65%	8	34.96%	3			65	(65)
	Sub-total	**42,648**	**2,111**	**96.89%**	**47,371**	**0.15%**	**98**	**9.88%**	**1**	**517**	**1.09%**	**75**	**(93)**
Institutions	0.00 to < 0.15	5,022	914	22.13%	5,213	0.03%	258	40.96%	1	485	9.30%	1	(38)
	0.00 to < 0.10	*5,022*	*914*	*22.13%*	*5,213*	*0.03%*	*258*	*40.96%*	*1*	*485*	*9.30%*	*1*	*(38)*
	0.10 to < 0.15												
	0.15 to < 0.25				12	0.03%		32.13%	1	1	7.66%	0	
	0.25 to < 0.50	486	842	43.31%	930	0.20%	92	43.48%	1	324	34.82%	1	(0)
	0.50 to < 0.75	28	346	20.00%	112	0.54%	50	59.64%	1	99	87.79%	0	(0)
	0.75 to < 2.50	0			477	0.06%	2	34.57%	2	94	19.72%	0	(0)
	0.75 to < 1.75	*0*			*477*	*0.06%*	*2*	*34.61%*	*2*	*94*	*19.75%*	*0*	*(0)*
	1.75 to < 2.50				*1*	*0.03%*		*7.10%*	*1*	*0*	*1.35%*	*0*	
	2.50 to < 10.00	54	547	20.25%	338	2.01%	73	50.02%	2	443	131.12%	5	(2)
	2.50 to < 5.00	*37*	*481*	*20.00%*	*211*	*2.38%*	*35*	*51.24%*	*1*	*314*	*148.91%*	*4*	*(1)*
	5.00 to < 10.00	*17*	*66*	*22.11%*	*127*	*1.39%*	*38*	*47.99%*	*3*	*129*	*101.66%*	*2*	*(1)*
	10.00 to < 100.00	0	1	20.00%	24	0.44%	6	22.20%	1	5	20.68%	0	(0)
	10.00 to < 20.00	*0*	*1*	*20.00%*	*18*	*0.56%*	*6*	*26.83%*	*1*	*5*	*26.54%*	*0*	*(0)*
	20.00 to < 30.00												
	30.00 to < 100.00				*6*	*0.03%*		*7.10%*	*1*	*0*	*1.57%*	*0*	
	100.00 (default)	19			26	72.86%	4	69.51%	1	8	32.71%	19	(19)
	Sub-total	**5,610**	**2,650**	**28.19%**	**7,132**	**0.42%**	**485**	**41.61%**	**1**	**1,459**	**20.46%**	**26**	**(59)**
Corporates – SMEs	0.00 to < 0.15	97	4	20.00%	1	0.11%	20	43.76%	1	0	18.48%	0	(0)
	0.00 to < 0.10	*97*	*2*	*20.00%*	*0*	*0.08%*	*19*	*43.76%*	*1*	*0*	*15.79%*	*0*	*(0)*
	0.10 to < 0.15		*2*	*20.00%*	*0*	*0.15%*	*1*	*43.76%*	*1*	*0*	*21.61%*	*0*	*(0)*
	0.15 to < 0.25	0	2	20.00%	0	0.24%	11	43.76%	1	0	29.73%	0	(0)
	0.25 to < 0.50	66	163	99.46%	228	0.40%	49	27.71%	4	91	39.84%	0	(0)
	0.50 to < 0.75	163	113	95.09%	249	0.60%	46	35.15%	3	122	49.00%	1	(0)
	0.75 to < 2.50	480	190	81.36%	559	1.40%	151	38.70%	2	375	67.11%	3	(3)
	0.75 to < 1.75	*456*	*174*	*84.30%*	*529*	*1.35%*	*146*	*38.41%*	*2*	*347*	*65.68%*	*3*	*(3)*
	1.75 to < 2.50	*23*	*15*	*48.30%*	*30*	*2.19%*	*5*	*43.76%*	*2*	*28*	*92.38%*	*0*	*(0)*
	2.50 to < 10.00	221	81	83.52%	211	3.81%	177	40.79%	2	187	88.63%	3	(4)
	2.50 to < 5.00	*179*	*67*	*87.75%*	*177*	*3.26%*	*139*	*40.29%*	*2*	*150*	*84.88%*	*2*	*(3)*
	5.00 to < 10.00	*43*	*14*	*63.24%*	*34*	*6.68%*	*38*	*43.44%*	*1*	*37*	*108.40%*	*1*	*(1)*
	10.00 to < 100.00	27	34	78.06%	84	14.34%	56	26.32%	2	90	106.96%	3	(3)
	10.00 to < 20.00	*18*	*31*	*78.96%*	*34*	*11.99%*	*52*	*43.75%*	*2*	*57*	*170.84%*	*2*	*(1)*
	20.00 to < 30.00												
	30.00 to < 100.00	*9*	*3*	*70.14%*	*50*	*15.91%*	*4*	*14.69%*	*2*	*32*	*64.36%*	*1*	*(2)*
	100.00 (default)	26	5	23.69%	21	100.00%	44	43.68%	3	26	124.17%	7	(7)
	Sub-total	**1,079**	**591**	**88.05%**	**1,353**	**3.79%**	**554**	**35.84%**	**3**	**891**	**65.87%**	**18**	**(19)**
Corporates – Specialized Lending	0.00 to < 0.15	1,334	679	93.23%	1,929	0.03%	75	17.12%	4	147	7.64%	0	(1)
	0.00 to < 0.10	*1,334*	*679*	*93.23%*	*1,929*	*0.03%*	*75*	*17.12%*	*4*	*147*	*7.64%*	*0*	*(1)*
	0.10 to < 0.15												
	0.15 to < 0.25	789	564	38.18%	827	0.25%	42	17.49%	4	188	22.74%	0	(0)
	0.25 to < 0.50	5,714	4,089	53.90%	6,579	0.34%	339	18.21%	3	1,639	24.92%	4	(5)
	0.50 to < 0.75												
	0.75 to < 2.50	4,352	3,574	58.01%	5,075	1.33%	266	16.96%	3	2,197	43.28%	11	(21)
	0.75 to < 1.75	*4,352*	*3,574*	*58.01%*	*5,075*	*1.33%*	*266*	*16.96%*	*3*	*2,197*	*43.28%*	*11*	*(21)*
	1.75 to < 2.50												
	2.50 to < 10.00	1,240	751	51.56%	1,369	5.16%	82	19.63%	3	944	68.93%	14	(15)
	2.50 to < 5.00	*739*	*301*	*79.69%*	*919*	*4.63%*	*32*	*20.89%*	*2*	*631*	*68.71%*	*9*	*(8)*
	5.00 to < 10.00	*501*	*450*	*32.72%*	*450*	*6.24%*	*50*	*17.07%*	*4*	*312*	*69.37%*	*5*	*(7)*
	10.00 to < 100.00	1,196	420	53.24%	976	24.07%	65	21.47%	2	1,135	116.37%	47	(37)
	10.00 to < 20.00	*640*	*371*	*49.57%*	*464*	*14.39%*	*33*	*25.48%*	*3*	*625*	*134.78%*	*17*	*(26)*
	20.00 to < 30.00												
	30.00 to < 100.00	*556*	*49*	*81.11%*	*512*	*32.84%*	*32*	*17.83%*	*1*	*510*	*99.68%*	*30*	*(10)*
	100.00 (default)	433	25	60.47%	345	100.00%	25	63.24%	4	302	87.59%	140	(140)
	Sub-total	**15,059**	**10,102**	**56.93%**	**17,100**	**4.34%**	**894**	**18.89%**	**3**	**6,553**	**38.32%**	**217**	**(220)**
Corporates – Other	0.00 to < 0.15	16,841	31,971	58.84%	32,650	0.05%	713	35.92%	2	4,906	15.03%	6	(21)
	0.00 to < 0.10	*16,779*	*31,825*	*58.77%*	*32,550*	*0.05%*	*704*	*35.92%*	*2*	*4,882*	*15.00%*	*6*	*(21)*
	0.10 to < 0.15	*62*	*146*	*73.65%*	*99*	*0.14%*	*9*	*34.58%*	*1*	*23*	*23.59%*	*0*	*(0)*
	0.15 to < 0.25	79	619	83.08%	652	0.14%	8	20.28%	4	119	18.17%	0	(0)
	0.25 to < 0.50	10,594	17,804	51.18%	19,657	0.28%	442	32.81%	2	6,872	34.96%	18	(14)
	0.50 to < 0.75	311	801	74.24%	871	0.52%	42	29.18%	3	404	46.35%	1	(1)
	0.75 to < 2.50	6,510	9,328	49.00%	11,122	0.86%	393	32.81%	2	6,413	57.66%	32	(32)
	0.75 to < 1.75	*6,168*	*9,225*	*48.99%*	*10,738*	*0.81%*	*368*	*32.58%*	*2*	*6,031*	*56.16%*	*29*	*(31)*
	1.75 to < 2.50	*343*	*104*	*49.60%*	*385*	*2.15%*	*25*	*39.37%*	*2*	*382*	*99.33%*	*3*	*(2)*
	2.50 to < 10.00	2,711	4,030	62.97%	5,112	4.02%	552	33.24%	2	5,111	99.99%	69	(57)
	2.50 to < 5.00	*1,245*	*2,166*	*71.53%*	*2,808*	*3.00%*	*202*	*34.13%*	*2*	*2,574*	*91.65%*	*29*	*(14)*
	5.00 to < 10.00	*1,466*	*1,864*	*53.03%*	*2,303*	*5.26%*	*350*	*32.15%*	*3*	*2,537*	*110.15%*	*40*	*(42)*
	10.00 to < 100.00	1,636	1,023	58.17%	1,976	11.66%	334	35.22%	2	2,768	140.13%	84	(50)
	10.00 to < 20.00	*1,553*	*998*	*58.62%*	*1,853*	*11.72%*	*322*	*35.43%*	*2*	*2,674*	*144.34%*	*79*	*(48)*
	20.00 to < 30.00	*27*	*21*	*37.59%*	*35*	*24.77%*	*3*	*30.99%*	*1*	*60*	*172.93%*	*3*	*(2)*
	30.00 to < 100.00	*57*	*4*	*56.09%*	*88*	*5.11%*	*9*	*32.41%*	*1*	*34*	*38.45%*	*2*	*(1)*
	100.00 (default)	1,856	148	49.36%	1,884	94.25%	117	39.95%	3	1,379	73.18%	963	(963)
	Sub-total	**40,539**	**65,726**	**56.01%**	**73,925**	**3.23%**	**2,601**	**34.31%**	**2**	**27,971**	**37.84%**	**1,173**	**(1,137)**

Retail – Secured by real estate SME	0.00 to < 0.15	
	0.00 to < 0.10	
	0.10 to < 0.15	
	0.15 to < 0.25	
	0.25 to < 0.50	
	0.50 to < 0.75	
	0.75 to < 2.50	
	0.75 to < 1.75	
	1.75 to < 2.50	
	2.50 to < 10.00	
	2.50 to < 5.00	
	5.00 to < 10.00	
	10.00 to < 100.00	
	10.00 to < 20.00	
	20.00 to < 30.00	
	30.00 to < 100.00	
	100.00 (default)	
	Sub-total	
Retail – Secured by real estate non-SME	0.00 to < 0.15	
	0.00 to < 0.10	
	0.10 to < 0.15	
	0.15 to < 0.25	
	0.25 to < 0.50	
	0.50 to < 0.75	
	0.75 to < 2.50	
	0.75 to < 1.75	
	1.75 to < 2.50	
	2.50 to < 10.00	
	2.50 to < 5.00	
	5.00 to < 10.00	
	10.00 to < 100.00	
	10.00 to < 20.00	
	20.00 to < 30.00	
	30.00 to < 100.00	
	100.00 (default)	
	Sub-total	
Retail – qualifying revolving exposures	0.00 to < 0.15	
	0.00 to < 0.10	
	0.10 to < 0.15	
	0.15 to < 0.25	
	0.25 to < 0.50	
	0.50 to < 0.75	
	0.75 to < 2.50	
	0.75 to < 1.75	
	1.75 to < 2.50	
	2.50 to < 10.00	
	2.50 to < 5.00	
	5.00 to < 10.00	
	10.00 to < 100.00	
	10.00 to < 20.00	
	20.00 to < 30.00	
	30.00 to < 100.00	
	100.00 (default)	
	Sub-total	
Retail – other SMEs	0.00 to < 0.15	
	0.00 to < 0.10	
	0.10 to < 0.15	
	0.15 to < 0.25	
	0.25 to < 0.50	
	0.50 to < 0.75	
	0.75 to < 2.50	
	0.75 to < 1.75	
	1.75 to < 2.50	
	2.50 to < 10.00	
	2.50 to < 5.00	
	5.00 to < 10.00	
	10.00 to < 100.00	
	10.00 to < 20.00	
	20.00 to < 30.00	
	30.00 to < 100.00	
	100.00 (default)	2
	Sub-total	**2**
Retail – other non-SMEs	0.00 to < 0.15	
	0.00 to < 0.10	
	0.10 to < 0.15	
	0.15 to < 0.25	
	0.25 to < 0.50	
	0.50 to < 0.75	
	0.75 to < 2.50	
	0.75 to < 1.75	
	1.75 to < 2.50	
	2.50 to < 10.00	
	2.50 to < 5.00	
	5.00 to < 10.00	
	10.00 to < 100.00	
	10.00 to < 20.00	
	20.00 to < 30.00	
	30.00 to < 100.00	
	100.00 (default)	
	Sub-total	

A-IRB	0.00 to < 0.15	65,558	34,569	59.54%	83,456	0.02%	1,131	21.94%	1	5,589	6.70%	7	(60)
	0.00 to < 0.10	*65,496*	*34,421*	*59.48%*	*83,356*	*0.02%*	*1,121*	*21.92%*	*1*	*5,565*	*6.68%*	*6*	*(60)*
	0.10 to < 0.15	*62*	*148*	*73.04%*	*100*	*0.14%*	*10*	*34.61%*	*1*	*24*	*23.59%*	*0*	*(0)*
	0.15 to < 0.25	885	1,707	73.36%	2,136	0.15%	66	16.75%	4	347	16.23%	1	(1)
	0.25 to < 0.50	16,882	23,317	52.59%	28,284	0.28%	928	29.06%	2	8,997	31.81%	23	(20)
	0.50 to < 0.75	502	1,260	61.20%	1,236	0.54%	138	33.20%	3	629	50.86%	2	(1)
	0.75 to < 2.50	11,343	13,092	51.93%	17,889	0.96%	812	27.93%	2	9,108	50.91%	47	(57)
	0.75 to < 1.75	*10,977*	*12,973*	*51.95%*	*17,469*	*0.93%*	*782*	*27.66%*	*2*	*8,697*	*49.79%*	*44*	*(55)*
	1.75 to < 2.50	*366*	*119*	*49.43%*	*420*	*2.13%*	*30*	*39.29%*	*2*	*410*	*97.61%*	*4*	*(2)*
	2.50 to < 10.00	4,459	5,579	58.66%	7,658	3.84%	893	30.20%	2	6,834	89.23%	93	(79)
	2.50 to < 5.00	*2,432*	*3,185*	*66.37%*	*4,515*	*3.12%*	*416*	*31.00%*	*2*	*3,818*	*84.56%*	*45*	*(27)*
	5.00 to < 10.00	*2,027*	*2,394*	*48.42%*	*3,143*	*4.88%*	*477*	*29.04%*	*3*	*3,016*	*95.95%*	*48*	*(52)*
	10.00 to < 100.00	2,890	1,479	57.19%	3,718	13.06%	466	27.93%	2	4,173	112.24%	142	(116)
	10.00 to < 20.00	*2,211*	*1,401*	*56.63%*	*2,987*	*9.64%*	*413*	*29.18%*	*3*	*3,383*	*113.25%*	*98*	*(75)*
	20.00 to < 30.00	*57*	*21*	*37.59%*	*65*	*26.09%*	*8*	*59.07%*	*1*	*213*	*327.70%*	*11*	*(28)*
	30.00 to < 100.00	*621*	*56*	*78.66%*	*666*	*27.14%*	*45*	*19.27%*	*1*	*577*	*86.63%*	*33*	*(13)*
	100.00 (default)	2,417	177	50.28%	2,504	88.71%	200	43.04%	3	1,715	68.50%	1,194	(1,194)
Total as of 30/06/2023		**104,935**	**81,181**	**56.51%**	**146,881**	**2.23%**	**4,634**	**25.00%**	**1**	**37,391**	**25.46%**	**1,509**	**(1,528)**

(in millions of euros)	PD scale	On-balance sheet exposures	Off-balance sheet exposures before CCF	Weighted average CCF	Exposures after CCF and after CRM	Weighted average PD (%)	Number of obligors	Average LGD, weighted (%)	Weighted average maturity (years)	Weighted exposure amount after supplementary factors	Density of weighted exposure amount	Amount of expected losses	Value adjustment and provisions
F-IRB	a	b	c	d	e	f	g	h	i	j	k	l	m
Central governments or central banks	0.00 to < 0.15	5			5		1	45.00%	2				
	0.00 to < 0.10	*5*			*5*		*1*	*45.00%*	*2*				
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50												
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00												
	2.50 to < 5.00												
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)												
	Sub-total	**5**			**5**		**1**	**45.00%**	**2**				
Institutions	0.00 to < 0.15												
	0.00 to < 0.10												
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50		86	75.00%	64	0.25%	1	11.25%	2	8	13.22%	0	(0)
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00												
	2.50 to < 5.00												
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)												
	Sub-total		**86**	**75.00%**	**64**	**0.25%**	**1**	**11.25%**	**2**	**8**	**13.22%**	**0**	**(0)**
Corporates – SMEs	0.00 to < 0.15												
	0.00 to < 0.10												
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50												
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00	0			0	2.74%	1	45.00%	2	0	112.84%	0	
	2.50 to < 5.00	*0*			*0*	*2.74%*	*1*	*45.00%*	*2*	*0*	*112.84%*	*0*	
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)												
	Sub-total	**0**			**0**	**2.74%**	**1**	**45.00%**	**2**	**0**	**112.84%**	**0**	
Corporates – Specialized Lending	0.00 to < 0.15												
	0.00 to < 0.10												
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50												
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00												
	2.50 to < 5.00												
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)												
	Sub-total												

Corporates – Other	0.00 to < 0.15												
	0.00 to < 0.10												
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50												
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00												
	2.50 to < 5.00												
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)	59			59	100.00%	1	45.00%	2			26	(59)
	Sub-total	**59**			**59**	**100.00%**	**1**	**45.00%**	**2**			**26**	**(59)**
F-IRB	0.00 to < 0.15	5			5		1	45.00%	2				
	0.00 to < 0.10	*5*			*5*		*1*	*45.00%*	*2*				
	0.10 to < 0.15												
	0.15 to < 0.25												
	0.25 to < 0.50		86	75.00%	64	0.25%	1	11.25%	2	8	13.22%	0	(0)
	0.50 to < 0.75												
	0.75 to < 2.50												
	0.75 to < 1.75												
	1.75 to < 2.50												
	2.50 to < 10.00	0			0	2.74%	1	45.00%	2	0	112.84%	0	
	2.50 to < 5.00	*0*			*0*	*2.74%*	*1*	*45.00%*	*2*	*0*	*112.84%*	*0*	
	5.00 to < 10.00												
	10.00 to < 100.00												
	10.00 to < 20.00												
	20.00 to < 30.00												
	30.00 to < 100.00												
	100.00 (default)	59			59	100.00%	1	45.00%	2			26	(59)
Total as of 30/06/2023		**63**	**86**	**75.00%**	**127**	**46.05%**	**4**	**27.98%**	**2**	**9**	**6.67%**	**26**	**(59)**

Internal rating – specialized lending and equities under the simple risk weighting method (excluding impact of thresholds) (CR10.1 to CR10.5)

CR10.5

(in millions of euros)

Classes	Equity financing exposures subject to the simple weighting method					
	On-balance sheet exposures	Off-balance sheet exposures	Risk weighting	Exposure at default	Risk-weighted exposure amount	Amount of expected losses
	a	b	c	d	e	f
Private equity exposures	615	173	190%	788	1,497	6
Listed share exposures	817		290%	817	2,369	7
Other equity exposures	771		370%	771	2,854	19
Total as of 30/06/2023	**2,204**	**173**		**2,376**	**6,720**	**31**

Table CR10 – Equities: See Note CR10.5

EAD by type and nature of exposure (excluding impact of thresholds) (NX24)

(in millions of euros)

Type and nature of exposure	Equity	Mutual funds	Investments	Total as of 30/06/2023	Total as of 31/12/2022
Private Equity held in sufficiently diversified portfolios	788			788	810
Other equity exposures	501	13	257	771	689
Listed equities	294	426	97	817	521
Equity – standard approach					
Total	**1,583**	**439**	**354**	**2,376**	**2,020**

RWA by weighting (excluding impact of thresholds) (NX25)

(in millions of euros)

Type and nature of exposure	IRB approach	Standard approach	Total as of 30/06/2023	Total as of 31/12/2022
Private Equity held in sufficiently diversified portfolios	1,497		1,497	1,539
Other equity exposures	2,854		2,854	2,550
Listed equities	2,369		2,369	1,512
Equity – standard approach				
Total	**6,720**		**6,720**	**5,601**

3.3.3.3 Counterparty risks

Counterparty risk management methodologies are described in Section [3.2.4] "Credit and counterparty risk" of the 2022 universal registration document.

A – Counterparty risk exposure

Analysis of exposure using counterparty credit risk approach (CCR1)

		a	b	c	d	e	f	g	h
	(in millions of euros)	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure at default pre-CRM	Exposure at default post-CRM	Exposure at default	Risk-weighted exposure amount (RWEA)
EU-1	EU - original exposure method (for derivatives)				1.4				
EU-2	EU - simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	1,063	2,633		1.4	21,039	5,184	5,184	1,620
2	IMM (for derivatives and SFTs)			14,759	1.4	553	20,663	20,663	3,186
2a	*o/w securities financing transaction netting sets*								
2b	*o/w derivative & long settlement transaction netting sets*			*14,759*		*553*	*20,663*	*20,663*	*3,186*
2c	*o/w from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)					25,064	22,792	22,792	1,715
4	Financial collateral comprehensive method (for SFTs)								
5	VaR for SFTs								
6	**Total**					**46,657**	**48,639**	**48,639**	**6,520**

SA (Standard Approach) – CCR EAD by regulatory portfolio and risk weight (CCR3)

	Exposure classes *(in millions of euros)*	**Risk weighting**											
		a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**
		0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
1	Central governments or central banks	289								1			291
2	Regional governments or local authorities	9				51							60
3	Public sector entities	301				81	0			7			390
4	Multilateral development banks												
5	International organizations												
6	Institutions	8,423	10,251			64	9			0			18,747
7	Corporates	203	350				3			12			568
8	Retail								24				24
9	Institutions and corporates with a short-term credit assessment					74	25			21	0		120
10	Other items									1	0		1
11	**Total exposure value as of 30/06/2023**	**9,226**	**10,601**			**269**	**36**		**24**	**44**	**0**		**20,199**

IRB – CCR exposures by portfolio and PD scale (CCR4)

F-IRB		a	b	c	d	e	f	g
(in millions of euros)	PD scale	Exposure at default	Weighted average PD (%)	Number of obligors	Average LGD, weighted (%)	Weighted average maturity (years)	Risk-weighted exposure amount (RWEA)	Density of weighted exposure amounts
Central governments or central banks	0.00 to < 0.15	42		15	45%	2		
	0.15 to < 0.25							
	0.25 to < 0.50							
	0.50 to < 0.75							
	0.75 to < 2.50							
	2.50 to < 10.00							
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total	**42**		**15**	**45%**	**2**		
Institutions	0.00 to < 0.15	85	0.04%	24	43%	1	9	11%
	0.15 to < 0.25							
	0.25 to < 0.50	8	0.25%	4	45%	1	3	42%
	0.50 to < 0.75	0	0.70%	1	45%	2	0	110%
	0.75 to < 2.50							
	2.50 to < 10.00							
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total	**93**	**0.06%**	**29**	**43%**	**1**	**13**	**14%**
Corporates	0.00 to < 0.15	91	0.04%	43	44%	1	9	10%
	0.15 to < 0.25	1	0.25%	1	45%	2	1	52%
	0.25 to < 0.50	13	0.25%	5	45%	1	5	38%
	0.50 to < 0.75	50	0.70%	1	45%		29	59%
	0.75 to < 2.50	2	1.69%	1	45%	2	2	116%
	2.50 to < 10.00	8	5.76%	3	45%	2	12	166%
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total	**164**	**0.54%**	**54**	**44%**	**1**	**58**	**35%**
F-IRB	0.00 to < 0.15	218	0.03%	82	44%	1	18	8%
	0.15 to < 0.25	1	0.25%	1	45%	2	1	52%
	0.25 to < 0.50	21	0.25%	9	45%	1	8	40%
	0.50 to < 0.75	50	0.70%	2	45%		30	59%
	0.75 to < 2.50	2	1.69%	1	45%	2	2	116%
	2.50 to < 10.00	8	5.76%	3	45%	2	12	166%
	10.00 to < 100.00							
	100.00 (default)							
Total as of 30/06/2023		**299**	**0.31%**	**98**	**44%**	**1**	**71**	**24%**

A-IRB		a	b	c	d	e	f	g
(in millions of euros)	PD scale	Exposure at default	Weighted average PD (%)	Number of obligors	Average LGD, weighted (%)	Weighted average maturity (years)	Risk-weighted exposure amount (RWEA)	Density of weighted exposure amounts
Central governments or central banks	0.00 to < 0.15	11,316		126	12%	3	15	0%
	0.15 to < 0.25	141	0.21%	4	37%	1	37	26%
	0.25 to < 0.50	12	0.38%	3	47%	2	8	67%
	0.50 to < 0.75							
	0.75 to < 2.50							
	2.50 to < 10.00	20	3.23%	10	48%	1	27	133%
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total	**11,489**	**0.01%**	**143**	**13%**	**3**	**86**	**1%**
Institutions	0.00 to < 0.15	13,228	0.04%	331	42%	1	1,683	13%
	0.15 to < 0.25	0	0.20%	2	45%	3	0	67%
	0.25 to < 0.50	1,396	0.25%	191	46%	2	798	57%
	0.50 to < 0.75	258	0.70%	39	58%	1	293	114%
	0.75 to < 2.50	5	1.17%	3	85%	3	13	249%
	2.50 to < 10.00	10	3.81%	19	57%	1	17	163%
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total	**14,898**	**0.07%**	**585**	**42%**	**1**	**2,806**	**19%**
Corporates	0.00 to < 0.15	8,382	0.04%	763	35%	1	714	9%
	0.15 to < 0.25	118	0.24%	56	20%	4	29	24%
	0.25 to < 0.50	2,166	0.31%	677	37%	2	936	43%
	0.50 to < 0.75	1,078	0.70%	286	35%	1	526	49%
	0.75 to < 2.50	581	1.17%	490	36%	2	418	72%
	2.50 to < 10.00	624	4.74%	632	37%	1	727	116%
	10.00 to < 100.00	77	15.24%	412	36%	2	135	177%
	100.00 (default)	48	100.00%	40	37%	2	96	202%
	Sub-total	**13,074**	**0.87%**	**3,356**	**35%**	**1**	**3,582**	**27%**
Retail	0.00 to < 0.15							
	0.15 to < 0.25							
	0.25 to < 0.50							
	0.50 to < 0.75							
	0.75 to < 2.50							
	2.50 to < 10.00							
	10.00 to < 100.00							
	100.00 (default)							
	Sub-total							

A-IRB	0.00 to < 0.15	32,925	0.03%	1,220	30%	2	2,412	7%
	0.15 to < 0.25	260	0.22%	62	29%	3	66	25%
	0.25 to < 0.50	3,574	0.29%	871	41%	2	1,742	49%
	0.50 to < 0.75	1,336	0.70%	325	40%	1	819	61%
	0.75 to < 2.50	587	1.17%	493	37%	2	432	74%
	2.50 to < 10.00	655	4.68%	661	38%	1	771	118%
	10.00 to < 100.00	77	15.24%	412	36%	2	135	177%
	100.00 (default)	48	100.00%	40	37%	2	96	202%
Total as of 30/06/2023		**39,462**	**0.32%**	**4,084**	**31%**	**2**	**6,473**	**16%**

IRB approach		a	b	c	d	e	f	g
(in millions of euros)	PD scale	Exposure at default	Weighted average PD (%)	Number of obligors	Average LGD, weighted (%)	Weighted average maturity (years)	Risk-weighted exposure amount (RWEA)	Density of weighted exposure amounts
IRB approach	0.00 to < 0.15	33,143	0.03%	1,302	30%	2	2,430	7%
	0.15 to < 0.25	261	0.22%	63	29%	3	66	25%
	0.25 to < 0.50	3,595	0.29%	880	41%	2	1,751	49%
	0.50 to < 0.75	1,386	0.70%	327	40%	1	849	61%
	0.75 to < 2.50	589	1.17%	494	37%	2	434	74%
	2.50 to < 10.00	663	4.69%	664	38%	1	783	118%
	10.00 to < 100.00	77	15.24%	412	36%	2	135	177%
	100.00 (default)	48	100.00%	40	37%	2	96	202%
Total as of 30/06/2023		**39,760**	**0.32%**	**4,182**	**31%**	**2**	**6,544**	**16%**

Composition of collateral for exposures (CCR5)

	(in millions of euros)	a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Type of collateral	Segregated initial margin	Non-segregated initial margin	Segregated initial margin	Non-segregated initial margin	Segregated initial margin	Non-segregated initial margin	Segregated initial margin	Non-segregated initial margin
1	Cash – national currency		13,890		11,405		1,072		1,150
2	Cash – other currencies		2,235		5,187		6,684		2,259
3	National sovereign debt						1		1
4	Other sovereign debt	1,321	394		21		92,048		101,974
5	General government debt	182	451		19		23,841		22,426
6	Corporate bonds	2,088	139		158		24,713		21,264
7	Equities	236					8,665		38,020
8	Other collateral								
9	**Total as of 30/06/2023**	**3,827**	**17,109**		**16,790**		**157,026**		**187,094**

Credit derivatives exposures (CCR6)

	(in millions of euros)	a	b
		Protection bought	Protection sold
Notional			
1	Single-name credit default swaps	16,112	24,163
2	Index credit default swaps	29,337	23,203
3	Total swaps	2,211	
4	Credit options		
5	Other credit derivatives		
6	**Total notional amounts**	**47,661**	**47,366**
Fair values			
7	Positive fair value (asset)	311	855
8	Negative fair value (liability)	(758)	(222)

RWA flow statements of CCR exposures under Internal Model Method (IMM) (EU CCR7)

	(in millions of euros)	a
		Risk-weighted exposure amount (RWEA)
1	**RWEA at end of previous reporting period (31/12/2022)**	**3,422**
2	Asset size	61
3	Counterparties' credit quality	92
4	Model updates (IMM only)	51
5	Methodology and policy (IMM only)	(39)
6	Acquisitions and disposals	
7	Foreign exchange movements	
8	Others	(382)
9	**RWEA at the end of the current reporting period (30/06/2023)**	**3,205**

IRB approach – Information on the degree of use of CRM technique (EU CR7-A)

	A-IRB	Total exposures	Credit risk mitigation techniques – Funded Credit Protection (FCP)									Credit risk mitigation techniques – Unfunded Credit Protection (UFCP)		Credit risk mitigation methods in the calculation of RWEAs	
			Portion of exposures covered by financial collateral (%)	Portion of exposures covered by other eligible collateral (%)	Portion of exposures covered by real estate securities (%)	Portion of exposures covered by receivables to be collected (%)	Portion of exposures covered by other real collateral (%)	Portion of exposures covered by other forms of financed credit protection (%)	Portion of exposures covered by cash deposits (%)	Portion of exposures covered by life insurance policies (%)	Portion of exposures covered by instruments held by a third party (%)	Portion of exposures covered by guarantees (%)	Portion of exposures hedged by credit derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	47,371		0.06 %			0.06 %	0.01 %	0.01 %					No mapping to reporting	517
2	Institutions	7,132		0.54 %			0.54 %	0.30 %	0.30 %					No mapping to reporting	1,459
3	Corporates	92,377	2.96 %	25.77 %	8.41 %	11.36 %	6.00 %	1.94 %	1.94 %					No mapping to reporting	35,415
3.1	*o/w Corporates – SMEs*	*1,353*		*16.92 %*	*4.11 %*	*0.00 %*	*12.80 %*	*0.00 %*	*0.00 %*					*No mapping to reporting*	*891*
3.2	*o/w Corporates – Specialized lending*	*17,100*	*0.00 %*	*108.99 %*	*38.16 %*	*57.04 %*	*13.78 %*	*1.36 %*	*1.36 %*					*No mapping to reporting*	*6,553*
3.3	*o/w Corporates – Other*	*73,925*	*3.70 %*	*6.69 %*	*1.61 %*	*1.00 %*	*4.08 %*	*2.10 %*	*2.10 %*					*No mapping to reporting*	*27,971*
4	Retail													No mapping to reporting	
4.1	*o/w Retail – SMEs Real Estate*													*No mapping to reporting*	
4.2	*o/w Retail – Non-SMEs Real Estate*													*No mapping to reporting*	
4.3	*o/w Retail – Qualifying revolving exposures*													*No mapping to reporting*	
4.4	*o/w Retail – Other SMEs*													*No mapping to reporting*	
4.5	*o/w Retail – Other non-SMEs*													*No mapping to reporting*	
5	**Total**	**146,881**	**1.86 %**	**16.26 %**	**5.29 %**	**7.14 %**	**3.82 %**	**1.24 %**	**1.24 %**					**No mapping to reporting**	**37,391**

(in millions of euros)

	F-IRB	Total exposures	Credit risk mitigation techniques – Funded Credit Protection (FCP)									Credit risk mitigation techniques – Unfunded Credit Protection (UFCP)	
			Portion of exposures covered by financial collateral (%)	Portion of exposures covered by other eligible collateral (%)	Portion of exposures covered by real estate securities (%)	Portion of exposures covered by receivables to be collected (%)	Portion of exposures covered by other real collateral (%)	Portion of exposures covered by other forms of financed credit protection (%)	Portion of exposures covered by cash deposits (%)	Portion of exposures covered by life insurance policies (%)	Portion of exposures covered by instruments held by a third party (%)	Portion of exposures covered by guarantees (%)	Portion of exposures hedged by credit derivatives (%)
		a	b	c	d	e	f	g	h	i	j	k	l
1	Central governments and central banks	5											
2	Institutions	64											
3	Corporates	59											
3.1	*o/w Corporates – SMEs*	*0*											
3.2	*o/w Corporates – Specialized lending*												
3.3	*o/w Corporates – Other*	*59*											
4	**Total**	**127**											

Exposures to CCPs (CCR8)

	(in millions of euros)	a Exposure at default	b Risk-weighted exposure amount (RWEA)
1	**Exposure to qualifying central counterparties (total)**		**521**
2	Exposures for transactions at QCCPs (excluding initial margin and default fund contributions); o/w	5,700	114
3	(i) OTC derivatives	1,131	23
4	(ii) Exchange-traded derivatives	1,405	28
5	(iii) Securities Financing Transactions	3,164	63
6	(iv) Netting sets for which cross-product netting has been approved		
7	Segregated initial margin	0	
8	Non-segregated initial margin	4,957	110
9	Pre-funded default fund contributions	648	297
10	Unfunded default fund contributions		
11	**Exposures to non-qualifying central counterparties (total)**		
12	Exposures for transactions at non-QCCPs (excluding initial margin and default fund contributions); o/w		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities Financing Transactions		
16	(iv) Netting sets for which cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

B – Capital requirements and risk-weighted assets

Capital requirements for credit valuation adjustments (EU CCR2)

		30/06/2023		31/12/2022	
	(in millions of euros)	Exposure at default	Risk-weighted exposure amount (RWEA)	Exposure at default	Risk-weighted exposure amount (RWEA)
1	**Total transactions subject to the advanced method**	**6,021**	**1,352**	**8,241**	**1,381**
2	i) VaR component (including the 3× multiplier)		180		120
3	ii) Stressed VaR component (including the 3× multiplier)		1,173		1,261
4	**Transactions subject to the standard method**	**3,608**	**1,326**	**4,107**	**1,108**
EU-4	**Transactions subject to the fall-back approach (based on the original exposure method)**				
5	**Total transactions subject to capital requirement for CVA risk**	**9,629**	**2,678**	**12,348**	**2,488**

3.3.3.4 Securitization

A – Natxis' securitization exposures

Securitization exposures in the banking book (SEC1)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Bank acting as originator							Bank acting as sponsor				Bank acting as investor			
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
(in millions of euros)	STS	o/w TRS	Non-STS	o/w TRS		o/w TRS		STS	Non-STS			STS	Non-STS		
Total exposures			**301**	**301**	**2,787**	**2,787**	**3,088**	**1,229**	**10,556**		**11,784**	**85**	**3,186**		**3,271**
Retail (total)									**2,327**		**2,327**	**2**	**799**		**802**
Residential mortgages									1,893		1,893		585		585
Credit cards									255		255				
Other retail exposures									179		179	2	215		217
Re-securitization															
Wholesale (total)			**301**	**301**	**2,787**	**2,787**	**3,088**	**1,229**	**8,229**		**9,457**	**83**	**2,386**		**2,469**
Loans to corporates			20	20	2,787	2,787	2,807		7,097		7,097	83	1,487		1,569
Commercial mortgages			281	281			281								
Leases and receivables								1,229	654		1,882		10		10
Other wholesale exposures									478		478		877		877
Re-securitization													13		13

Securitization exposures in the trading book (SEC2)

	a				b		c	e		f	g	i		j	k
	Bank acting as originator							Bank acting as sponsor				Bank acting as investor			
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
(in millions of euros)	STS	o/w TRS	Non-STS	o/w TRS		o/w TRS		STS	Non-STS			STS	Non-STS		
Total exposures			**0**				**0**					**143**	**321**		**464**
Retail (total)												**136**	**78**		**214**
Residential mortgages												12	58		**70**
Credit cards															
Other retail exposures												106	16		**122**
Re-securitization												19	4		**23**
Wholesale (total)			**0**				**0**					**7**	**243**		**250**
Loans to corporates												7	222		**228**
Commercial mortgages			0				0						3		**3**
Leases and receivables															
Other wholesale exposures													9		**9**
Re-securitization													9		**9**

Exposures securitized by the institution – Default exposures and adjustments for specific credit risks (EU SEC5)

(in millions of euros)	Securitized exposures by the institution – The institution acts as originator or sponsor		
	Total nominal amount outstanding		Total amount of specific credit risk adjustments made during the period
		o/w exposures in default	
Total exposures	**18,169**	**141**	**2**
Retail (total)	1,673	11	
Residential mortgages	1,362	1	
Credit cards	135		
Other retail exposures	177	10	
Re-securitization			
Wholesale (total)	16,495	130	2
Loans to corporates	7,929	114	2
Commercial mortgages	6,633		
Leases and receivables	1,559	16	
Other wholesale exposures	374		
Re-securitization			

D – Capital requirements

Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or sponsor (EU SEC3)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				PFE			
(in millions of euros)	<= 20%	>20% to 50%	>50% to 100%	>100% to 1,250%	= 1,250%	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach
Total exposures	**14,481**	**272**	**13**	**87**	**20**	**2,957**	**284**	**11,488**	**142**	**474**	**81**	**1,877**	**266**	**38**	**7**	**150**	**21**
Traditional transactions	**11,693**	**272**	**13**	**87**	**20**	**170**	**284**	**11,488**	**142**	**55**	**81**	**1,877**	**266**	**4**	**7**	**150**	**21**
Securitization	11,693	272	13	87	20	170	284	11,488	142	55	81	1,877	266	4	7	150	21
Retail underlying	2,122	153		51				2,327				409				33	
o/w STS																	
Wholesale	9,571	119	13	35	20	170	284	9,161	142	55	81	1,468	266	4	7	117	21
o/w STS	1,229							1,229				120				10	
Re-securitization																	
Synthetic transactions	**2,787**			**0**	**0**	**2,787**			**0**	**418**			**0**	**33**			**0**
Securitization	2,787			0	0	2,787			0	418			0	33			0
Retail underlying																	
Wholesale	2,787			0	0	2,787			0	418			0	33			0
Re-securitization																	

Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as investor (SEC4)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				PFE			
	<= 20%	> 20% to 50%	> 50% to 100%	> 100% to 1,250%	= 1,250%	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach	SEC-IRBA approach	SEC-ERBA approach	SEC-SA approach	Default approach
Total exposures	**2,945**	**218**	**98**	**10**	**0**		**226**	**3,041**	**0**		**75**	**533**	**0**		**6**	**43**	**0**
Traditional transactions	**2,945**	**218**	**98**	**10**	**0**		**226**	**3,041**	**0**		**75**	**533**	**0**		**6**	**43**	**0**
Securitization	2,945	218	84	10	0		226	3,028	0		75	520	0		6	42	0
Retail underlying	724		78	0	0		90	707	0		22	156	0		2	12	0
o/w STS	2							2				0				0	
Wholesale	2,222	218	6	10	0		135	2,321	0		52	364	0		4	29	0
o/w STS	83																
Re-securitization			13		0			13	0			13	0			1	0
Synthetic transactions																	
Securitization																	
Retail underlying																	
Wholesale																	
Re-securitization																	

3.3.3.5 Market risk

A – Market risk measurement methodology

Market risk measurement methodologies are described in Section [3.2.6] “Market risks” of the 2022 universal registration document.

B – Detailed quantitative disclosures

Market risk under the standard approach (EU MR1)

	(in millions of euros)	a RWEA
	Outright products	
1	Interest rate risk (general and specific)	1,047
2	Equity risk (general and specific)	372
3	Foreign exchange risk	3,618
4	Commodity risk	745
	Options	
5	Simplified approach	
6	Delta-plus method	81
7	Scenario approach	241
8	**Securitization (specific risk)**	**316**
9	**Total**	**6,420**

VaR, stressed VaR, IRC on the regulatory scope (EU MR3)

(in millions of euros) - **Period from July 1, 2022 to June 30, 2023**	
VaR (10 day 99%)	
Maximum value	57.9
Average value	38.9
Minimum value	25.7
Value at end of period	33.2
Stressed VaR (10 day 99%)	
Maximum value	101.3
Average value	63.7
Minimum value	45.6
Value at end of period	55.5
Incremental Risk Charge (99.9%)	
Maximum value	34.1
Average value	25.2
Minimum value	19.5
Value at end of period	34.1

Backtesting on the regulatory scope (EU MR4)

Backtesting is presented in Section [3.2.5.4], "Quantitative market risk measurement data".

Market risk exposures under the Internal Models Approach (EU MR2-A)

		a	b
	(in millions of euros)	RWEA	Capital requirements
1	**VaR** (highest value between a and b)	2,046	164
a)	Previous day's VaR (t-1 VaR)		33
b)	Multiplication factor (mc) x average of the last 60 working days (VaRavg)		164
2	**SVaR** (highest value between a and b)	3,582	287
a)	Latest SVaR measurement available (SVaR t-1)		55
b)	Multiplication factor (ms) x average of the last 60 working days (SVaRavg)		287
3	**IRC** (highest value between a and b)	596	48
a)	Most recent IRC measurement		48
b)	Average IRC over 12 weeks		40
4	**Overall risk measurement** (highest value of a, b and c)		
a)	Most recent measure of overall risk		
b)	Average overall risk measurement over 12 weeks		
c)	Overall risk measurement – Floor		
5	**Others**		
6	**Total as of 30/06/2023**	6,224	498

Statement of RWA flows relating to market risk exposures under the Internal Models Approach (EU MR2-B)

		a	b	c	d	e	f	g
	(in millions of euros)	VaR	SVaR	IRC	Overall risk measurement	Others	Total RWEA	Total capital requirements
1	**RWEA at the end of the previous period (31/12/2022)**	**2,608**	**4,135**	**427**			**7,170**	**574**
1 a	*Regulatory adjustment*	*(2,136)*	*(3,342)*	*(58)*			*(5,536)*	*(443)*
1 b	*RWEA at end of previous quarter (end of day)*	*473*	*793*	*368*			*1,634*	*131*
2	Changes in risk levels	(57)	(99)	228			71	6
3	Model updates/changes							
4	Methodology and policy							
5	Acquisitions and disposals							
6	Foreign exchange movements							
7	Others							
8 a	*RWEA at end of reporting period (end of day)*	*415*	*694*	*596*			*1,705*	*136*
8 b	*Regulatory adjustment*	*1,630*	*2,889*				*4,519*	*362*
8	**RWEA at the end of the reporting period (30/06/2023)**	**2,046**	**3,582**	**596**			**6,224**	**498**

3.3.4 Liquidity coverage ratio

Presentation of the LCR at June 30, 2023

The data in the following table are calculated in accordance with Article 451a of Regulation (EU) No. 575/2013 as amended by Regulation (EU) No. 2019/876.
For the purposes of these rules, the data published for each quarter corresponds to the average of the end-of-month data observed for the previous twelve months.

LCR (EU LIQ1)

In accordance with the provisions of implementing Regulation (EU) No. 2021/637, the amounts mentioned below are understood to be the average of the previous 12 months for each date observed.

The liquidity buffer stood at €81 billion, up by +€4.0 billion between December 31, 2022 and June 30, 2023.

The change in net cash outflows of +€1.3 billion between December 31, 2022 and June 30, 2023 was mainly due to the following factors:

- A decrease in cash outflows of -€1.7 billion, in particular on secured wholesale financing (-€2.1 billion) and other contractual financing obligations (-€1.2 billion), which were partially offset by an increase in cash outflows on unsecured wholesale financing of +€1.4 billion;

- Cash inflows fell by -€3.0 billion between December 31, 2022 and June 30, 2023, mainly due to lower revenues from inflows from fully performing exposures (-€1.7 billion) and other cash inflows (-€1.9 billion).

		a	b	c	d	e	f	g	h
	Currency and unit: millions of euros	**Total non-weighted value (average)**				**Total weighted value (average)**			
EU 1a	**Quarter ended (DD/MM/YYYY)**	**30/06/2023**	**31/03/2023**	**31/12/2022**	**30/09/2022**	**30/06/2023**	**31/03/2023**	**31/12/2022**	**30/09/2022**
EU 1b	**Number of data points used to calculate averages**	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH QUALITY LIQUID ASSETS (HQLA)									
1	Total High Quality Liquid Assets (HQLA)					81,240	80,259	76,999	73,198
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	2,316	2,385	2,483	2,508	259	248	250	251
3	*Stable deposits*	0	0	0	0	0	0	0	0
4	*Less stable deposits*	2,316	2,385	2,483	2,508	259	248	250	251
5	Unsecured wholesale financing	66,299	66,143	63,714	62,514	48,166	48,208	46,801	46,307
6	*Operational deposits (all counterparties) and deposits in cooperative banking networks*	4,900	5,113	5,182	5,159	1,225	1,278	1,296	1,290
7	*Non-operational deposits (all counterparties)*	54,941	54,511	52,310	51,275	40,482	40,411	39,284	38,938
8	*Unsecured receivables*	6,459	6,519	6,222	6,080	6,459	6,519	6,222	6,080
9	Guaranteed wholesale financing					25,182	26,633	27,315	27,356
10	Additional requirements	62,013	62,441	62,430	61,501	24,321	24,148	23,720	22,582
11	*Outflows related to derivative exposures and other collateral*	9,931	10,579	10,947	11,187	8,838	8,984	8,576	7,932
12	*Outflows related to financing losses on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	52,082	51,862	51,483	50,314	15,483	15,165	15,143	14,650
14	Other contractual financing obligations	31,726	33,259	33,138	32,860	31,319	32,846	32,560	32,249
15	Other contingent financing obligations	44,238	45,824	46,176	45,772	2,612	2,809	2,889	2,887
16	**TOTAL CASH OUTFLOWS**					131,859	134,893	133,535	131,632
CASH INFLOWS									
17	Guaranteed loan transactions (e.g. reverse repurchase agreements)	114,027	116,190	116,588	116,126	13,842	13,878	13,188	12,427
18	Inflows from fully performing exposures	16,092	16,894	17,715	18,163	14,534	15,348	16,261	16,730
19	Other cash inflows	35,029	37,026	37,783	39,034	32,273	33,857	34,183	35,179
EU-19a	(Difference between total weighted cash inflows and total weighted cash outflows resulting from transactions conducted in other countries applying restrictions on transfers or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess of cash inflows from a related lending institution)					0	0	0	0
20	**TOTAL CASH INFLOWS**	165,147	170,111	172,086	173,324	60,649	63,082	63,632	64,335
EU-20a	***Fully exempt cash inflows***	-	-	0	0	0	0	0	0
EU-20b	***Cash inflows subject to 90% cap***	0	0	0	0	0	0	0	0
EU-20c	***Cash inflows subject to 75% cap***	133,058	138,112	141,494	144,129	60,649	63,082	63,632	64,335
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					**81,030**	**80,259**	**76,999**	**73,103**
22	**TOTAL NET CASH OUTFLOWS**					**71,210**	**71,811**	**69,902**	**67,296**
23	**LIQUIDITY COVERAGE RATIO**					113.8%	111.8%	110.2%	108.6%

Net stable financing ratio (EU LIQ2)

		a	b	c	d	e
	(in currency)	Unweighted value by residual maturity				Weighted value
		No deadline	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable financing items						
1	Capital items and instruments	18,417	0	0	2,883	21,300
2	*Capital*	18,417	0	0	2,883	21,300
3	*Other capital instruments*	0	0	0	0	0
4	Retail deposits	0	2,332	75	45	2,211
5	*Stable deposits*	0	0	0	0	0
6	*Less stable deposits*	0	2,332	75	45	2,211
7	Wholesale financing:	0	213,940	44,885	89,259	135,919
8	*Operational deposits*	0	4,009	0	0	453
9	*Other wholesale financing*	0	209,931	44,885	89,259	135,467
10	Interdependent liabilities	0	0	0	0	0
11	Other commitments:	0	17,184	6	1,706	1,709
12	*Derivative commitments affecting the NSFR*	0	0	0	0	0
13	*All other capital commitments and capital instruments not included in the above categories.*	0	17,184	6	1,706	1,709
14	**Total available stable financing**	0	0	0	0	161,138
Required stable financing items						
15	Total High Quality Liquid Assets (HQLA)	0	0	0	0	15,146
EU-15a	Encumbered assets with a residual maturity of one year or more in a cover pool	0	0	0	0	0
16	Deposits held with other financial institutions for operational purposes	0	364	0	0	182
17	Performing loans and securities:	0	140,815	38,844	90,481	119,359
18	*Performing securities financing transactions with financial clients secured by high quality Level 1 liquid assets subject to a 0% discount.*	0	27,924	3,795	1,287	3,471
19	*Performing securities financing transactions with financial clients secured by other assets and loans and advances to financial institutions*	0	86,427	29,836	28,549	51,025
20	*Performing loans to non-financial companies, performing loans to retail customers and small Corporates, and performing loans to sovereigns and public sector entities, including:*	0	17,756	4,757	38,910	44,634
21	*With a risk weighting less than or equal to 35% according to the standard Basel 2 approach for credit risk*	0	279	87	1,867	2,050
22	*Performing residential mortgages, of which:*	0	0	0	0	0
23	*With a risk weighting less than or equal to 35% according to the standard Basel 2 approach for credit risk*	0	0	0	0	0
24	*Other loans and securities that are not in default and are not considered high quality liquid assets, including equities traded on the stock market and commercial loan income recorded on the balance sheet*	0	8,708	455	21,734	20,229
25	Interdependent assets	0	0	0	0	0
26	Other assets:	0	46,740	26	14,177	15,443
27	*Commodities physically traded*	0	0	0	0	0
28	*Assets provided as initial margin in derivative contracts and as contributions to CCP default funds*	0	0	0	7,122	6,053
29	*Derivative assets affecting the NSFR*	0	1,090	0	0	1,090
30	*Derivative commitments affecting the NSFR before deduction of the variation margin provided*	0	24,665	0	0	1,233
31	*All other assets not falling within the above classes*	0	20,986	26	7,056	7,066
32	Off-balance sheet items	0	103,152	0	0	4,841
33	**Total required stable financing**	0	0	0	0	154,982
34	**Net stable funding ratio (%)**	0	0	0	0	104.0%

B – Reserves and operational management of ratios

Operational liquidity reserves

From an operational standpoint, Natixis has liquidity reserves that contribute to Groupe BPCE's reserves:

- reserves of liquid assets eligible for central bank collateralized refinancing operations to secure intra-day settlements; denominated in EUR, US Dollar and JPY, these are located at Natixis Paris, Natixis New York and Natixis Japan Securities respectively, which are the access points to the drawing and deposit facilities of the Banque de France, the US Fed and Bank of Japan;
- a liquidity reserve established in advance to meet a liquidity crisis similar to the one simulated by the LCR; it is mainly composed of cash deposited at the Central Bank deposit facilities. A portion of this reserve is allocated to a portfolio of HQLA level 1 and 2 securities.

HQLA assets reported in the LCR numerator also include non-encumbered HQLA securities temporarily carried by the capital markets activities. These securities are not considered as part of the ringfenced liquidity reserve and are not meant to be held over the long term. The outstanding amount and composition of these portfolios may vary considerably from one reporting date to the next, as prices fluctuate. However, they can be monetized on the repo and securities borrowing/lending market, and this monetization may be forced in the event the Group liquidity-stressed BCP is activated and executed.

In addition to these buffers, the aim of the internal policy governing the investment of residual surplus liquidity is either to reserve this liquidity for the deposit facility to ensure its continuous availability, with the result that this surplus liquidity is also included in the amount of assets reported in the LCR numerator, or to give it to the central body BPCE.

Oversight of the short-term liquidity ratio

Since June 2013, Natixis has implemented governance for the management of the LCR ratio, notably by setting an LCR limit higher than the regulatory threshold. Management of the LCR ratio is integrated with that of BPCE S.A. This oversight is coordinated by the ALM functions and carried out by the Joint Refinancing Pool under the delegation of financial management on the basis of landing estimates.

Monitoring of rating trigger clauses

In the event the Bank's external credit rating is downgraded, it may be required to provide additional collateral to investors under agreements that include rating triggers. In particular, in calculating the liquidity coverage ratio (LCR), the amounts of these additional cash outflows and additional collateral requirements are measured. These amounts comprise the payment the bank would have to make within 30 calendar days in the event its credit rating were downgraded by as much as three notches.

3.3.6 Compensation policies

Information relating to the compensation policy and practices of members of the executive body and of persons whose professional activities have a significant impact on the Company's risk profile were published, prior to the General Shareholders' Meeting, on the Natixis website (*https://natixis.groupebpce.com*).

3.3.7 Cross-reference table

Cross-reference table between Articles of the CRR, Basel Committee/EBA tables and statements, and the Pillar III report

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Article 436 (c)	EU LI1 – Differences between the accounting and prudential consolidation scopes and mapping of the financial statements with regulatory risk categories	157	
Article 436 (b)	EU LI3 – Summary of the differences between consolidation scopes (entity by entity)	159	
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Article 451 (1) (d) and (e)	EU LRA – Publication of qualitative information on the leverage ratio	172	
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Article 453 (a) to (e)	EU CRC – Requirements to publish qualitative information on CRM techniques	122	
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3.3.9 Certification concerning the publication of the information required under Pillar III disclosures

I hereby certify that, to the best of my knowledge, the information provided in this document under Pillar III complies with Part 8 of CRR Regulation (EU) No. 575/2013 (and subsequent amendments) and that it was established in compliance with the internal control framework agreed at the level of the management body.

Paris, August 4, 2023

Nathalie Bricker
Chief Financial Officer

IV CHAPTER 4: MANAGEMENT REPORT AT JUNE 30, 2023

4.1 Significant events of the first half of 2023

4.1.1 Macro-economic context

4.1.1.1 Growth and monetary policies

Some shocks to which the global economy was exposed in 2022 have dissipated (consequences of the outbreak of the war in Ukraine, health restrictions in China, etc.), but other risks have grown (tightening of monetary and financial conditions). Thus, the first part of the year showed that growth trends between the different regions remained out of sync and uneven. The same holds true for inflation, with trends that have been significantly different.
During the first half of 2023, Western economies were confronted with persistently high, albeit decelerating, inflation and the consequences of monetary tightening. The rate hikes introduced to counter inflation have had their initial impact on the real economy through a number of channels: a downturn in the real estate market in many countries, a slowdown in business investment and the emergence of financial weaknesses.

In addition, signs of a slowdown in global trade have mounted. After a 2% decline in the fourth quarter of 2022, global exports of goods grew only slightly in the first quarter 2023 and the early data for the second quarter suggest a further decline in line with the change in leading indicators (export orders from PMI surveys).

In the first quarter of 2023, China's GDP rebounded due to the recovery in consumption following the lifting of health restrictions. The Chinese economy achieved a solid year-on-year growth rate of 4.5% in the first quarter of 2023 (+2.2% quarter-on-quarter ("Q2 2023 / Q1 2023")). The growth momentum is expected to continue in the second quarter of 2023 thanks to a favorable base effect compared to 2022. But this seemingly upward trajectory was coupled with worrying economic signals. The economic reopening of China has clearly supported the recovery of the tourism and hospitality sectors, but the manufacturing sector has remained sluggish.

In the United States, GDP growth (+0.5% Q2 2023 / Q1 2023) was also supported by household consumption, whose resilience was a surprise (+1% Q2 2023 / Q1 2023). Activity in the euro zone contracted slightly in the fourth quarter of 2022 (-0.1% Q1 2023 / Q4 2022) and in first quarter *of 2023* (-0.1% Q2 2023 / Q1 2023). This change is related to the weakness of the German economy, which entered a technical recession in the fourth quarter of 2022 (-0.5% Q1 2023 / Q4 2022) and in first quarter of 2023 (-0.3%). The other main euro zone countries proved more resilient in the first quarter of 2023, with positive growth rates (+0.2% for France, +0.5% for Spain and +0.6% for Italy). In general, household consumption remained weak (-0.3% Q2 2023 / Q1 2023), due to the weakening purchasing power, while net exports supported growth due to the decline in energy imports.

The leading indicators of activity for the second quarter confirmed the divergence between the services activities, which continue to grow (albeit at a less dynamic pace than at the beginning of the year), and the manufacturing sector in contraction.
With regard to the real estate market, data for the euro zone published in early July showed a sharp decline in house prices Q2 2023 / Q1 2023 with a further decline of -0.9% Q2 2023 / Q1 2023 after -1.7% Q1 2023 / Q4 2022 as of fourth quarter 2022. Year-on-year, the euro zone house price index increased by just 0.4%, marking a significant deceleration compared to previous quarters (9.2% in Q1 2022, 3% in Q4 2022) and the lowest since 2014.

Inflation has slowed in Western economies but remains high. Inflation is proving to be more persistent than expected, despite the drop in energy prices and easing of supply chain tensions. Food price inflation, although decelerating, remained very high in the first part of the year.
In addition, secondary effects induced by wage increases and rather aggressive margin policies on the part of companies explain why core inflation (excluding energy and food products) has remained at high levels, which are too high for the monetary authorities.
Headline inflation slowed from 6.4% in January to 4.1% in May in the United States, while core inflation dropped only 0.3 points from 5.6% to 5.3%. In the euro zone, headline inflation also slowed significantly, from 8.6% in January to 5.5% in June, while core inflation (excluding energy and unprocessed food), as in the US, posted a limited decline from 7.1% to 6.8%.

Monetary policy

After an aggressive interest rate hike in the second half of 2022, central banks slowed their monetary tightening pace in early 2023. In the United States, the increase in Fed rates was 75 bps in the first half of 2023 vs. 275 bps in the second half of 2022. The ECB, for its part, tightened more sharply than the Fed (which began its interest rate hike later) with +175 bps in the first half of 2023 (vs. +200 bps in the second half of 2022). The Bank of England raised 150 bps in the first half of 2023 after +225 bps in the second half of 2022. With global inflation starting to slow and key rates now clearly in restrictive territory, central banks have indicated that they are approaching their respective final rates.
In addition, in the United States, the collapse of Silicon Valley Bank (SVB) in March 2023 temporarily put an end to the Fed's tightening cycle, giving it the time to assess the macro-economic fallout as well as the risks to the overall stability of the financial system resulting from this event. Finally, the disappearance of SVB and a few other banks did not trigger a larger banking crisis. Nonetheless, financial conditions tightened somewhat following this episode. However, this additional tightening was not significant enough for central banks to decide to end their tightening cycle. Indeed, the signs of a decline in core inflation are not yet credible enough for them. The Bank of England's latest 50 bp rate hike in June was seen as a warning of persistent inflation. The continuing rise in underlying inflation has forced the Bank of England to readjust its policy trajectory, and the anticipated final rate is now 100 bp higher than a few months ago.

4.1.1.2 Rates

Euro rates rose in the second quarter of 2023, penalized by the short end of the curves and monetary policy expectations. Despite two consecutive quarters of GDP contraction in the euro zone (Q4 2022 and Q1 2023), realized inflation remains well above the ECB's target (6.2% for headline inflation); the latter has logically maintained a hawkish stance in its communication. Beyond the ECB, the Bank of England's continued monetary tightening (+50 bps during the last Monetary Policy Committee (MPC) and a final rate now expected to be around 6.25% by the end of 2023) and the resilience of the US economy are contributing to a more global repricing of monetary policy, with knock-on effects on short-term euro rates.

This pressure exerted by monetary policy had a particular impact on the short end of the swap curve (+47 bps for the two-year swap) but nevertheless left the long end relatively stable. The latter fluctuated in a corridor between 2.90% and 3.15% for the 10-year euro swap, between expectations of monetary policy normalization and rising long-term inflation expectations (5y5y swap inflation at 2.57%, +30 bps over the quarter). The German 10-year barely traded 10 bps above its level at the beginning of the quarter at 2.40%, mainly due to the change in real rates.

In this context, yield curves continued to disinvert very significantly: the 2-10 year swap spread reached -87 bps over the quarter (-40 bps). The 10-30 year spread remained stable.

Lastly, peripheral spreads held up well in the face of persistently high volatility on the fixed-income markets. As a result, the appetite for credit risk resisted the macro-economic slowdown in the euro zone (Itraxx 5y Europe at 73 bps, -10 bps over the quarter) and benefited in particular Italian debt. The latter does not suffer unduly from the reduction in the ECB's balance sheet via the non-reinvestment of the maturities of part of the Eurosystem's purchase programs. The additional yield on the 10-year BTP versus the Bund decreased by 13 bps in the second quarter while Italian debt was supported by its domestic investors, thanks in particular to an anticipated reduction in Italian issues for the second half of 2023 and a stronger macro-economic performance than the major euro zone countries. Similarly, the 10-year OAT stood at 2.93% at the end of June, with a spread vis-à-vis the Bund relatively stable over the period at 51 bps.

4.1.1.3 Foreign exchange

After rising from 103.5 (end of 2022) to 105.88 in early March (an annual high), the dollar DXY index closed the first quarter down 1% against the backdrop of the banking crisis and then hit an annual low in mid-April at 100.79. The 25 bp increase in Fed rates to 5% at the meeting of March 22 did not have a positive effect on the dollar; the market considered this to be the last rise of the cycle due to the negative effects on the US banking sector. The market expected Fed Funds to be close to 4% at the end of 2023. During the second quarter, robust economic activity in the United States and persistently high inflation reversed previous expectations. The Fed raised its rates again by 25 bps in May to 5.25% and according to the consensus, rates should be raised again at the end of July to 5.50%. In this context, the dollar DXY index rose by 0.4% but was down by 0.6% at the end of the first half.

In this context, the euro benefited in the first quarter from the decline in the dollar and the ECB's key rate tightening by 100 bps to 3%, rising by 1.5% to 1.087. The reduction in the 10-year rate differential between the United States and Europe, which continued until the end of April, enabled the euro to reach an annual high of 1.1095 on April 26. However, during the second quarter, the euro's rise was more measured (+0.5% to 1.0918) and rather erratic with a quarterly low of 1.0635. During the quarter, the ECB maintained its restrictive policy, raising deposit rates twice by 25 bps to 3.5%. It also confirmed that it would increase this rate again by 25 bps in July to 3.75%.

After depreciating somewhat against the euro in the first quarter (-0.6%), the Swiss franc rose by 1.7% in the second quarter supported by the restrictive stance of the Swiss National Bank (SNB), which ended the half-year up 1.1% at 0.9769 per euro, and the SNB's determination to contain inflation via a strong Swiss franc. Over a six-month period, the SNB raised its key rates twice, taking the deposit rate from 1% to 1.75%.

During the first half, within the G10, sterling is the currency that appreciated the most both against the dollar (+5.1% to US dollar at 1.2716) and against the euro (+3.2% to 0.8586 per euro). The persistence of high inflation above expectations led the Bank of England to systematically raise its key rates at the four meetings of the period with a last tightening of 50 bps in June to 5% which surprised the markets that were anticipating +25 bps and now expect a further increase in rates to 6.3% within one year.

Conversely, the yen, among the G10 currencies, depreciated the most against both the dollar (-9%) and the euro (-11%), and recorded an annual low of 145.07 per US dollar at the close of the first half. The maintenance of the Yield Curve Control policy by the new Governor of the Bank of Japan (BOJ) and his still accommodating rhetoric weighed on the currency via the widening of the monetary rate differential between the Fed and the BOJ. Maintaining such an accommodative monetary policy by the BOJ also fueled the accumulation of net short positions in speculative accounts and thus weighed more heavily on the yen. These more than doubled and were at the end of June at their highest level since October 2018.

In EMEA, the Turkish lira hit a new all-time low of 26.12 per dollar.

4.1.1.4 Oil

Oil prices fluctuated within a relatively narrow range in the second half of 2023. Brent prices averaged $77.8/b, compared with $83/b, $75/b and $75/b, respectively, in April, May and June 2023. The quarter was marked by aggressive market management by OPEC to support prices following general bearish market sentiment, after the disappointment of expectations due to lack of strong demand and no sign of effects from the disappearance of Russian production.

Market expectations for oil were high in early 2023. They resulted in relatively firm prices - averaging $83.7/b in January and February for Brent. The double embargo on Russian crude oil (December 5, 2022) and on petroleum products (February 5, 2023) was expected to lead to a clear tightening of supply, while the acceleration from China's exit from its zero-COVID policy should have supported demand. Brent peaked at $86/b in mid-February. However, prices fell in March, reaching $72/b in the middle of the month, as Russian production remained available on the market and Chinese demand levels proved to be disappointing. In this context, OPEC intervened in the second quarter of 2023, with Saudi Arabia resuming its policy seeking to reduce supply, first adopted in October 2022 when the cartel went against market expectations by announcing a production cut. The cartel announced a combined reduction of 1.65 Mb/d at its meeting in early April, including 1.15 Mb/d from its main members. The 0.5 Mb/d reduction announced by Russia anticipated this decision. It should be noted that, for the April reductions, most contributing producers were countries at or close to quota levels, with GCC countries accounting for 77% of the reduction in volume, excluding Russia. In fact, a much larger share of the announced reduction should have resulted, this time around, in effective reductions in production, initially triggering an upward reaction on the market.

However, lingering concerns about macro-economic conditions in connection with the ongoing Fed interest rate hikes pushed prices down in April and May. Saudi Arabia reacted unilaterally at the OPEC meeting in early June, announcing an additional reduction of 1 Mb/d in July, extended by a month until the end of August. Despite further OPEC+ cuts, prices failed to rebound, with Brent trading stubbornly below the $80/b threshold. Prices remained under pressure, with Russian oil and petroleum products remaining in the market, with India and China increasing their crude purchases and buyers in the Middle East and Latin America absorbing more Russian refined products. In addition, while Chinese crude oil imports recorded strong annual growth until 2023, a significant portion of these imports came from countries subject to sanctions (Russia, Venezuela, Iran). Demand for end-user products in the country remained low, which contributed to increasing exports of Chinese products. Added to this are fears of recession in OECD countries, so sentiment about the health of global oil demand remained poor. In this context, OPEC should maintain its production levels unchanged in the third quarter.

4.1.1.5 Equities

After a particularly complex year for financial assets in 2022, the first half of 2023 marks the return of risk appetite, particularly for equities. Implied volatilities fell sharply, with the VIX below 14, a post-COVID low at the end of the half-year.

MSCI World rose by 14% and the S&P 500 by 15.9%. The highlight of the quarter was the exceptional euphoria surrounding Artificial Intelligence, which boosted the Nasdaq 100 (up 38.8% over the half-year). However, in the United States, sector dispersion was particularly marked, with performances ranging from +67.5% for the semiconductors sector to +86% for the Autos & Components sector, while Banks fell by 9.4%. This sector was particularly affected by the Fed's monetary tightening, with bankruptcies and deposit leakage outside regional banks. The KRX index (US regional banks) fell by 24%. Overall, the cyclical sectors largely outperformed the defensive sectors: the MSCI Cyclicals vs Defensive Sectors was up by 28% over the first half of 2023.

Geographically, the Nikkei was the best performer (+27.2%), benefiting from the weakening of the JPY. In Europe, sector dispersion was less pronounced than in the United States, but the European indices generally underperformed the rest of the developed economies (particularly in the second quarter of 2023). The Eurostoxx 50 nevertheless posted an increase of 12.5% over the half-year. The Travel & Leisure, Technology, Retail and Consumer Products sectors posted performances of over +25%. The Commodities and Real Estate sectors were the only sectors in the red, with -10% and -13% respectively.

4.1.2 Key events for Natixis' business lines

During the first half of 2023, **the Global Financial Services division** continued to implement its strategic plan, consolidated its positions and continued the commercial development of its main business lines, focused both on clients of Groupe BPCE's networks and on its own clients.

In Asset & Wealth Management (AWM), Natixis Investment Managers (IM) continued to strengthen its multi-affiliate model and actively manage its portfolio of affiliates (disposal of 100% of the share capital of AlphaSimplex Group, an American asset management company specializing in systematic alternative management, to Virtus Investment Partners). Natixis IM continued its initiatives to enhance its offering and further improve its service quality for the benefit of its clients, with the creation of Natixis Investment Managers Operating Services (NIM-os™) in the United States, following the merger of the Loomis Sayles and Natixis IM US Tech and Operations teams, which will enable affiliates to benefit from new synergies and pooled resources.

Natixis IM has grown long-term inflows with individual customers, both in France via Groupe BPCE's networks, and in the United States, where its mutual funds have gained market share in both equity and bond assets. Also in the United States, the portfolio implementation and direct indexing offers deployed by Natixis IM Solutions continued to grow.

In the institutional segment, Ostrum AM successfully implemented several major mandates won in calls for tenders, in particular for a new French client in life insurance and a leading Italian insurance company. For its part, Mirova completed the first closing of Mirova Gigaton (raising $171 million), a blended finance debt fund that aims to accelerate the clean energy transition, mainly in the emerging market countries in Africa and the Asia-Pacific, but also in Latin America and the Middle East.

Natixis IM and its affiliates also won numerous awards during the half-year. DNCA, Harris Associates, Loomis Sayles, Ostrum AM and WCM Investment Management won several Refinitiv Lipper Fund Awards recognizing the performance of their respective funds in Europe and the United States. In France, Le Revenu also awarded Natixis IM a Golden Trophy in the three-year International Bonds category, recognizing several affiliated bond fund managers: DNCA, Dorval AM, Mirova, Ostrum, Thematics AM and Vega IM.

In terms of employee savings schemes, Natixis Interépargne was chosen by Technip FMC, a multinational in the industry and energy sector, which has outsourced its entire PEE (Plan d'Epargne Entreprise) and PERCO (Plan d'Epargne pour la Retraite Collectif) savings plans for a total of €100 million in outstandings, as well as BMW Group in France, the carmaker, for the management of their PEE and the conversion of their PERCO into a PERCOL for a total of €20 million.

In addition, in January Natixis Interépargne launched Avenir Actions Long Terme, the leading Multi-company FCPE on the market giving access to the private equity universe, to boost long-term investments. This fund offers unprecedented exposure to private equity and makes it possible to concretely respond to the needs of savers who wish to boost their investments in preparation for their retirement. It enhances the appeal of Natixis Interépargne's retirement savings offering.

The momentum in the first half of 2023 was favorable to **Natixis Wealth Management**. The new Luxembourg operating model was finalized in June 2023, now based on the subsidiary Massena Partners, local depository partners in Luxembourg and the bank in France. As a result of prioritizing the distribution of the BPCE loan, other financial savings offers such as the Management Guidelines of the subsidiary Vega-IM slowed down sharply compared to last year, leading overall to a decline of 41% in inflows compared to June 2022 (excluding the effect of the Luxembourg transformation program). However, business activity in direct wealth management and B2B (business-to-business) life insurance was close to the high levels seen in the first half of 2022. In this context, Natixis Wealth Management continued to strengthen its range of alternative solutions available to wealth management clients by relying on recognized partners (Flexstone, Tikehau, Eurazeo, Blackstone). Natixis Wealth Management also implemented its CSR approach in support of Sustainable Development Goals No. 4 (Education) and No. 5 (Parity), in particular through a partnership signed with the AlphaOmega Foundation.

In Corporate & Investment Banking (CIB), amidst a difficult context marked in particular by bank liquidity uncertainties, continued interest rate hikes and a slow-motion M&A market, the banking business of **Natixis CIB** has been resilient with sustained commercial momentum, in line with its strategic areas of diversification in terms of regions, clients and products.

Geographically, Natixis CIB continued to expand in the APAC region by opening a branch in South Korea and increasing coverage of the Indian market.

The various business lines contributed to strong revenue growth despite contrasting market trends.

Concerning the Global Markets businesses, the strategy of developing the client base and flow products continued in a less volatile market environment for interest rates, exchange rates and commodities than in the first half of 2022. The half-year was also marked by the expansion of the offer of electricity hedging products.

Global Trade teams continued to support their clients in France and abroad in a context of more attractive rates, particularly for cash management solutions.

Bond origination activities experienced a record half-year, Natixis CIB thus confirming its position among the leaders in the financial issuers market. In addition, Natixis CIB continued to play a major role in the financing of real assets. Numerous transactions were recognized as “transactions of the year” at the beginning of the year in respect of 2022. Natixis CIB also stood out for its ability to support the energy transition of its clients by ranking as the 4th global arranger of renewable infrastructure financing.

In line with its strategy, Natixis CIB strengthened its advisory role for its clients committed to the energy transition, in France and abroad, in the first half of 2023, thanks to the central and cross-asset positioning of its Green & Sustainable Hub as well as the deployment of cross-functional expertise in emerging technologies supporting the transition (batteries, new energies, carbon capture, etc.). The development of its sustainable finance product offering is continued in all regions, in green and social aspects but also in the energy transition component of high-stakes sectors.

As an illustration, Natixis CIB acted as placement agent, arranger and lender for the financing of a portfolio of photovoltaic solar power plants and PMGD power plants for the Solek energy group in Chile. Natixis also advised the Air France-KLM Group on its first issuance of sustainable development bonds in January 2023.

Lastly, the expertise of the Natixis CIB teams was once again recognized this half-year, as evidenced by the awards received, including “Best Investment Bank - France” by Global Finance (for the second consecutive year) or “Middle East & Africa Bank of the Year” by PFI.

4.2 Management report at June 30, 2023

For comparability, following the gradual and orderly divestment of its partnership with H2O in 2022, the contribution of H2O AM is isolated at the bottom of the income statement in 2022.

Similarly, following the disposal of the insurance, payments and Natixis Immobilier Exploitation activities and the transfer of part of the support functions to BPCE S.A., their contributions are isolated at the bottom of the income statement.

Lastly, pro forma management data refers to 2023 data after taking into account the restatements presented in Section 4.7.

4.2.1 Consolidated results

Natixis				
(in millions of euros)	6M 2023	6M 2022 pro-forma	Change 2023 vs. 2022 Current	Constant
Net banking income	**3,708**	**3,594**	**3.2%**	**2.7%**
o/w business lines	3,620	3,540	2.3%	1.8%
Banking operating expenses	**(2,827)**	**(2,814)**	**0.5%**	**0.0%**
Gross operating income	**880**	**780**	**12.8%**	**12.2%**
Cost of risk	(122)	(171)		
Net operating income	**758**	**609**		
Associates	7	6		
Gains or losses on other assets	42	14		
Change in the value of goodwill	0	0		
Pre-tax profit	**807**	**630**		
Income taxes	(296)	(218)		
Non-controlling interests	(26)	(22)		
Contribution of H2O	0	17		
Net income from discontinued operations	1	977		
Net income (Group share) (Reported)	**486**	**1,383**		
		0		
Cost/income ratio	76.3%	78.3%		

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

NET BANKING INCOME

The **Net Banking Income (NBI)** of Natixis amounted to €3,708 million in the first half of 2023, an increase of 3.2% compared to the first half of 2022 at current exchange rates and 2.7% at constant exchange rates.

The **net banking income of the business lines** was up by 2.3% at current exchange rates and 1.8% at constant exchange rates compared to the first half of 2022 and stood at €3,620 million. The AWM and CIB divisions posted contrasting changes. AWM revenues down by 3.4% at current exchange rates and by 4.0% at constant exchange rates despite a rebound in the equity markets at the beginning of 2023, without this rebound offsetting the strongly negative market effect of 2022. CIB revenues rose by 6.8% at constant exchange rates (up 7.0% at current exchange rates) compared to the first half of 2022.

The **NBI for the Corporate Center**, which includes Natixis Algérie and Natixis Private Equity run-off activities, amounted to +€87 million compared to +€54 million in the first half of 2022. It includes -€39 million in respect of the discounting at historical rates of DSN in foreign currencies, compared to +€148 million in the first half of 2022 due to the strong appreciation of the dollar over the periods in question.

OPERATING EXPENSES AND HEADCOUNT

Operating expenses at €2,827 million, were up by 0.5% compared to the first half of 2022 at current exchange rates and stable at constant exchange rates including exceptional expenses of €23 million in the first half of 2023 and €37 million last year for the TEO program and the real estate strategy. Excluding exceptional expenses, expenses increased by 1.0% at current exchange rates and by 0.5% at constant exchange rates.

Asset & Wealth Management expenses were down by 0.8% at current exchange rates and by 1.5% at constant exchange rates, mainly due to a reduction in variable compensation in line with the decline in revenues and cost control initiatives. Corporate & Investment Banking revenues were up by 6.2% at current exchange rates and by 6.1% at constant exchange rates, reflecting the effects of inflation and the investments made. Corporate Center expenses were down 17.8% at current exchange rates and 19.0% at constant exchange rates to €242 million in the first half of 2023, and down 22.0% on 2022 at constant exchange rates, including the contribution to the Single Resolution Fund at €162 million versus €213 million in the first half of 2022.

Headcount at the end of the period stood at 14,262 FTEs (Full-Time Equivalents) at the end of June, up 5.4% year-on-year. Headcount increased by 0.6% for the Asset & Wealth Management division, by 6.6% for the Corporate & Investment Banking division and an increase for the Corporate Center, with the strengthening of the control functions and the development of the teams in Porto.

GROSS OPERATING INCOME

Gross operating income reached €880 million in the first half of 2023, up 12.8% at current exchange rates and 12.2% at constant exchange rates compared to the first half of 2022.

PRE-TAX PROFIT

The **cost of risk** amounted to €122 million in the first half of 2023, down compared to the first half of 2022 (€171 million) impacted by the conflict in Ukraine and the provisioning of direct and indirect Russian exposures. The cost of risk of the main business lines as a percentage of assets amounted to 18 bps in the first half of 2023 versus 50 bps in 2022.

Revenues from **Associates** totaled €7 million in the first half of 2023 compared to €6 million in the first half of 2022.

The **Gains and losses on other assets** amounted to €42 million in the first half of 2023, corresponding to the capital gain on the disposal of AlphaSimplex.

The **change in the value of goodwill** was zero in the first half of 2023.

Recurring pre-tax profit thus amounted to €807 million in the first half of 2023 compared with €630 million in the first half of 2022.

NET INCOME (GROUP SHARE)

The **tax** expense amounted to €296 million in the first half of 2023 compared to €218 million in the first half of 2022.

Non-controlling interests amounted to -€26 million in the first half of 2023, of which -€18 million for the AWM division and -€7 million for the Corporate & Investment Banking division.

The **net contribution from discontinued operations** in the first half of 2023 was +€0.6 million compared to +€977 million in the first half of 2022 (including +€985 million of capital gain on the disposal of the Insurance and Payment activities, effective as of January 1, 2022, and -€8 million of residual contribution from the Insurance and Payment activities, Natixis Immobilier Exploitation and impact of the transfer of part of the support functions to BPCE S.A.).

This led to **accounting net income** of €486 million in the first half of 2023 compared to €1,383 million in the first half of 2022.

4.2.2 Analysis of Natixis business lines

4.2.2.1 Asset & Wealth Management

AWM				
(in millions of euros)	6M 2023	6M 2022 pro-forma	Change 2023 vs. 2022 Current	Constant
Net banking income	**1,560**	**1,614**	**(3.4%)**	**(4.0%)**
Asset Management	*1,466*	*1,526*	*(4.0%)*	*(4.7%)*
Wealth Management	*94*	*88*	*7.2%*	*7.2%*
Banking operating expenses	**(1,276)**	**(1,286)**	**(0.8%)**	**(1.4%)**
Gross operating income	**284**	**328**	**(13.5%)**	**(14.4%)**
Cost of risk	5	(1)		
Net operating income	**288**	**327**	**(12%)**	
Associates	0	0	(8%)	
Gains or losses on other assets	42	0		
Change in the value of goodwill	(4)	(4)	(9%)	
Pre-tax profit	**326**	**323**	**1%**	
Contribution of H2O	0	17	(100%)	
Net income (Group share) (Reported)	**223**	**233**	**(4%)**	
Cost/income ratio	81.8%	79.7%	2.7%	

The revenues of the Asset & Wealth Management division fell by -4% compared to 2022 at constant exchange rates (-3% at current exchange rates) to €1,560 million.

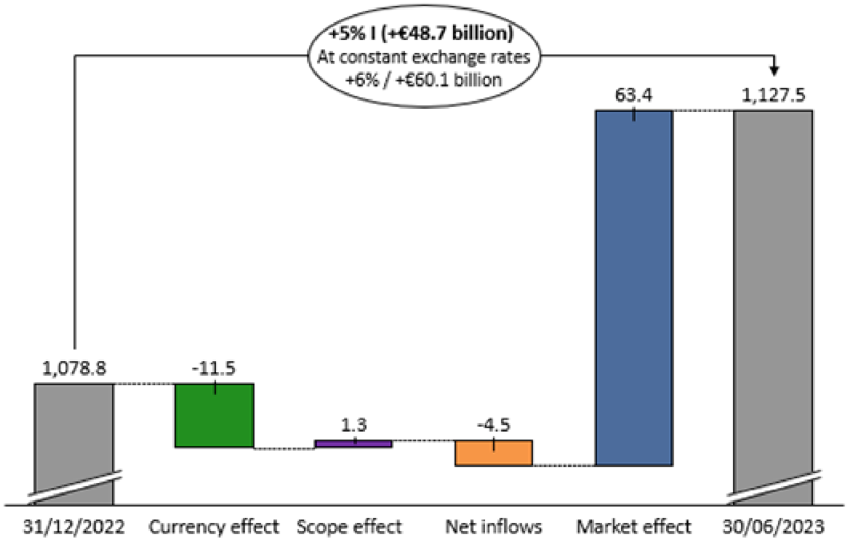
Expenses fell by -1% at constant exchange rates (-1% at current exchange rates) to €1,276 million.

Gross operating income decreased by -14% at constant exchange rates (-13% at current exchange rates) to €284 million.

A – ASSET MANAGEMENT

Assets under management at the end of June 2023 amounted to €1,127.5 billion, up by +€48.7 billion or +5% at current exchange rates (+6% at constant exchange rates) compared to December 31, 2022, mainly due to a very favorable market effect (+€63.4 billion), partly offset by a negative exchange rate effect (-€11.5 billion) and net outflows of -€4.5 billion.

CHANGE IN ASSETS UNDER MANAGEMENT OVER THE YEAR *(in billions of euros)*



(*) of which AlphaSimplex disposal in the first quarter of 2022 (-€6.9 billion)

The business line recorded net outflows of -€4.5 billion in the first half of 2023, including +€4.0 billion in net inflows in long-term products excluding Ostrum and excluding money market products:

- For Ostrum AM, net outflows amounted to -€9.0 billion (of which -€1.8 billion in long-term net outflows) mainly on life insurance products, bond products and equity products.
- Apart from these outflows, a realignment was observed between the Equity strategies, down in the first half of 2023 in terms of assets under management, in favor of Fixed Income strategies for a net effect of +€0.3 billion during the period.
- The inflows observed also came from Diversified Assets Solutions for +€2.4 billion, and the balance from Private Assets and Alternative Strategies, i.e. +€2.3 billion.

Average outstandings at €1,025.6 billion in the first half of 2023 were down (-6.5%) compared to the first half of 2022 in constant euros. Excluding Ostrum & AlphaSimplex Gestion, average outstandings decreased by 4%. The rate of return on outstandings reached 25.0 bps, up by 0.3 bps compared to June 30**,** 2022. It amounted to 37.8 bps excluding Ostrum Asset Management & AlphaSimplex Gestion (-0.7 bps) due to a lower average rate of return at Loomis Sayles.

At June 30, 2023, Net Banking Income of €1,465.6 million decreased by €60.6 million (-4%) compared to June 30, 2022, despite a favorable euro/dollar exchange rate effect (-5% at constant exchange rates). The effect of changes in the scope of consolidation linked to contributions and start-ups during the period, and to the disposal of AlphaSimplex Gestion, had a net impact of €5.0 million. The decrease in Net Banking Income was strongly driven by the decrease in management fees and net distributions at constant exchange rates, particularly in the United States (mainly at Loomis and Harris) as well as in distributions, while an increase was recorded at Vauban, Ostrum and Mirova. Performance fees were also down, mainly in North America at AEW CM. The increase in financial income is explained by the increase in cash revenues (increase in interest rates), a favorable foreign exchange impact and a favorable impact from the valuation of seed money. Dividend income is down compared to the first half of 2022.

Expenses amounted to €1,181.7 million, down €13.9 million (-1%) compared to June 30, 2022, (-2% at constant exchange rates) with a scope effect (including the disposal of AlphaSimplex Gestion) of -€5.0 million.

The decrease in expenses is attributable to the decrease in variable payroll costs, in line with the decline in recurring revenues, mainly in the United States (in particular due to the decrease in fee performance at AEW CM). At the same time, fixed internal payroll costs increased due to the growth in headcount in all regions and the increase in salaries.

Expenses excluding payroll costs increased overall and mainly related to operating expenses, including: communication and advertising costs (including marketing campaigns); travel and hospitality expenses with the resumption of face-to-face events with clients; increased consulting fees. Expenses for premises and logistics were up mainly in the United States due to an increase in property taxes.

B – WEALTH MANAGEMENT

In the first half of 2023, **the Net Banking Income of the business line, at €94.3 million**, was up by 7% (+€6.4 million) compared to the first half of 2022 with a significant increase in net interest income. This increase is also due to the increase in performance fees generated by bond funds.

Expenses amounted to €81.5 million, up 4% (+€3.4 million) compared to the first half of 2022, supported by an increase in IT and operating costs partially offset by savings on consulting fees and rental expenses.

4.2.2.2 Corporate & Investment Banking division

CIB & TCM				
(in millions of euros)	6M 2023	6M 2022 pro-forma	Change 2023 vs. 2022 Current	Constant
Net banking income	**2,060**	**1,926**	**7.0%**	**6.8%**
Global Markets	1,023	960	6.6%	6.4%
Fixed Income	668	676	(1.2%)	(1.3%)
Equity	346	314	10.2%	10.1%
XVA desk	8	(31)		
Global Finance	719	775	(7.2%)	(7.8%)
Investment Banking (incl. M&A)	238	200	19.2%	19.7%
Other items	81	(8)		
Banking operating expenses	**(1,309)**	**(1,233)**	**6.2%**	**6.1%**
Gross operating income	**751**	**693**	**8.4%**	**7.9%**
Cost of risk	(69)	(168)	(59.2%)	(58.9%)
Net operating income	**683**	**524**	**30.2%**	**29.2%**
Associates	6	6	7.7%	7.7%
Gains or losses on other assets	0	0	(98.2%)	(98.2%)
Pre-tax profit	**689**	**530**		
Net income (Group share) (Reported)	**505**	**392**		
Cost/income ratio	63.5%	64.0%		

In the first half of 2023, **Net Banking Income** from Corporate & Investment Banking amounted to €2,060 million, up 6.8% compared to the first half of 2022 at constant exchange rates.

Capital markets revenues amounted to €1,023 million in the first half of 2023, an increase of 6.4% compared to the first half of 2022 at constant exchange rates.

At €668 million in the first half of 2023, revenues from **Rates, Foreign exchange, Credit, Commodities and Treasury activities** fell by 1.3% overall compared to the first half of 2022 at constant exchange rates. The following changes were observed in each segment:

- Revenues from **Rates and Foreign Exchange** activities were up by 2.3% to €254 million compared to the first half of 2022. **Rates** activities were up sharply with revenues up by 29.4% to €159 million thanks to a good commercial performance while the **Foreign Exchange** activities were down by 24.3% to €95 million having seen a slowdown in demand in the second quarter of 2023 and suffering from an unfavorable basis of comparison, the first half of 2022 having recorded a very high volume of activity in a volatile foreign exchange market context;
- Revenues from **GSCS Credit** activities were up by 10.4% compared to the first half of 2022 to €182 million, driven by the US platform;
- Revenues from **Repo** activities, now split 50/50 between Fixed-Income and Equity, amounted to €159 million, down 6.6% compared to the first half of 2022, impacted by market effects;
- With revenues of €360 million, up 18.6% at constant exchange rates compared to the first half of 2022, **Equity** activities continued their commercial momentum.

Revenues from joint ventures (i.e. with income shared equally between Global Markets and Investment Banking to ensure team alignment) posted mixed results in the first half of 2023.

The **Strategic financing and acquisitions** revenues were down by 7.7% to €58 million.

Bond market syndication recorded revenues of €88 million, up sharply by 32.0% compared to the first half of 2022 in a dynamic primary bond issuance market in the first half of 2023 in particular in the Financials segment.

At €719 million, revenues from **Financing** activities, including **Global Trade** and **film industry financing** (Coficiné) were down by 7.8% compared to the first half of 2022 at constant exchange rates.

Revenues from **origination and Real Assets syndication** activities amounted to €110 million, down 17.9% compared to the first half of 2022 due to a slowdown in the real estate sector in the United States. At €360 million in the first half of 2023, revenues from the **financing portfolio** were down by 19.1% at constant exchange rates with a fall in the interest margin and the negative impact from repayment of several SGLs at the beginning of the year. Revenues from **Global Trade** activity increased by 25.4% at constant exchange rates to €236 million, particularly benefiting from the rise in interest rates on its customer account management activity and a positive impact following the receipt of interest on a file in litigation.

Revenues from **Investment Banking** including **M&A** increased by 19.7% compared to the first half of 2022 at constant exchange rates for cumulative revenues of €238 million. In a global M&A market that has slowed sharply, M&A activity remained resilient, posting a 38.6% increase at constant exchange rates with revenues of €121 million, having benefited from a favorable basis of comparison with the first half of 2022.

In the first half of 2023, Corporate & Investment Banking **expenses** amounted to €1,309 million, up 6.1% at constant exchange rates compared to the first half of 2022. Excluding expenses for the TEO program for €1.1 million in the first half of 2023 and €0.5 million in the first half of 2022, expenses were up by 6.0% at constant exchange rates including a 2.2% decrease in variable compensation compared to the first half of 2022. Excluding variable compensation, expenses increased by 7.8% at constant exchange rates, reflecting the investments made.

Gross operating income amounted to €751 million, up 7.9% compared to the first half of 2022 at constant exchange rates. Excluding exceptional items, it stood at €752 million, up 8.0% compared to last year at constant exchange rates. The **cost/income ratio** stood at 63.5% in the first half of 2023, improving by 0.5 points compared to the first half of 2022 and 0.4 points at constant exchange rates.

At €69 million, the **cost of risk** decreased compared to the first half of 2022, impacted by the conflict in Ukraine and the provisioning of direct and indirect Russian exposures.

Pre-tax profit was €689 million, up 29.9% compared to the first half of 2022 at constant exchange rates.

4.2.2.3 CORPORATE CENTER

Corporate Center (excluding TCM)			
(in millions of euros)	6M 2023	6M 2022 pro-forma	2023 change Current
Net banking income	**87**	**54**	**61.6%**
Algeria	34	28	20.6%
NPE	(1)	0	
Cross-business functions	54	25	
Banking operating expenses	**(242)**	**(295)**	**(17.8%)**
Gross operating income	**(155)**	**(241)**	**(35.7%)**
Cost of risk	(58)	(2)	
Net operating income	**(213)**	**(242)**	**(12.2%)**
Associates	0	0	
Gains or losses on other assets	0	14	(98.4%)
Change in the value of goodwill	4	4	(8.8%)
Pre-tax profit	**(208)**	**(224)**	**(6.9%)**

Net Banking Income from the Corporate Center amounted to +€87 million at the end of June 2023, compared with +€54 million at the end of June 2022.

A - NATIXIS ALGERIE

At constant exchange rates, average short-term loan outstandings were stable and average medium- and long-term loan outstandings rose sharply compared to June 2022. Customer deposits were up 2% due to a regulatory change (since July 2022, the Algerian state has repealed an obligation dating back to 2017 to establish a deposit for all imported merchandise intended for resale in state).

Off-balance sheet commitments decreased by 7% at constant exchange rates, in line with the decrease in documentary credits.

Natixis Algérie showed **Net Banking Income** of +€34 million, up by 21% compared to June 2022. Excluding the favorable foreign exchange effect of €1.7 million, NBI increased by 13% in particular with an increase in (i) investment income on equity (+13%) from investments in treasury bills, (ii) leasing interest (+11%) related to the increase in outstandings and (iii) other income.

These changes were partially offset by the decline in foreign trade commissions (-9%), particularly on documentary credits and foreign exchange transactions.

The cost of risk amounted to -€3.6 million, for -€1.7 million compared with the first half of 2022 at constant exchange rates.

B – NATIXIS PRIVATE EQUITY (NPE)

Natixis Private Equity's commitments for the run-off portion amounted to €18.9 million, down 40% (-€12.5 million) compared to June 30, 2022.

This decrease is due to the decrease in cash-at-risk commitments mainly following the impairment of a fund.

Off-balance sheet commitments have been zero since December 31, 2021.

Net Banking Income amounted to -€0.7 million, down €1.2 million compared to the first half of 2022. NBI for the first half of 2023 should be compared with the impairments recorded on certain funds during the period.

C - CROSS-BUSINESS FUNCTIONS

Net Banking Income of Cross-Business Functions mainly includes revenue from treasury and balance sheet management transactions. It stood at +€54 million at the end of June 2023 compared to +€25 million at the end of June 2022.

- Exchange rate fluctuations on deeply subordinated notes issued in dollars amounted to -€39 million at the end of June 2023 compared to +€148 million the previous year.
- The cost of guarantee and long-term liquidity management instruments increased by -€13 million and -€12 million respectively during the period.
- NBI increased for the most part due to the rise in interest rates.

Corporate Center **expenses** totaled €242 million at the end of June 2023 compared to €295 million at the end of June 2022.

- The contribution to the Single Resolution Fund amounted to €162 million over the period, compared to €213 million for the first half of 2022.
- Excluding this item, expenses mainly include recurring items that were stable between the two periods at €80 million at the end of June 2023 compared to €82 million at the end of June 2022.

Gross operating income stood at -€155 million at end-June 2023 compared with -€241 million at end-June 2022.

The **cost of risk** of the Corporate Center amounted to -€58 million at the end of June 2023.

Pre-tax profit was -€208 million at the end of June 2023 compared to -€224 million for the first half of 2022.

4.2.2.6 Cost of risk

The **cost of risk** was -€122 million at June 30, 2023, of which -€126 million was in respect of risks on non-performing loans and +€4 million in respect of provisions on performing loans. The cost of risk was -€171 million at June 30, 2022, of which -€117 million in respect of risks on non-performing loans and -€54 million in respect of provisions on performing loans.

Total cost of overall risk: detail by division

(in millions of euros)	**30/06/2023**	**30/06/2022**
Corporate & Investment Banking	(69)	(168)
Asset & Wealth Management	5	(1)
Others	(58)	(2)
Total cost of risk	**(122)**	**(171)**

Total cost of risk by geographic area

(in millions of euros)	**30/06/2023**	**30/06/2022**
EMEA	(-50)	(152)
Central and Latin America	(17)	2
North America	(41)	(14)
Asia and Oceania	(14)	(7)
Total cost of risk	**(122)**	**(171)**

Appendix to 4.2.2 – Consolidated results

1 - Reconciliation of management results to consolidated results at June 30, 2023

Natixis - 6M 2023										
(in millions of euros)	6M 2023 Management vision excluding exceptional items	Non-recurring items AWM	CIB	GFS Head Office	NCIB Support functions	Corporate Center	Discontinued activities	6M 2023 Restated (H2O, discontinued operations)	Reclassification Discontinued operations	6M 2023 Reported
Net banking income	**3,746**		**0**	**0**	**0**	**(39)**		**3,708**	2	**3,709**
Banking operating expenses	**(2,804)**	**(13)**	**(1)**	**(2)**	**(4)**	**(2)**		**(2,827)**	(1)	**(2,828)**
Gross operating income	**942**	**(13)**	**(1)**	**(2)**	**(4)**	**(41)**		**880**	1	**881**
Cost of risk	(122)							(122)		(122)
Net operating income	820	(13)	(1)	(2)	(4)	(41)		758	1	759
Associates	7							7		7
Gains or losses on other assets	42					0		42		42
Change in the value of goodwill	0							0		0
Pre-tax profit	**869**	**(13)**	**(1)**	**(2)**	**(4)**	**(41)**		**807**	1	**808**
Income taxes	(312)	4	0	1	1	11		(296)	0	(296)
Non-controlling interests	(26)	0						(26)		(26)
Net income from discontinued operations										0
Net income (Group share) (Reported)							1		1	1
Net contribution from discontinued operations							1	1	(1)	0
Net income (Group share) (Reported)	**531**	**(9)**	**(1)**	**(2)**	**(3)**	**(31)**	**1**	**486**	0	**486**
Cost/income ratio	74.9%							76.3%		76.2%

2 - Reconciliation of management results to consolidated results at June 30, 2022

Natixis - 6M 2022											
(in millions of euros)	6M 2022 Management vision excluding exceptional items	Non-recurring items AWM	CIB	GFS Head Office	NCIB Support functions	Corporate Center	Discontinued activities	6M 2022 Restated (H2O, discontinued operations)	H2O reclassification	Reclassification Discontinued operations	6M 2022 Reported
Net banking income	**3,484**		**0**		**0**	**110**		**3,594**	**13**	37	**3,644**
Banking operating expenses	**(2,777)**	**(12)**	**0**	**(5)**	**(10)**	**(10)**		**(2,814)**	**(8)**	(48)	**(2,871)**
Gross operating income	**707**	**(12)**	**0**	**(5)**	**(10)**	**100**		**780**	**4**	(11)	**773**
Cost of risk	(171)							(171)			**(171)**
Net operating income	536	(12)	0	(5)	(10)	100		609	4	(11)	**603**
Associates	6							6			**6**
Gains or losses on other assets	0	0				14		14	16		**30**
Change in the value of goodwill	0							0			**0**
Pre-tax profit	**542**	**(12)**	**0**	**(5)**	**(10)**	**114**		**630**	**20**	(11)	**638**
Income taxes	(199)	3	0	1	3	(26)		(218)	(1)	3	**(216)**
Non-controlling interests	(24)	1						(22)	(2)		**(24)**
Contribution of Coface											**0**
Contribution of H2O		17						17	(17)		**0**
Net contribution from discontinued operations						985	(8)	(8)		8	**0**
Net income (Group share) (Reported)	**320**	**9**	**0**	**(3)**	**(7)**	**1,074**	**(8)**	**1,383**		0	**398**
Cost/income ratio	79.7%							78.3%			78.8%

4.3 Main investments and divestments performed over the period

Business line	Investment description
Full year 2023	
	N/A
Full year 2022	
Asset Management	Acquisition of 100% of SunFunder by Mirova, a private debt management company financing renewable energy projects in Africa and in Asia, in order to accelerate its development to become a global leader in impact investing.
Asset Management	Acquisition by Natixis IM of La Banque Postale's stakes in Ostrum AM (45%) and AEW Europe (40%) and extension of institutional partnerships in asset management until the end of 2030.
Full year 2021	
Asset Management	Acquisition of non-controlling interests (remaining 50%) of AEW UK Investment Management LLP.
Payments	Acquisition in June 2021 of Jackpot, a start-up specializing in the digitization of vouchers and the issue of e-gift cards, which will become the sole supplier for the entities of the Benefits business unit while continuing to offer its solution to companies outside Natixis.

In addition, a number of targeted disposals were carried out.

Business line	Divestment description
Full year 2023	
Asset Management	Disposal of 100% of the share capital of AlphaSimplex Group, an American asset management company specializing in systematic alternative management, to Virtus Investment Partners.
Full year 2022	
Natixis	Transfer by Natixis S.A. to BPCE S.A. of the Insurance and Payments business lines completed on March 22, 2022 and Natixis Immobilier d'Exploitation on March 1, 2022.
Natixis	Disposal by Natixis of the remaining stake in Coface (10.04%). Following this transaction, Natixis no longer holds any equity stake in Coface.
Asset Management	Finalization of the agreement to unwind the partnership between Natixis Investment Managers and H2O AM: disposal of 26.61% of the shares in H2O AM then, within four years or no later than six years, of the remaining 23.4% of shares and resumption of the distribution activities by H2O AM.
Asset Management	Disposal of Natixis Investment Managers' minority stake in Fiera Capital and continuation of the distribution partnership enabling the two asset management companies to offer their clients a complementary range of investment strategies.

4.4 Post-closing events

Natixis' financial statements for the first half of 2023 were reviewed at the Board of Directors' meeting of August 2, 2023.

No post-closing events occurred which could have a significant impact on Natixis' financial position.

4.6 Outlook for Natixis

Short-term growth prospects remain uncertain. While lower inflation and the normalization of supply chains support growth, the external environment is less supportive. In addition, rising interest rates and tighter financing conditions are beginning to slow capital spending, particularly in the construction sector.

The United States is facing a series of factors that should weigh on growth in the coming quarters. The impacts of the rapid rise in key interest rates that began in March 2022 are beginning to take effect: deterioration in lending conditions and credit demand, signs of easing in the labor market, continued deposit withdrawals from regional banks, etc. The contraction of the ISM (Institute for Supply Management) surveys reflects the slowdown in economic activity while the savings accumulated by households are shrinking, suggesting a sharp slowdown in the coming quarters. GDP growth of 1.2% in 2023 and then 0.8% in 2024 is expected (after 2.1% in 2022).

The slowdown in growth should be more abrupt in the euro zone, from 3.5% in 2022 to 0.7% in 2023, before a rebound to 1.5% in 2024. However, GDP growth is expected to pick up from the second quarter and remain relatively solid in the second half of the year. The mitigation of supply bottlenecks and energy shocks combined with the rebound in real income will support activity despite a deterioration in manufacturing activity. Performance by country will remain mixed*. After a* recession in 2023 (-0.2%), German GDP is expected to grow by 1.3% in 2024. The sequence of growth should be more favorable in France, with +0.7% in 2023 and +1.4% in 2024, but less than in Spain (+2.2% then +2.1%) or in Italy (+1.3% and +1.4%).

The decline in global demand penalizes emerging markets, China and the rest of Asia with the drop in exports. The slowdown in food and fuel prices is working against net exporters such as India, Indonesia and Malaysia. Slowing demand for semiconductors and consumer electronics continues to weigh on South Korea and Malaysia as the inventory reduction cycle continues. Nevertheless, inflation slowed rapidly in the region allowing a halt to the monetary tightening cycle. Emerging Asia will also benefit from supply chain diversification outside of China.

In China, a further easing of economic policies is expected to support the economy. The Chinese government is expected to further ease its monetary policy in the second half of the year so that growth is expected to reach 5.5% this year.

In Western economies, the decline in inflation should be confirmed, both in terms of headline inflation and core inflation. The fall in energy prices will, to some extent, be passed on to the components of underlying inflation, via the usual second-round effects. Secondly, the normalization of supply chain pressures has led to a significant fall in input prices. This led to a sharp correction in producer prices. With a certain delay, part of this disinflationary momentum will also show up in the level of consumer price inflation. Lastly, the current weakness in consumption will also exert disinflationary pressures. Conversely, wage growth could slow disinflation. However, disinflationary forces are expected to be greater. In addition, the high margins of companies in recent quarters should help to cushion the increase in wages. Inflation is therefore expected to decelerate, from an average of 8.4% in 2022 to 5.5% in 2023 and 3% in 2024 in the euro zone, and from 6.5% to 3.4% then 2.6% respectively in the United States.

As far as Natixis' business is concerned, 2023 will continue the deployment of the "BPCE 2024" strategic plan, announced on July 8, 2021. This strategic plan sets out the development priorities of the various Natixis divisions up to 2024.

As a reminder, the main 2024 ambitions of Natixis' Global Financial Services business lines (Asset & Wealth Management, Corporate & Investment Banking) are based on three principles:

- Diversification, for the benefit of clients and development;
- Commitment, to the energy transition and SRI finance;
- Transformation and investment, to create sustainable value.

With regard to these three principles, each of Natixis' business lines has a clear ambition for 2024:

- **Asset & Wealth Management**: confirm Natixis Investment Managers as a global leader in asset management; provide a high added-value offer to our direct High Net Worth Individuals (HNWI) clients and clients of the Banque Populaire and Caisse d'Epargne networks;
- **Corporate & Investment Banking**: make Natixis Corporate and Investment Banking the bank of choice for our clients in terms of our selective and diversified expertise.

The outlook for Natixis' business lines could also be impacted by the aforementioned context: asset management activities will remain exposed to the market effect on all asset classes, with arbitrages between asset classes as interest rates continue to rise and asset valuations adjust. For Corporate & Investment Banking, the low market volatility context (interest rates, currencies, commodities) could continue to generate a reduction in client hedging needs and the uncertain macro-economic and geopolitical environment could expose some companies to increased difficulties.

Finally, the financial outlook could be affected by the continuing conflict in Ukraine. As a reminder, Natixis holds a direct exposure net of guarantees in terms of customer financing of €223 million (off-shore) as well as a subsidiary in Russia, Natixis Bank JSC Moscow, with a total balance sheet equivalent to €79.9 million at June 30, 2023, mainly consisting of deposits with correspondents and the Central Bank of Russia. This subsidiary has stopped all new commercial activities and the local team is tasked with ensuring a limited number of technical flow transactions. Provisions were made for these exposures in the amount of the estimated risks.

4.7 Definitions and alternative performance indicators

The presentation of the income statement of Natixis has changed following the disposal of the Insurance and Payments activities carried out on March 22, 2022 and of Natixis Immobilier Exploitation on March 1, 2022 and the transfer of part of the support functions to BPCE S.A.

As the loss of control of these entities occurred prior to the date on which the shares were transferred, the net income of the subsidiaries disposed of no longer impacts Natixis' financial statements as of the first quarter of 2022.

For the comparison purposes with the latter, the quarterly series have therefore been restated for the contribution to the net income of these entities. In previous years, this contribution was also accompanied by expenses relating to the Insurance and Payments divisions (e.g. Senior Management/Corporate Secretary, Payments activity housed at Natixis S.A.) which still had a marginal impact on Natixis' financial statements in the first quarter of 2022.

For the comparison purposes, these expenses have been restated from the quarterly series and are therefore isolated outside recurring net income as residual income from discontinued operations (they are the subject of a reconciliation table with the accounting data).

In addition, the financial statements for the first quarter of 2022 were impacted by the transfer of the Insurance, Payments and Natixis Immobilier Exploitation activities to BPCE S.A. which resulted in the recording of a net capital gain on disposal, the recognition of a capital loss from the novation of the subordinated loans subscribed by the companies in the Insurance division, expenses related to the implementation of the transactions and tax adjustments (income tax) which will be classified as exceptional items in net income from discontinued operations (Corporate Center).

In addition to the elements described above, the implementation of this transaction resulted in:

- The reorganization of support functions with the transfer on March 1, 2022 to BPCE S.A. of part of Natixis S.A.'s support functions. These are reinvoiced by BPCE to the GFS division's business lines for the services provided by these teams for GFS (Global Financial Services comprising, as a reminder, the Asset & Wealth Management business lines, NIM and NWM, as well as Corporate & Investment Banking, NCIB) in the form of:
    - contribution from the central institution and Group functions: representative of the expenses relating to sovereign functions, they are deducted from NBI for the central institution or as management expenses for Group functions and reallocated 25% to the Asset & Wealth Management division, 25% to the Corporate & Investment Banking division and 50% to the Natixis Corporate Center, with the exception of expenses relating to the risk function (Model Risk Management function) mainly reallocated to Corporate & Investment Banking;
    - dedicated services: these are reinvoiced as operating expenses according to the Corporate & Investment Banking support function allocation methods;
    - the creation of the "GFS Head Office", reinvoiced/reallocated 25% to the Corporate & Investment Banking division, 25% to the Asset & Wealth Management division and 50% to the Natixis Corporate Center;
- the Corporate Center focuses on Natixis' centralized asset-liability management functions, the functions performed by Porto on behalf of activities outside the scope of consolidation of Natixis, activities relating to the Agency-subsidiaries, and to the Institutional Activity on behalf of the French State and Financial Investments (including mainly Natixis Algérie) and includes, within its expenses, the contribution to the Single Resolution Fund (SRF);

- the modeling of new services for Corporate & Investment Banking support functions implemented with the business lines sold following the transaction as well as the elimination of analytical services or reallocations rendered obsolete as a result;
- the classification as Net Banking Income of IT services that Natixis S.A. continues to provide to entities sold and now outside the Natixis consolidation group.

In addition, for comparability, following the divestment of the partnership with H2O, the contribution of H2O AM is isolated at the bottom of the income statement in 2022.

As a reminder, to comply with the requirements of the French law on the separation of banking activities, the Short-Term Money Market and Collateral Management activities, which used to be part of Global Markets, were transferred to the Finance division on April 1, 2017. However, to ensure comparability, in this management report, Corporate & Investment Banking or NCIB refers to CIB and the Short-Term Money Market and Collateral Management activities.

In addition, the standards for **assessment of the divisions' performance** are those defined for the "BPCE 2024" strategic plan with a normative capital allocation to the business lines based on 10.5% of the Basel 3 average RWA.

As a reminder, the earnings of the Natixis business divisions are presented in accordance with the Basel 3 regulatory framework.

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

- Business lines receive interest on the normative capital allocated to them;
- The return on the issued share capital of the entities comprising the divisions is eliminated;
- The cost of Tier 2 debt subordination is charged to the divisions in proportion to their regulatory capital;
- The divisions are invoiced for an amount representing the bulk of Natixis' expenses. The uninvoiced portion accounts for less than 3% (excluding the Single Resolution Fund) of Natixis' total expenses. The Single Resolution Fund (SRF) contribution is covered by the Corporate Center and is not reallocated to the divisions.

Deeply subordinated notes (DSNs) are classified as shareholders' equity instruments; interest expense on those instruments is not recognized in the income statement.

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

The profit measure used to determine **Natixis' ROE** is net income (Group share) minus the post-tax interest expense on DSNs. Shareholders' 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).

The calculation of **business line ROE** is based on:

- as the numerator, the business line's pre-tax profit, as per the aforementioned rules, to which a normative tax is applied. The normative tax rate is determined for each of the divisions by factoring in the tax liability conditions of Natixis' companies in the jurisdictions where they operate. It is determined once a year and does not factor in potential changes over the year linked to deferred taxes.

In the denominator, normative capital, calculated on the basis of 10.5% of RWA allocated to the division to which are added goodwill, intangible assets relating to the division, as well as prudential deductions directly attributable to the business lines. **Natixis ROTE** is calculated by taking as the numerator net income (Group share) excluding DSN interest expenses on preferred shares after tax. Shareholders' 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, and excluding unrealized or deferred gains and losses recognized in shareholders' equity.

V CHAPTER 5: FINANCIAL INFORMATION

5.1 Consolidated half-yearly financial statements and notes

CONSOLIDATED INCOME STATEMENT
STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME
CONSOLIDATED BALANCE SHEET
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
NET CASH FLOW STATEMENT

SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	*Notes*	**30/06/2023**	**30/06/2022**
Interest and similar income	*3.1*	5,167	1,615
Interest and similar expenses	*3.1*	(4,532)	(885)
Fee and commission income	*3.2*	2,260	2,421
Fee and commission expenses	*3.2*	(555)	(512)
Net gains or losses on financial instruments at fair value through profit or loss	*3.3*	1,384	977
Gains and losses on financial assets at fair value through other comprehensive income	*3.4*	19	32
Net gains or losses on financial assets at fair value through other comprehensive income reclassified to financial assets at fair value through profit or loss			
Net gains or losses resulting from the derecognition of financial instruments at amortized cost	*3.5*	(7)	(49)
Net income from Insurance activities		0	0
Income from other activities	*3.6*	33	61
Expenses from other activities	*3.6*	(61)	(16)
Net banking income		**3,709**	**3,644**
Operating expenses	*3.7*	(2,716)	(2,734)
Depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets		(112)	(136)
Gross operating income		**881**	**773**
Cost of risk	*3.8*	(122)	(171)
Net operating income		**759**	**603**
Share in income of associates		7	6
Gains or losses on other assets	*3.9*	42	30
Change in value of goodwill			
Pre-tax profit		**808**	**638**
Income tax	*3.10*	(296)	(216)
Profit from discontinued operations (1)	*3.11*		985
Net income/(loss) for the period		**511**	**1,407**
o/w Group share		486	1,383
o/w attributable to non-controlling interests		26	24

(1) Net income (Group share) at June 30, 2022 included the €985.3 million capital gain (loss) on disposal of entities related to the Insurance and Payments business lines.

STATEMENT OF NET INCOME AND COMPREHENSIVE INCOME

(in millions of euros)	30/06/2023	30/06/2022
Net income	**511**	**1,407**
Items recyclable to income	**(193)**	**(63)**
Translation adjustments	**(176)**	**397**
Revaluation adjustments during the period	(177)	413
Reclassification to profit or loss	1	(15)
Other reclassifications		
Revaluation of financial assets (debt instruments) at fair value through other comprehensive income	**(12)**	**(41)**
Revaluation adjustments during the period	(17)	(42)
Reclassification to profit or loss	5	1
Other reclassifications	(0)	(0)
Revaluation of available-for-sale financial assets	**-**	**-**
Revaluation adjustments during the period	-	-
Reclassification to profit or loss	-	-
Other reclassifications	-	-
Revaluation of hedging derivatives	**(11)**	**44**
Revaluation adjustments during the period	3	44
Reclassification to profit or loss	(15)	1
Other reclassifications	-	-
Share of gains and losses recorded directly in the equity of associates recyclable to income	**0**	**7**
Non-current assets held for sale*	-	**(461)**
Tax impact on items recyclable to income	**7**	**(9)**
Items not recyclable to income	**55**	**393**
Revaluation adjustments on defined-benefit plans	(1)	51
Revaluation of own credit risk of financial liabilities designated at fair value through profit or loss	118	654
Revaluation of shareholders' equity instruments recognized at fair value through other comprehensive income	(43)	(199)
Revaluation of derivatives hedging shareholders' equity financial assets recognized at fair value through other comprehensive income	-	-
Share of gains and losses recorded directly in the equity of associates not recyclable to income	-	-
Non-current assets held for sale	-	28
Tax impact on items not recyclable to income	(19)	(141)
Gains and losses recorded directly in other comprehensive income (after income tax)	**(138)**	**330**
TOTAL INCOME	**373**	**1,738**
Group share	346	1,717
Non-controlling interests	27	21

(*) Corresponds at June 30, 2022 to the Insurance and Payments business lines, as well as Natixis Immo Exploitation, which were transferred to BPCE in the first quarter of 2022.

Breakdown of tax on unrealized or deferred gains or losses

(in millions of euros)	30/06/2023			30/06/2022		
	Gross	Income tax	Net	Gross	Income tax	Net
Translation adjustments	(176)	0	(176)	399	0	399
Revaluation of financial assets (debt instruments) at fair value through other comprehensive income recyclable to income	(12)	4	(8)	(41)	9	(32)
Revaluation of available-for-sale financial assets	0	0	0	0	0	0
Revaluation of hedging derivatives	(11)	3	(8)	44	(11)	33
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	118	(31)	88	654	(169)	485
Revaluation of shareholders' equity instruments recognized at fair value through other comprehensive income	(43)	11	(32)	(199)	42	(157)
Revaluation of derivatives hedging shareholders' equity financial assets recognized at fair value through other comprehensive income	0	0	0	0	0	0
Revaluation adjustments on defined-benefit plans	(1)	0	(1)	51	(14)	37
Shares in unrealized or deferred gains/(losses) of associates	0	(0)	0	0	(0)	0
Non-current assets held for sale*				(593)	160	(433)
Total changes in unrealized or deferred gains or losses	**(126)**	**(12)**	**(138)**	**315**	**17**	**332**

(*) Corresponds at June 30, 2022 to the Insurance and Payments business lines, as well as Natixis Immo Exploitation, which were transferred to BPCE in the first quarter of 2022.

CONSOLIDATED BALANCE SHEET - ASSETS

(in millions of euros)	*Notes*	30/06/2023	31/12/2022
Cash, central banks		33,934	44,661
Financial assets at fair value through profit or loss	4.1.1	224,204	212,586
Hedging derivatives		720	716
Financial assets at fair value through other comprehensive income	4.3	9,663	9,553
Securities at amortized cost	4.5.3	1,644	1,434
Loans and receivables due from banks and similar at amortized cost	4.5.1	89,382	74,676
Loans and receivables due from customers at amortized cost	4.5.2	68,929	72,676
Revaluation adjustments on portfolios hedged against interest rate risk		0	0
Insurance business investments		0	0
Current tax assets		209	345
Deferred tax assets		1,192	1,338
Accrual account and miscellaneous assets	4.9	6,304	5,241
Non-current assets held for sale		0	77
Deferred profit-sharing		0	0
Investments in associates		520	525
Investment property		0	0
Property, plant and equipment		866	1,047
Intangible assets		475	447
Goodwill	4.10	3,461	3,496
Total assets		**441,503**	**428,821**

CONSOLIDATED BALANCE SHEET - LIABILITIES

(in millions of euros)	*Notes*	30/06/2023	31/12/2022
Central banks		0	0
Financial liabilities at fair value through profit or loss	4.1.2	213,849	205,394
Hedging derivatives		414	333
Due to banks and similar items	4.6.1	109,907	108,249
Customer deposits	4.6.2	40,508	36,664
Debt securities	4.7	43,860	45,992
Revaluation adjustments on portfolios hedged against interest rate risk		4	10
Current tax liabilities		1,088	979
Deferred tax liabilities		434	447
Accrual account and miscellaneous liabilities	4.9	7,796	6,776
Liabilities on assets held for sale		0	41
Liabilities related to insurance contracts		0	0
Subordinated debt	4.8	3,028	3,023
Provisions	4.11	1,216	1,333
Shareholders' equity (Group share)		19,361	19,534
- share capital & related reserves		*10,955*	*10,955*
- consolidated reserves		*6,777*	*5,494*
- gains and losses recorded directly in equity		*761*	*955*
- non-recyclable gains and losses recorded directly in equity		*382*	*330*
- net income/(loss)		*486*	*1,800*
Non-controlling interests		38	45
Total liabilities and shareholders' equity		**441,503**	**428,821**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	Share capital & related reserves		Consolidated reserves			Gains/(losses) recorded directly in equity										
						Recyclable				Non-recyclable						
	Share capital	Capital reserves (1)	Other equity instruments issued (2)	Elimination of treasury stock	Other consolidated reserves	Translation adjustments	Available-for-sale assets	Revaluation of debt instruments at FV through OCI recyclable to income	Hedging derivatives	Revaluation of equity instruments at fair value through other comprehensive income	Revaluation of own credit risk of financial liabilities designated at fair value through profit or loss (3)	Revaluation adjustments on defined-benefit plans	Net income (Group share)	**Shareholders' equity (Group share)**	Non-controlling interests	**Total consolidated shareholders' equity**
Shareholders' equity as of December 31, 2021	**5 053**	**5 983**	**2 248**	**(8)**	**4 993**	**532**	**466**	**47**	**47**	**278**	**(92)**	**(83)**	**1 403**	**20 868**	**202**	**21 070**
Appropriation of 2021 net income/(loss)					1 403								(1 403)	0		
Shareholders' equity as of December 31, 2021 after appropriation of net income	**5 053**	**5 983**	**2 248**	**(8)**	**6 396**	**532**	**466**	**47**	**47**	**278**	**(92)**	**(83)**	**0**	**20 868**	**202**	**21 070**
Capital increase	842	859												**1 701**		**1 701**
Elimination of treasury stock				0	0									**0**		**0**
Equity component of share-based payment plans					(1)									**(1)**		**(1)**
Distribution in 2022 to BPCE in respect of the contribution of the Insurance and Payments business lines		(1 782)			(1 868)									**(3 650)**		**(3 650)**
2021 dividend paid in 2022					(920)									**(920)**	(50)	**(970)**
Total activity related to relations with shareholders	**842**	**(923)**	**0**	**0**	**(2 789)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(2 870)**	**(50)**	**(2 920)**
Issues and redemption of perpetual deeply subordinated notes			(67)											**(67)**		**(67)**
Interest paid on perpetual deeply subordinated notes					(55)									**(55)**		**(55)**
Change in gains and losses recorded directly in equity						417	(0)	(32)	33	(157)	485			**746**	(3)	**743**
Appropriation to own credit risk reserve during the period					(0)						0			**0**		**0**
Appropriation to a reserve of income from the sale of shareholders' equity instruments at FV through other comprehensive income that cannot be reclassified completed during the period					27					(27)				**0**		**0**
Change in actuarial gains and losses under IAS 19R												37		**37**	0	**37**
Profit for the first half of 2022													1 383	**1 383**	24	**1 407**
Impact of acquisitions and disposals (4)					(53)	(17)	(462)		2	24		4		**(501)**	(147)	**(649)**
Others (5)					(83)		(4)	4						**(83)**	0	**(83)**
Shareholders' equity as of June 30, 2022	**5 894**	**5 060**	**2 181**	**(8)**	**3 443**	**933**	**0**	**20**	**82**	**118**	**393**	**(42)**	**1 383**	**19 458**	**26**	**19 484**
Capital increase																
Elimination of treasury stock																
Equity component of share-based payment plans					1									**1**		**1**
2021 dividend paid in 2022															(17)	**(17)**
Total activity related to relations with shareholders	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**(17)**	**(16)**
Issues and redemption of perpetual deeply subordinated notes														**0**		**0**
Interest paid on perpetual deeply subordinated notes					(79)									**(79)**		**(79)**
Change in gains and losses recorded directly in equity						(97)		(6)	24	19	(165)			**(225)**	(1)	**(227)**
Appropriation to own credit risk reserve during the period					1						(1)			**0**		**0**
Appropriation to a reserve of income from the sale of shareholders' equity instruments at FV through other comprehensive income that cannot be reclassified completed during the period					(0)									**(0)**		**0**
Change in actuarial gains and losses under IAS 19R												8		**8**		**8**
Profit for the second half of 2022													416	**416**	34	**450**
Impact of acquisitions and disposals (4)					(40)									**(40)**	5	**(35)**
Others (5)					(5)									**(5)**	(0)	**(5)**
Shareholders' equity as of December 31, 2022	**5 894**	**5 060**	**2 181**	**(8)**	**3 321**	**836**	**0**	**14**	**106**	**138**	**227**	**(34)**	**1 800**	**19 534**	**45**	**19 580**
Appropriation of 2022 net income/(loss)					1 800								(1 800)	0		
Shareholders' equity as of December 31, 2022	**5 894**	**5 060**	**2 181**	**(8)**	**5 121**	**836**	**0**	**14**	**106**	**138**	**227**	**(34)**	**0**	**19 534**	**45**	**19 580**
Capital increase	0	0												**0**		**0**
Elimination of treasury stock				8	(6)									**2**		**2**
Equity component of share-based payment plans					0									**0**		**0**
2022 dividend paid in 2023					(442)									**(442)**	(41)	**(483)**
Total activity related to relations with shareholders	**0**	**0**	**0**	**8**	**(448)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(440)**	**(41)**	**(481)**
Issues and redemption of perpetual deeply subordinated notes			0											**0**		**0**
Interest paid on perpetual deeply subordinated notes					(98)									**(98)**		**(98)**
Change in gains and losses recorded directly in equity						(102)	0	(8)	(8)	(32)	88			**(63)**	1	**(61)**
Appropriation to own credit risk reserve during the period					3						(3)			**0**		**0**
Appropriation to a reserve of income from the sale of shareholders' equity instruments at FV through other comprehensive income that cannot be reclassified completed during the period					0					0				**0**		**0**
Change in actuarial gains and losses under IAS 19R												(1)		**(1)**	0	**(1)**
Profit for the first half of 2023													486	**486**	26	**511**
Impact of acquisitions and disposals (4)					18	(76)	0		0			0		**(57)**	6	**(51)**
Others					(1)		0	0						**(1)**	0	**(0)**
Shareholders' equity as of June 30, 2023	**5 894**	**5 060**	**2 181**	**(0)**	**4 596**	**658**	**0**	**6**	**98**	**106**	**311**	**(35)**	**486**	**19 361**	**38**	**19 399**

(1) Share premiums, legal reserve, statutory reserves, long-term capital gains reserve and other Natixis reserves;
(2) Other equity instruments issued: these are undated deeply subordinated notes (*see Note 8.2*);
(3) Changes in fair value attributable to the own credit risk of financial liabilities designated at fair value through profit or loss recognized in shareholders' equity (unrealized and realized) are disclosed in Note 4.1.2.2;
(4) The impacts on shareholders' equity (Group share) at December 31, 2022 and June 30, 2023 are presented in Note 2.2;
(5) At December 31, 2022, other movements mainly include the effects of a repayment line of undated subordinated notes (*see Note 11.3.1 of the published financial statements at December 31, 2022).*

NET CASH FLOW STATEMENT

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

Changes in cash and cash equivalents resulting from operating activities include cash flows generated by Natixis' activities.

Changes in cash and cash equivalents related to investing activities result from cash flows related to acquisitions and disposals of consolidated and non-consolidated investments, property, plant and equipment and intangible assets.

(in millions of euros)	30/06/2023	31/12/2022
Pre-tax profit	**808**	**1,265**
+/- Net charge to depreciation and amortization of property, plant and equipment and intangible assets	113	266
+/- Impairment of goodwill and other non-current assets		
+/- Net charge to other provisions (including insurance companies' technical reserves)	(148)	(299)
+/- Share in income of associates	(7)	(13)
+/- Net loss/(gain) on investing activities	(17)	(114)
+/- (Income)/expenses from financing operations	64	65
+/- Other activity	1,176	(6,899)
= Total non-cash items included in pre-tax profit and other adjustments	***1,182***	***(6,994)***
+/- Decrease/(increase) in interbank and money market items	(10,306)	(9,665)
+/- Decrease/(increase) in client items	7,239	2,780
+/- Decrease/(increase) in financial assets or liabilities	(11,135)	12,353
+/- Decrease/(increase) in non-financial assets or liabilities (5)	3,554	793
- Income taxes paid	36	(544)
= Net decrease/(increase) in operating assets and liabilities	***(10,612)***	***5,716***
Net cash provided/(used) by operating activities	**(8,622)**	**(13)**
+/- Decrease/(increase) in financial assets and equity interests (1)	121	(2)
+/- Decrease/(increase) in investment property	(0)	(0)
+/- Decrease/(increase) in property, plant and equipment and intangible assets	27	(124)
Net cash provided/(used) by investing operations	**148**	**(126)**
+/- Cash received from/(paid to) shareholders (2)	(483)	714
+/- Other net cash provided/(used) by financing operations (3)	(132)	(163)
Net cash provided/(used) by financing operations	**(615)**	**550**
Cash flow on assets and liabilities held for sale (4)		**2**
Impact of exchange rate fluctuations on cash and cash equivalents	**(725)**	**374**
Net increase/(decrease) in cash and cash equivalents	**(9,814)**	**788**
Net cash provided/(used) by operating activities	(8,622)	(13)
Net cash provided/(used) by investing activities	148	(126)
Net cash provided/(used) by financing operations	(615)	550
Cash flow on assets and liabilities held for sale		2
Impact of exchange rate fluctuations on cash and cash equivalents	(725)	374
Cash and cash equivalents at beginning of period	**42,656**	**41,868**
Cash and balances with central banks (assets & liabilities)	44,661	48,883
Interbank balances	(2,005)	(7,014)
Cash and cash equivalents at end of period	**32,842**	**42,656**
Cash and balances with central banks (assets & liabilities)	33,934	44,661
Interbank balances	(1,092)	(2,005)
Change in cash and cash equivalents	**(9,814)**	**788**

(1) Cash flows related to financial assets and equity investments, including:
- cash flows related to consolidated equity investments for +€97.7 million;
- cash flows related to non-consolidated equity investments for +€23.3 million;

(2) Cash flows from or to shareholders include dividends paid to BPCE of -€442.1 million and those paid to non-controlling interests for -€40.8 million;

(3) Cash flows from financing activities can be broken down as follows:
- interest paid on subordinated notes for -€59.6 million;
- interest on deeply subordinated securities and loans recorded in shareholders' equity for -€72.4 million;

(4) Corresponds to AlphaSimplex at December 31, 2022 (*see Note 2.3*);

(5) Including cash flows in relation to lease liabilities of -€65.8 million at June 30, 2023.

NOTE 1 - GENERAL FRAMEWORK

1.1 ACCOUNTING STANDARDS APPLIED

Natixis' half-yearly consolidated financial statements at June 30, 2023 include a set of condensed financial statements prepared and presented in accordance with IAS 34, "Interim Financial Reporting". These condensed statements must be read in conjunction with the consolidated financial statements at December 31, 2022 published in the 2022 universal registration document filed with *Autorité des marchés financiers* (AMF), the French financial markets authority on March 23, 2023. They are composed of:

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

They are presented with a comparison at December 31, 2022 and/or June 30, 2022.

As a reminder, Natixis elected to take the option offered by IFRS 9 not to apply the standard's provisions pertaining to hedge accounting and to continue applying IAS 39 for the purpose of recognizing hedging transactions, as adopted by the European Union, i.e. excluding certain macro-hedging provisions.

The standards and interpretations used and described in the annual financial statements at December 31, 2022 were supplemented by the standards, amendments and interpretations for which application is mandatory for fiscal years beginning on or after January 1, 2023:

- **IFRS 17 "Insurance Contracts"** adopted by the European Union on November 19, 2021 is applicable from January 1, 2023. As the insurance entities were transferred to BPCE in 2022, this standard has no impact on Natixis' financial statements;
- **The amendments to IAS 1 entitled "Information to be provided on accounting methods"**, adopted by the European Union on March 3, 2022 and applicable from January 1, 2023. The purpose of these amendments is to help entities identify the significant accounting policies to be disclosed in the notes to the financial statements and the usefulness of this information for users of the financial statements. The application of these amendments has no impact on Natixis' financial statements;
- **The amendments to IAS 8 entitled "Definition of accounting estimates and errors"**, adopted by the European Union on March 3, 2022 and applicable from January 1, 2023. The purpose of these amendments is to facilitate the distinction between changes in accounting methods and changes in accounting estimates. The application of these amendments has no impact on Natixis' financial statements;
- **the amendments to IAS 12 entitled "Income taxes",** adopted by the European Union on August 11, 2022 and applicable from January 1, 2023. The amendments clarify and reduce the scope of application of the exemption offered by IAS 12 not to recognize deferred tax at the time of the initial recognition of an asset and a liability. The application of these amendments has no impact on Natixis' financial statements.

  The decision of the IFRS IC of March 2023 relating to IFRS 16 "Leases". The IFRS Accounting Standards Interpretation Committee (IFRS IC) provided clarifications on the definition of a lease and substantive rights of substitution, and more specifically on the level at which to assess whether a contract contains a lease under IFRS 16. The application of the amendments had no impact on Natixis' financial statements;

1.2 Significant events

Alpha Simplex

During the first half of 2023, Natixis Investment Managers disposed all of the share capital of AlphaSimplex Group, its US asset management company specializing in liquid alternative assets, to Virtus Investment Partners, a US-based group of management companies *(see Note 2.3)*. Virtus took over the two US funds and a fund domiciled in Luxembourg managed by AlphaSimplex.

The net income from the transaction amounted to +€40.9 million at June 30, 2023.

1.3 Post-closing events

No subsequent event occurred.

1.4 Natixis' institutional operations

Until December 31, 2022

In accordance with Article 41 of the Amending Finance law for 1997 (No. 97-1239 of December 29, 1997), amended by Article 121 of the Amending Finance law for 2008 (No. 2008-1443 of December 30, 2008), Article 5 of the Amended Finance law for 2014 (No. 2014-1655 of December 29, 2014) and the agreement signed with the French State on December 24, 2019 and expired on December 31, 2022, Natixis managed certain public procedures on behalf of the French State, mainly consisting of loans and grants to foreign States conferred within the framework of Public Development Aid, non-concessional loans to foreign States, grants to the French "Fund for Private Sector Aid and Studies" and the stabilization of interest rates for export credits guaranteed by the State. The related transactions, some of which may be guaranteed by the State, are recognized separately in the financial statements. This created the Natixis assets allocated to the management of public procedures, over which the State and other creditors of the procedures had a specific right. The bank's uses and resources with respect to these institutional activities were identified on the balance sheet under each of the headings concerned with these operations.

As of January 1, 2023

In accordance with Article 151 of the Finance Act for 2023 of December 30, 2022 published in the Official Journal on December 31, 2022, the activities carried out by Natixis, as agent of the State, were transferred to Bpifrance Assurance Export on January 1, 2023.
However, forward financial instruments entered into before December 31, 2022 by Natixis in its own name and on behalf of the French State to hedge the latter's interest rate risk (resulting from the interest rate stabilization procedure for export credits) are not transferred. Natixis remains responsible for managing these contracts until the end of the last contract on September 29, 2036.

1.5 Use of estimates and judgment in the preparation of financial statements

In preparing its financial statements, Natixis is required to make certain estimates and assumptions based on available information which are likely to require expert judgment.

These estimates and assumptions constitute sources of uncertainty which may affect the calculation of income and expenses in the income statement, the value of assets and liabilities in the balance sheet and/or certain disclosures in the notes to the financial statements. Thus, the future results of certain transactions could prove to be significantly different from the estimates used for the closing of the financial statements at June 30, 2023, especially in the current circumstances of uncertainty.

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

- **Financial instruments recorded at fair value**

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

sale on the market.
The valuation models used to price illiquid financial instruments are described in Note 4.4.

Some of the unlisted equity instruments categorized under IFRS 9 as "*Financial assets at fair value through profit or loss*" or "*Financial assets at fair value through non-recyclable other comprehensive income*" consist of investments in non-consolidated companies. The fair value of investments in unlisted non-consolidated companies is obtained principally by using valuation methods based on multiples or DCF (discounted cash flow). Use of these methods requires certain choices and assumptions to be made in advance, including projected future cash flow forecasts and discount rates.

- **Impairments for expected credit losses**

The impairment model for expected credit losses is based on parameters and assumptions that affect provisions and value adjustments for losses. These parameters and assumptions are based on current and/or historical data, which also include reasonable and justifiable forecasts such as the estimating and weighting of future economic scenarios. Natixis also considers the opinions of its experts when estimating and applying these parameters and assumptions.

The IFRS 9 framework is based on expected losses calculated according to three macro-economic scenarios (optimistic, central, pessimistic). The expected losses used in the financial statements are assessed in light of their expected positioning in the macro-economic environment and outlined in these three scenarios by attributing to each a probability of occurrence (where the sum of the weightings attributed to all three scenarios is equal to 1).

With regard to the economic projections used, a new central scenario was validated by the Group's governance bodies in March 2023. The pessimistic and optimistic scenarios are unchanged from those used at December 31, 2022: the pessimistic scenario is based on a scenario of long-term inflation and a sharp slowdown in activity, or even a recession, corresponding to one of the adverse scenarios of the 2022 internal stress campaign. Conversely, the optimistic scenario corresponds to a gradual return of inflation to more normal levels and to more vigorous recovery in activity.

These scenarios are defined and reviewed in the same manner and with the same governance as those defined for the budget process, with a quarterly review of relevance since the COVID-19 crisis that could lead to macro-economic projections being revised in the event of a significant deviation in the situation observed, based on proposals from economic research and validation by the Senior Management Committee.

At December 31, 2022, the central reference scenario was that validated by the Group's governance bodies in October 2022. This scenario was marked by an economic context that was still very uncertain, mainly due to (i) the Russia/Ukraine war, (ii) the monetary policies of central banks, which were trying to contain the high level of inflation, and (iii) the situation in China, following the end of its zero-Covid strategy. In this scenario, global growth was expected to slow in 2023, giving way to a risk of recession in very pessimistic/adverse scenarios.

Although the economic outlook has improved slightly since the start of the year, with the exception of France, where inflation is higher, the outlook for activity still leads us to expect a slowdown in the United States and Europe for 2023. Inflation in France and the ECB's benchmark rates are closer to the pessimistic limit, while the GDP of China, unemployment rates in the United States and in the euro zone are closer to the optimistic limit, the unemployment rate having reached a new historically low level. In recent months, business and consumer confidence has improved, but remains weaker than before the war between Russia and Ukraine.

Lastly, faced with the persistence of strong inflationary pressures, the ECB decided on May 4, 2023 to raise its three key rates by 25 basis points.

The variables defined in the central scenario and its limits mean that PD and LGD parameters can be altered and an expected credit loss can be calculated for each economic scenario. Parameters for periods longer than three years are projected on the principle of a gradual return to their long-term average. These economic scenarios are associated with probabilities of occurrence, ultimately making it possible to calculate an average probable loss used as the IFRS 9 impairment amount.

In addition, as mentioned in Note [5.3] to Chapter [5] "Consolidated financial statements at December 31, 2022" of the 2022 universal registration document, a change in the methods for determining and applying the weightings was adopted as from September 30, 2022. It consists of determining weightings that take into account the specific geographical features and positioning of a geographic area in the macro-economic environment in relation to the defined scenarios.

Given this context, the following weightings were approved: France (pessimistic 30% / central 35% / optimistic 35%) - consistent with Groupe BPCE, Europe excluding France (pessimistic 18% / central 49% / optimistic 33%) and US zone (pessimistic 16% / central 49% / optimistic 35%).

The weightings for the France zone are based on the average June Consensus Forecast. The weightings of the euro and US zones use the same Consensus Forecast. The high weight of the central limit is due to the update of the scenario and its severity.

At December 31, 2022, the weightings used were as follows: France (pessimistic 35% / central 45% / optimistic 20%) - this weighting was in line with that used by Groupe BPCE, Europe excluding France (pessimistic 21% / central 56% / optimistic 22%) and US zone (pessimistic 29% / central 48% / optimistic 23%).

In addition, calculation also includes a sectoral dimension via a sectoral adjustment to the Probabilities of Default (PD) based on assessment of the economic sectoral ratings over a 6-12 month horizon. The average sector-weighted forward-looking PD, produced from the transition matrices, is compared and adjusted to converge toward the equivalent PD of the sector's rating outlook.

The three-year projections of the main macro-economic variables used on the basis of the Natixis economists' scenario for the central limit are presented below:

Central scenario used at June 30, 2023:

	2024	**2025**	**2026**
S&P 500	4,097	4,097	4,097
SLS	19	14	12
VIX	25	25	25
Fed ref rate	3.3	3.3	3.0
Spread Libor 6-12M/Sonia 6-12M	0.0	0.1	0.0

Reminder: central scenario used at December 31, 2022:

	2023	2024	2025
S&P 500	3,500	3,500	3,500
SLS	27.2	19.4	13.1
VIX	28	24	20
Fed ref rate	4.5	3.8	3.5
Spread Libor 6-12M	0.1	0.1	0.0

Finally, it should be noted that the various models for estimating expected credit losses may be supplemented by expert adjustments that increase the amount of expected losses in an economic context of high uncertainties. In this respect, Natixis recognized an additional provision of €104.2 million at June 30, 2023 (compared to €62.0 million at December 31, 2022).

The application of a greater weighting to the optimistic or pessimistic scenarios makes it possible to estimate the sensitivity of the amount of expected losses according to the spread of the achievement of the central scenario over future years.

Thus, a weighting of the probability of occurrence of the pessimistic scenario at 100% would have led to the recognition at June 30, 2023, of a 68.9% increase in expected credit losses (before taking into account the additional provisions indicated above). Conversely, a 100% weighting for the probability of occurrence of the optimistic scenario would have led a reduction of 27.2% in the amount of expected credit losses.

- **Goodwill impairment test**

Each goodwill is allocated to a Cash Generating Unit (CGU) so that it can be tested. The tests conducted by Natixis consist of comparing the carrying amount of each CGU (including goodwill) with its recoverable value. When the recoverable amount corresponds to the value in use, it is determined by applying the method of discounting annual free cash flows, such as they result from the most recent earnings forecasts of the business lines, to perpetuity.

At June 30, 2023, no indication of impairment has been identified requiring new tests.

- **Fair value of loans and receivables at amortized cost**

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

- **Employee benefits**

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

Law No. 2023-270 on amending financing for social security for 2023 was passed on April 14, 2023. The application of this law provides, in particular, for the gradual increase of the retirement age from 62 to 64 years and the extension of the contribution period to 43 years.
This reform has no significant impact on the actuarial valuation of Natixis' commitments.

- **Deferred taxes**

As a precaution, Natixis records a net deferred tax asset linked to its ability to generate taxable income over a given period (10 years maximum), while tax loss carry forwards are deductible with no time limitation in France and the UK or over longer periods (20 years in the US for tax losses prior to January 1, 2018).

To that end, Natixis prepares tax business plans based on the medium-term plans for the business lines.

- **Uncertainty over income tax treatments (IFRIC 23)**

Natixis discloses uncertainty over income tax treatments in its financial statements where it concludes that it is not probable that the tax authority will accept them. To determine if a tax position is uncertain and assess its impact on the amount of the Group's income tax, Natixis assumes that the tax authority will verify all reported amounts with comprehensive knowledge of all available information. It bases its judgment in particular on administrative doctrine, legal precedence and the history of rectifications carried out by the tax authority on similar uncertainties. Natixis reviews the estimate of the amount it expects to pay to or receive from the tax authority in respect of tax uncertainties, in the event of changes in associated events and circumstances, which may arise, for example, from changes in tax laws, the end of a limitation period, or the outcome of controls and initiatives conducted by the tax authorities.

When it is likely that the competent tax authorities will question the treatment adopted, these uncertainties are reflected in tax income and expenses by a provision for tax risks presented under tax liabilities.

Natixis is subject to accounting for prior years. The points proposed for correction about which Natixis disagrees are contested in a reasoned manner and, in application of the above, a provision is recorded for the estimated risk.

The description of the main risks and procedures, including in tax matters, to which Natixis is exposed, is presented in Section [3.2.10] of this amendment and of the 2022 universal registration document.

- **Other provisions**

Provisions recognized as liabilities in the consolidated balance sheet, other than those relating to financial instruments, employee benefits and insurance contracts, mainly concern provisions for litigation, restructuring, fines and penalties.
A provision is raised when it is likely that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and when the amount of the obligation can be reliably estimated. In order to calculate this amount, Natixis is required to assess the probability of the risk occurring. Future cash flows are discounted where the impact of discounting is material.

The description of the main risks and procedures to which Natixis is exposed is presented in Section [3.2.10] of this amendment and of the 2022 universal registration document.

- **Climate risks**

The environmental and climate emergency is one of the greatest challenges facing the world's economies and all economic players today. Finance can contribute to the ecological transition by directing financial flows towards a sustainable economy. In this respect, Natixis has placed the energy transition and the climate at the heart of its new strategic plan.

Natixis is exposed, directly or indirectly, to several climate-related risk factors. To qualify them, Natixis has adopted the risk terminology proposed by the TCFD (Task Force on Climate-Related Financial Disclosures[1]): "transition risk" and "physical risk".

As part of the risk appetite and the risk identification process, the assessment of the materiality of these risks will be reviewed annually and may be refined using new measurement methodologies.

The physical risk is currently taken into account in the internal assessment of Natixis' capital requirements (ICAAP process) and transition risk implicitly. Indeed, the internal rating models of counterparties already take into account possible changes in the economic environment within a reasonable timeframe (one to three years) and therefore cover the possible impacts of the climate transition even if these cannot currently be separated. Discussions are underway to better take into account the potential long-term impact of the

[1] The TCFD 2022 climate report, published by Groupe BPCE, in accordance with the recommendations of the TCFD, is available on the BPCE website (*https://groupebpce.com/content/download/33295/file/230324-TCFD-FR- DEF.pdf*)

transition risk by deploying stress tests.

Within Corporate & Investment Banking, Natixis has also gradually deployed several tools to assess and manage its exposure. Natixis assesses the effects of its transactions on the climate by assigning a climate rating (“Green Weighting Factor color rating”) either to the asset or to the project financed, or to the borrower in the case of traditional financing.

The process of identifying, quantifying and managing climate-related risks is being strengthened in line with BPCE’s work, as and when data becomes available or is collected, in particular by supplementing the framework for quantifying risks and monitoring physical risk.

With regard to the preparation of its consolidated financial statements, Natixis is continuing its work to gradually integrate climate risks.

Natixis took part in the ACPR climate pilot exercise on transition risk, which made it possible, concerning credit risk, to reflect on the methodological framework and to identify work ahead of these exercises to overcome several difficulties related in particular to the differences between the segment classification used by the ACPR and the internal classification, and the required adaptation of certain aspects of internal portfolio projection methodologies over such long horizons (projections until 2050). In 2022, Natixis also took part in the first ECB climate stress test exercise coordinated by BPCE. The stress test targets specific categories of assets exposed to climate risks and not the full balance sheet of banks. The exercise was based on three modules:

- The first is a qualitative questionnaire of 78 questions, divided into 11 themes on methodological topics, data collection, governance and commercial strategy;
- The second module aims to collect a certain number of metrics for 22 sectors deemed sensitive to climate risk, such as carbon intensity and the number of gigatons of CO_2 financed;
- Finally, the third module consists of estimating the impacts in terms of net income, using our own internal models to project the risk parameters over different time horizons (1, 3 and 30 years) and according to several scenarios by separating physical risk and transition risk.

Natixis’ participation in the 2022 climate stress test exercise demonstrated its ability to quantify climate risk under different scenarios. Natixis, like most banks in the market, had to supplement its internal models by incorporating a segment dimension, over time horizons of up to 30 years.

At the end of these exercises, the impact in terms of credit risk was negligible at the time scales considered; however, the work will have to be continued, particularly on the methodological dimensions, especially in the long term, and enriched. Lastly, this exercise enabled Groupe BPCE to quantify the main risks to which the Group is exposed and to prioritize actions to identify, mitigate and monitor these risks.

- **Uncertainties related to the application of certain provisions of the BMR**

Since January 2022, the uncertainties related to the benchmark rate reform have mainly been limited to the remediation of contracts prior to December 31, 2021 referencing USD LIBOR (for overnight, one, three, six and twelve-month maturities).
Since January 1, 2022, the use of the USD LIBOR index is no longer authorized for new contracts, except for exceptions as defined by the supervisory authorities, in which case the fallback clauses (in particular those provided for by ISDA for derivatives) have been incorporated into the contracts concerned. The extension of the publication period of USD LIBOR until June 30, 2023, decided by the Financial Conduct Authority (FCA), the British regulator overseeing the ICE Benchmark Administration (LIBOR administrator), enabled a gradual transition of the stock of contracts to alternative rates.

In the context of this reform, in the first half of 2018, Natixis set up a project team tasked with anticipating the impacts associated with the reform of the benchmark indices, from a legal, commercial, financial, risk, systemic and accounting standpoint. Governance involving all of Natixis' business lines has been set up to analyze the operational aspects of this issue.

During 2019, work focused on the reform of the Euribor, the transition from the Eonia to the €STR and the strengthening of contractual clauses regarding the termination of indices.

As regards the EURIBOR, a new calculation methodology (recognized by the Belgian regulator as complying with BMR requirements), aimed at switching to a "hybrid" EURIBOR, was finalized in November 2019. Since then, the sustainability of the EURIBOR has not been called into question by its administrator, EMMI, nor by ESMA, which has been the index's supervisor since January 1, 2022.

From 2020 onwards, a more operational phase, aimed mainly at the indices that were due to disappear on December 31, 2021, began with the transition and reduction of exposure to these benchmark rates. This phase included the preparatory work for the use of the new indices, the implementation of new products indexed on these indices, the identification and implementation of inventory remediation plans as well as active communication with the bank's clients. The remediation process for contracts indexed to the EONIA and LIBOR indices (other than USD LIBOR for overnight, one, three, six and twelve-month maturities) which are longer been published since January 2022, was finalized by Natixis.

From 2022, this more operational phase continues for USD LIBOR (overnight, one, three, six and twelve-month maturities). As a reminder, 2022 was marked by the enactment on March 15, 2022 of the "Adjustable Interest Rate (LIBOR) Act" (integrated into the Consolidated Appropriations Act 2022), providing, for contracts governed by American law with no fallback clauses or inadequate fallback clauses, provisions aimed at minimizing the legal, operational and economic risks associated with the transition from USD LIBOR to an alternative benchmark rate. On December 16, 2022, the Fed supplemented this text with the adoption of a final regulation stipulating, in particular, that the USD LIBOR will be replaced by a rate based on the SOFR plus the spread determined by Bloomberg, on March 5, 2021, following the announcements made by the Financial Conduct Authority (FCA) on the future termination and loss of representativeness of LIBOR rates. On April 3, 2023, the FCA announced its decision to require the publication by the LIBOR administrator, from July 3, 2023 to September 30, 2024, of a synthetic USD LIBOR for one, three and six-month maturities. The use of this synthetic index will only be allowed for contracts without a fallback clause and whose remediation has not yet been completed by June 30, 2023.

Due to the progress in market discussions on replacing the USD LIBOR, the remediation process for contracts indexed to the USD LIBOR began in 2022 for financing products and issues (mainly entailing analysis of existing fallback clauses, definition of the remediation strategy and launch of remediation campaigns) and continued in 2023. At June 30, 2023:

- The remediation process has been fully finalized regarding issues;
- For financings, contracts not yet remediated (less than 19% of contracts) will be subject to the synthetic USD LIBOR. Of these contracts that have not been remediated, 85% require the remediation process to be continued, the finalization of which is expected before the end date of publication of the synthetic index;
- For derivatives, their migration was carried out in first half of 2023, mainly contracts, through the conversion processes planned by the clearing houses. The ISDA fallback resulting from the adoption of the ISDA protocol by Natixis and its counterparties will come into force on July 3, 2023. For residual contracts, not yet remediated, representing at June 30, 2023 approximately 7% of the counterparties with which Natixis has concluded derivatives indexed to USD LIBOR, the synthetic index will be applied

until their remediation is finalized.

As part of its bilateral renegotiations, Natixis applied in the first half of 2023, an approach identical to that used for the indices which disappeared on December 31, 2021. As a reminder, for these indices, during remediation, the recommendations issued by the regulatory authorities and working groups were taken into account, which recommend maintaining economic equivalence before and after the replacement of the benchmark in a contract. This principle resulted in the replacement of the historical benchmark rate by an alternative benchmark rate to which a fixed margin had been added to offset the differential between these two rates. This adjustment of the margin on the index results mainly from the use of credit risk margins set by market authorities or market practice.

The transition to benchmark rates exposes Natixis to various risks, in particular:

- the risk associated with change management which, in the event of asymmetry in the information and treatment of Natixis' clients, could lead to disputes with them. To guard against this risk, Natixis has undertaken training initiatives for employees in the challenges of the transition of indices, client communication campaigns and the application of a control plan;
- regulatory risk related to non-compliant use of benchmark rates, excluding exceptions authorized by the authorities. Employees and customers have been informed of the restrictions on these indices. In addition, Compliance has issued an exception management procedure and controls have been implemented;
- the legal risk associated with negotiating and documenting the transition to the new indices for the stock of existing transactions, in the event of refusal by customers and counterparties to adopt the necessary corrective actions (in particular the implementation of fallback clauses proposed by the market and/or Natixis), which may also lead to customer litigation. Natixis teams actively monitor legislative initiatives in the various jurisdictions aimed at recommending successor rates;
- operational risks related to the ability to execute new transactions referencing the new rates and to the remediation of the stock of transactions. The project teams ensure compliance with the implementation schedules for the affected information systems. Early renegotiation actions are carried out to spread the remediation cost over time;
- the potential financial risk, which would be reflected in a financial loss resulting from the remediation of the stock of products indexed to USD LIBOR, CDOR, SOR and SIBOR (as a reminder, Natixis' exposure to the latter three indices is very limited). Simulations of revenue losses related to remediation without taking into account a spread adjustment applied to alternative benchmark rates are monitored directly by Senior Management to raise awareness among the business lines during renegotiations with clients. The purpose of this credit adjustment spread is to ensure the economic equivalence of contract cash flows before and after the replacement of the benchmark by a risk-free rate ("RFR");
- valuation risks related to price volatility and basis risk resulting from the transition to alternative benchmark rates. The necessary updates concerning both risk management methodologies and valuation models are used.

Since January 1, 2022, these risks are mainly confined to the transition from the USD LIBOR index (for overnight, one, three, six and twelve-month maturities) to the SOFR rate and, to a lesser extent, to the transition of the CDOR, SOR and SIBOR indices to their respective alternative benchmark rates. Natixis' exposure to all of these risks is increasingly less significant, as the process of remediation of contracts indexed to USD LIBOR is coming to an end.

Regarding accounting aspects, the IASB has published:

- In September 2019, amendments to IFRS 9, IAS 39 and IFRS 7. They provide for exceptions, applicable temporarily to the requirements of IFRS 9 and IAS 39 on matters related to hedging, allowing the continuation of hedging relationships during the transition period of the hedged instruments and hedging to the new rates. The amendments to IFRS 7 require, for the hedging relationships to which these exceptions are applied, information on the exposure of entities to the IBOR reform, on their management of the transition to alternative benchmark rates as well as on the assumptions or important judgments they have adopted to apply these amendments. Through these amendments, the IASB aims to prevent entities from having to discontinue hedging relationships due to uncertainties associated with the IBOR reform during the periods preceding the transition to alternative benchmark rates. The counterparty of the hedging derivatives entered into by Natixis, initially exposed to the USD LIBOR rate, is mainly the clearing house LCH Clearnet Ltd, which converted all contracts indexed to USD LIBOR to SOFR in April and May

2023. Since these conversions, Natixis considers that the uncertainty concerning these contracts has been resolved and that these amendments are no longer applicable;

- In August 2020, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, to address issues arising from the replacement of benchmark rates by their alternative benchmark rates. This text, adopted by the European Commission on January 13, 2021 and applied by Natixis in advance in the December 31, 2020 financial statements, makes it possible to process changes in the contractual cash flows of financial assets and financial liabilities measured at amortized cost, as well as lease liabilities, in accordance with the provisions of IFRS 9 and IFRS 16, to re-estimate the cash flows of financial instruments indexed to a variable rate, provided that these changes are directly induced by the reform and that the basis for calculating contractual cash flows is economically equivalent to the calculation basis used immediately before the change;

- This means, for financial assets and liabilities (excluding lease debts), a forward-looking revision of the effective interest rate, and for financial liabilities related to leases, a forward-looking revision of the rental debt including a modification of the discount rate to take into account the switch to the alternative benchmark. The application of these amendments has thus enabled Natixis, for the changes in question, not to recognize any effect on the income statement, on the date of transition to an alternative benchmark rate. With regard to hedge accounting, these amendments introduced new exceptions to the criteria for applying hedge accounting under IFRS 9 and IAS 39, aimed at avoiding the termination of hedging relationships. The hedging derivatives, initially exposed to USD LIBOR recorded in Natixis' financial statements, intended to hedge the interest rate risk associated with financial assets or financial liabilities indexed to a fixed rate, are mainly entered into with LCH Clearnet Ltd *(see above)*, these amendments were therefore applied from the conversions made by the latter. Natixis expects no disqualification of hedging relationships as a result of these amendments and the transition methods adopted by the clearing house.

NOTE 2 SCOPE OF CONSOLIDATION

2.1 Changes in the scope of consolidation since January 1, 2023

The primary changes in scope that have taken place since January 1, 2023 are as follows:

2.1.1 Corporate & Investment Banking

- Changes in percentage of ownership

- The shareholding rate of Solomon Partners, LP and Solomon Partners Securities Company LLC increased from 58.49% to 62.10% following the exercise of put options by the partners in the second quarter of 2023.

- Deconsolidated entities

- Deconsolidation of Vermilion Partners LLP in the first quarter of 2023 following its liquidation.

2.1.2 Asset & Wealth Management

- Newly consolidated entities

- Consolidation of Massena Conseil SAS in the first quarter of 2023 to include the life insurance brokerage portfolio acquired from Natixis Corporate and Investment Banking Luxembourg (ex-NATIXIS Wealth Management Luxembourg) *(see Note 2.1.3)*;
- As part of the development and pooling of Natixis IM's IT infrastructures in North America, a new company was created in Canada in February 2023, NIM-os Technologies Inc. This entity is wholly owned by NIM-os LLC, which is controlled by Loomis Sayles;
- Flexstone Partners Pte Ltd is the historical subsidiary of Flexstone in Asia. This entity, not consolidated in the past for reasons of materiality, is now consolidated from the second quarter of 2023, given Flexstone's development outlook in the Asia-Pacific region;
- As part of the reorganization of AEW Europe operations in the United Kingdom, the activities of AEW Europe LLP were transferred to AEW UK Investment Management LLP in early April 2023. As such, the activities of the Spanish branch of AEW Europe LLP were transferred to a new branch of AEW UK Investment Management LLP, created for this purpose. AEW UK Investment Management LLP Spain branch enters the scope of consolidation in the second quarter of 2023;
- In the second quarter of 2023, four entities involved in the management of real estate funds of AEW Capital Management in the United States are included in the scope of consolidation: AEW Value Investors US GP, LLC, AEW European Property Securities Absolute Return GP, LLC, AEW Global Property GP, LLC and AEW Global Investment Fund GP, LLC.

- Deconsolidated entities

- At the end of March 2023, Natixis IM sold its US affiliate AlphaSimplex, a specialist in systematic alternative management, to Virtus Investment Partners (multi-boutique asset manager outside the Group);
- The entities AEW Core Property (US) GP LLC (US) and AEW Core Property (US) Lux GP SARL (Luxembourg), which were involved in the management of real estate funds of AEW Capital Management, were sold in the first quarter of 2023;
- EPI SLP LLC, involved in setting up AEW Europe's European Property Investment fund, was liquidated in February 2023;

- Harris Alternatives Holdings, which acted as an intermediate holding company for Aurora, was dissolved in January 2023. Aurora is now owned directly by Natixis Investment Managers LLC (former parent of Harris Alternatives Holdings);

- Following successive repayments during the first quarter of 2023, the investment in seed money made by Kennedy Financement Luxembourg in the Loomis Sayles Euro Credit fund reached 18% of net assets at the end of March 2023 (i.e. a holding rate below the consolidation thresholds). The fund is therefore deconsolidated;

- Following the merger of Seeyond with Ostrum, the Seeyond branch in Italy was delisted in January 2023, its activities having been taken over by the new branch of Ostrum in Italy created at the end of 2022;

- Natixis Investment Managers Korea Limited, whose business was recently transferred to Natixis IM Korea Limited, was liquidated at the end of June 2023;

- To simplify NIM's organization chart in the United States, Caspian Capital Management LLC was liquidated at the end of June 2023;

- The Australian branch of AEW Asia Limited (Hong Kong subsidiary of AEW Capital Management), whose business was recently transferred to AEW Australia Pty Ltd (Australian subsidiary of AEW Capital Management), was liquidated at the end of June 2023.

▪ <u>Changes in percentage of ownership</u>

- Massena Partners percentage of ownership increased from 98% to 98.45% in the first quarter of 2023 following the contribution of the "Wealth Management" business unit and the life insurance brokerage activity of Natixis Wealth Management Luxembourg S.A. to Massena Partners in return for a capital increase;

- Following the exercise of put options by the founder of Investors Mutual Limited (IML), Natixis IM acquired an additional stake of 11% in the entity at the beginning of January 2023. After these transactions, NIM's rate of control and percentage of ownership in IML increased from 68% to 79%.
  In the second quarter of 2023, following the sale of IML shares to the IML sales team transferred to NIM Australia in April 2023, NIM's ownership rate in IML increased from 79% to 75.9%;

- Natixis IM sold part of the share capital of Vauban to the managers of the entity in April 2023. Following this transaction, NIM's percentage of ownership in Vauban reached 45.4%. NIM retains control of the entity, holding in particular the majority of the voting rights of the limited partners and the power over the key decisions of the general partner;

- In April 2023, NIM sold 3% of the share capital of Flexstone SAS (parent company of the Flexstone Group in France) to its historical managers. Following this transaction, NIM's interest in Flexstone SAS moved to 84%, with a cascading effect on Flexstone SAS's wholly owned subsidiaries, notably Flexstone Partners SARL in Switzerland and Flexstone Partners LLC in the United States, whose interest in Flexstone SAS moved to 84%;

- Following the sale of Dorval shares to its management, the percentage of ownership of NIM decreased from 99.4% to 99.1% in the second quarter of 2023;

- During the second quarter, NIM sold 5% of the share capital of AEW Invest GmbH to an external foundation (Stichting), which already held nearly 10% of the shares of the entity. The control rate therefore moved to 85%. NIM nevertheless retains all of the economic rights related to the entity, taking into account the dividend sharing mechanism agreed between the parties.

▪ <u>Other transactions</u>

- At January 1, 2023, Seeyond, an affiliate of Natixis IM specializing in quantitative management, was merged into Ostrum.

2.1.3 Others

During the first half of 2023, the Wealth Management businesses of both AWM and CIB were reorganized.

With regard to the Wealth Management business, the project should make it possible to strengthen and develop the activity of Massena Partners. In this context, the following transactions were carried out:

- Transfer by Natixis Trust Holding to Natixis Wealth Management Paris of its entire stake in Massena Partners,
- Contribution by Natixis Wealth Management Luxembourg of its independent Wealth Management business unit to Massena Partners,
- Transfer by Natixis Wealth Management Luxembourg of its life insurance brokerage portfolio to Massena Conseil (unconsolidated company at December 31, 2022). Massena Conseil was thus consolidated as from March 31, 2023,
- Transfer of Natixis Wealth Management Luxembourg loan portfolio to Natixis Wealth Management Paris.

Natixis Wealth Management Luxembourg's residual portfolios that have not been transferred are managed in run-off. In addition, the entity is maintaining its Corporate Banking activity (financing, deposits, etc.).

At the same time, the Natixis Wealth Management Luxembourg entity has been moved into the CIB division, and renamed Natixis CIB Luxembourg, with the aim of expanding activities in this region.

2.2 Impact of acquisitions and disposals

The effects of acquisitions and disposals are as follows as of June 30, 2023:

- The effect of the renegotiation of agreements with Vauban's partners within NIM for +€23.9 million. This transaction resulted, on the one hand, in the cancellation of the put, with Vauban's managers waiving their right to it, and the transfer of the share of the non-controlling interest linked to the put, and, on the other hand, in the transfer by Natixis IM of a 13.1% stake to Vauban's managers. After this transactions, NIM's percentage of ownership in Vauban decreased from 58.5% to 45.4%;

- With regard to puts on non-controlling interests (excluding Vauban, see above), which amounted to -€5.4 million at the start of the fiscal year, the changes over the period are linked to the variation in the fair value of puts for -€13.0 million, generated both by the upward revaluation of debt for -€1.6 million, mainly in the Natixis CIB division, and by the impact of the accretion of this same financial debt for -€11.4 million. The transfer of the change in the share of net non-controlling interests of these entities representing these puts was worth +€7.6 million over the period.

The effects of acquisitions and disposals are as follows at December 31, 2022:

- Concerning puts on non-controlling interests at the beginning of the fiscal year of -€59.9 million. These effects are related to the change in the fair value of these puts over the period for -€44.0 million, generated by the revaluation effect of the financial debt and by the accretion effect of this same financial debt for -€1.3 million. The transfer of the change in the share of net non-controlling interests of these entities representing these puts was worth -€15.9 million over the period;

- The effects of changes in the percentage of ownership without loss of control on consolidated entities of -€4.2 million, mainly corresponding to the dilution result following the acquisition of 13% of the non-controlling interests in Ossiam;

- Reclassification of actuarial gains and losses as reserves resulting from the application of IAS 19R in connection with the loss of control of the Insurance and Payments business lines for -€4.4 million;

- The effects of the recycling in reserves of the revaluation stock of securities classified as non-recyclable OCI carried by the Insurance, Payments and Natixis Immobilier Exploitation business lines in connection with their loss of control for -€24 million.

2.3 Entities held for sale

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

A group held for sale may be a group of CGUs, a CGU or part of a CGU. The group may include the entity's assets and liabilities, including current assets, current liabilities and assets that are outside the scope of the measurement provisions under IFRS 5. If a non-current asset within the scope of the measurement provisions under IFRS 5 is part of a group held for sale, the measurement provisions under IFRS 5 apply to the group as a whole, which means that the group is measured at the lower of its carrying amount or its fair value net of selling costs.

Disposal of AlphaSimplex

In 2022, Natixis Investment Managers reached an agreement to sell all the share capital of AlphaSimplex Group, its American management company specializing in liquid alternative assets, to Virtus Investment Partners, a US group comprising several management companies.

At December 31, 2022, Natixis, through Natixis Investment Managers, maintained the full consolidation of AlphaSimplex and presented, in accordance with the provisions of IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of this entity grouped under two separate balance sheet items: "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale".

As the disposal was completed during the first half of 2023, AlphaSimplex is no longer included in Natixis' scope of consolidation at June 30, 2023 (*see Note 1.2*).

NOTE 3 NOTES TO THE INCOME STATEMENT

3.1 Interest margin

"Interest and similar income" and "Interest and similar expenses" comprise interest on fixed-income securities recognized as "Financial assets at fair value through other comprehensive income" and "Amortized cost", and interest on loans and receivables due from banks and customer.
Financial assets and liabilities valued at amortized cost give rise to the recognition of interest calculated using the effective interest rate method.
This line item also includes interest on hedging derivatives.
Interest income also consists of interest on non-SPPI debt instruments not held under a trading model (classified by default as instruments at fair value through profit or loss).
Negative interest on financial assets is presented under "Interest and similar expenses"; negative interest on financial liabilities is presented under "Interest and similar income".

(in millions of euros)	30/06/2023			30/06/2022		
	Income	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial assets and liabilities at amortized cost	**4,659**	**(4,248)**	**412**	**1,394**	**(699)**	**695**
Central banks	1,110	(1)	1,109	51	(82)	(31)
Interest on securities	79	(33)	47	39	(40)	(2)
Receivables, loans and borrowings	3,470	(3,092)	378	1,297	(455)	841
Banks	1,321	(2,339)	(1,018)	304	(358)	(54)
Customers (1)	2,147	(753)	1,395	990	(97)	893
Finance leases	2		2	2		2
Debt securities and subordinated debt		(1,113)	(1,113)	7	(116)	(108)
Lease liabilities		(9)	(9)		(6)	(6)
Financial assets at fair value through other comprehensive income	**81**	**0**	**81**	**29**		**29**
Interest on securities	81	0	81	29		29
Loans and receivables	0		0			
Financial assets to be valued at fair value through profit or loss	**25**		**25**	**22**		**22**
Loans and receivables	21		21	14		14
Interest on securities	4		4	8		8
Hedging derivatives	**403**	**(285)**	**118**	**169**	**(185)**	**(16)**
Total (2)	**5,167**	**(4,532)**	**635**	**1,615**	**(885)**	**730**

(1) Including an expense of -€18 million at June 30, 2023 (compared to income of +€8.5 million at June 30, 2022) concerning the impact of the extension of the SGLs ("catch up": re-estimation of future cash flows);
(2) At June 30, 2023, the negative interest on financial assets and liabilities amounted to -€0.8 million (-€163.4 million at June 30, 2022) and €12.1 million (€223.8 million at June 30, 2022), respectively.

3.2 Net fee and commission income

The method of accounting for fees and commissions received in respect of services or financial instruments depends on the ultimate purpose of the services rendered and the method of accounting for the financial instruments to which the service relates.

Fiduciary or similar fees and commissions are those that result in assets being held or invested on behalf of individual clients, pension schemes or other institutions. In particular, trust transactions cover asset management and custody activities performed on behalf of third parties.

For certain funds managed by affiliates of Natixis Investment Managers, the contractual provisions of the prospectus stipulate the payment of a "performance fee" for any fund over-performance.

(in millions of euros)	30/06/2023			30/06/2022		
	Income	Expense	Total	Income	Expense	Total
Interbank transactions	7	(2)	5	9	(1)	8
Client transactions	271	(0)	271	279	(1)	278
Securities transactions	25	(116)	(91)	31	(63)	(33)
Payment services	17	(22)	(5)	15	(23)	(8)
Financial services	45	(286)	(240)	55	(304)	(249)
Fiduciary transactions (1)	1,702		1,702	1,834		1,834
Financing, guarantee, securities and derivative commitments	113	(121)	(9)	128	(110)	18
Others	80	(7)	73	70	(9)	61
Total	**2,260**	**(555)**	**1,705**	**2,421**	**(512)**	**1,909**

(1) Including performance fees of €26 million, of which €15 million for the Europe region and €11 million for North America at June 30, 2023 compared to €64 million, of which €13 million for Europe and €51 million for North America at June 30, 2022.

3.3 Gains and losses on financial assets and liabilities at fair value through profit or loss

This item includes gains and losses on financial assets and liabilities at fair value through profit of loss, whether held for trading or designated under the fair value option or at fair value. This line item also includes interest on these instruments, except for those presented as interest income.
“Hedging derivatives” include changes in the fair value of derivatives classified as fair value hedges, excluding interest, plus the symmetrical revaluation of the items hedged. They also include the “ineffective” portion of cash flow hedges.

(in millions of euros)	30/06/2023	30/06/2022
Net gains/(losses) on financial assets and liabilities excluding hedging derivatives	**1,355**	**969**
Net gains/(losses) on financial assets and liabilities held for trading (2)	2,823	(2,672)
o/w derivatives not eligible for hedge accounting	(706)	1,389
Net gains/(losses) on financial assets to be valued at fair value through profit or loss	59	(133)
Net gains/(losses) on financial assets and liabilities under the fair value option	(1,707)	3,632
Others	180	142
Hedging derivatives and revaluation of hedged items	**29**	**7**
Ineffective portion of cash flow hedges (CFH)	(2)	(3)
Ineffective portion of fair value hedges (FVH)	31	10
Changes in fair value hedges	(122)	376
Changes in hedged items	153	(366)
Total (1)	**1,384**	**977**

(1) Insofar as the expenses and income presented in the income statement are classified by type and not by function, the net income of activities on financial instruments at fair value through profit or loss should be considered as a whole. The results presented above do not include the refinancing cost of these financial instruments, which is recorded in interest income or expenses;
(2) “Net gains/(losses) on financial assets and liabilities held for trading” include:
- adjustments applied to the fair value of CDS entered into with monoline insurers: a decrease in the adjustments was recorded in the first half of 2023 for €2.1 million compared to a decrease in adjustments of €0.1 million (income) during the first half of 2022 (excluding currency impact), bringing the total stock of adjustments to €15.3 million at June 30, 2023 compared to €17.4 million at December 31, 2022;
- as of June 30, 2023, a valuation adjustment recorded on the liability valuation of derivatives for own credit risk (DVA) of -€4.1 million (expense) compared to income of +€35.7 million at June 30, 2022. In addition, the value adjustment concerning the valuation of the counterparty risk (CVA) of financial assets is +€12 million (income) at June 30, 2023 compared with an expense of -€63.8 million at June 30, 2022;
- the Funding Valuation Adjustment (FVA) used on uncollateralized derivatives or imperfectly collateralized derivatives is also recognized on this line for -€18,1 million (expense) at June 30, 2023 versus -€39.8 million (expense) at June 30, 2022.

3.4 Gains and losses on financial assets at fair value through other comprehensive income

The table below shows net gains and losses in financial assets at fair value through other comprehensive income recognized in net income over the period. They primarily consist of:

- income on the sale of debt instruments net of the impact of hedging instruments;
- dividends on equity instruments.

(in millions of euros)	30/06/2023	30/06/2022
Net gains on debt instruments	(14)	(1)
Net gains on equity instruments (dividends)	33	33
Total	**19**	**32**

Unrealized gains and losses recorded over the period are presented in the “Statement of net income (loss) and gains and losses recorded directly in other comprehensive income”.

3.5 Net gains or losses resulting from the derecognition of financial instruments at amortized cost

This line item includes gains and losses resulting from the derecognition of debt securities and loans and receivables recognized at amortized cost, including the impact of hedging instruments.

(in millions of euros)	30/06/2023	30/06/2022
Gains or losses on derecognition of financial assets at amortized cost (1)	(6)	(40)
Gains or losses on derecognition of financial liabilities at amortized cost	(1)	(9)
Total	**(7)**	**(49)**

(1) Including -€37.9 million at June 30, 2022 for the novation with BPCE of subordinated loans issued by entities of the Insurance division.

3.6 Other income and expenses

Income and expenses from other activities include ancillary income and expenses on finance leases.

(in millions of euros)	30/06/2023			30/06/2022		
	Income	Expense	Net	Income	Expense	Net
Operating leases	1	0	**1**	2	0	**2**
Other related income and expenses	32	(61)	**(29)**	60	(16)	**44**
Total	**33**	**(61)**	**(27)**	**61**	**(16)**	**45**

3.7 Operating expenses and depreciation, amortization, and impairments

Operating expenses mainly comprise payroll costs, including wages and salaries net of reinvoiced expenses, social security expenses and employee benefits such as pensions (defined benefit plans), and expenses relating to share-based payments recognized in accordance with IFRS 2.
This item also includes all administrative expenses and external services.

	(in millions of euros)	30/06/2023	30/06/2022
Payroll costs	Wages and salaries	(1,280)	(1,291)
	o/w share-based payments (1)	*(1)*	*(18)*
	Pension benefits and other long-term employee benefits	(55)	(54)
	Social security expenses	(306)	(286)
	Incentive and profit-sharing plans	(62)	(66)
	Payroll-based taxes	(41)	(34)
	Others	4	1
Total Personnel costs		**(1,741)**	**(1,729)**
Other operating expenses	Taxes and duties (2)	(206)	(245)
	External services	(751)	(754)
	Others	(18)	(6)
Total other operating expenses		**(975)**	**(1,005)**
Total		**(2,716)**	**(2,734)**

(1) The deferral expense recognized in the first half of 2023, concerning the cash-settled Employee Retention and Performance Plans (ERPP) indexed to the value of the share, was -€0.7 million at June 30, 2023 (compared to an expense of -€18.8 million at June 30, 2022);
(2) Of which a contribution of -€161.7 million to the Single Resolution Fund (SRF) at June 30, 2023, versus -€213.3 million at June 30, 2022.
Of which the Social Security and Solidarity Contribution (C3S) for -€15.8 million at June 30, 2023, versus -€17.6 million at June 30, 2022.

3.8 Cost of risk

This line item primarily includes income related to the recognition of credit risk as defined by IFRS 9:

- cash flows on provisions and impairments for 12-month and lifetime expected credit losses related to:
  - debt instruments recognized at amortized cost or at fair value through other comprehensive income,
  - lease receivables,
  - loan or guarantee commitments given that do not fit the definition of derivative financial instruments;

- losses on irrecoverable loans, and recoveries of loans previously recognized as losses.

This item also includes write-downs on doubtful receivables, resulting from the derecognition, following counterparty default, of financial instruments recorded as financial assets at fair value through profit or loss and equal to zero at June 30, 2022, as compared to -€2.4 million at June 30, 2023.

(in millions of euros)	30/06/2023					30/06/2022				
	Charges	**Net reversals**	**Write-offs not covered by provisions**	**Recoveries of bad debts written off**	**Net**	**Charges**	**Net reversals**	**Write-offs not covered by provisions**	**Recoveries of bad debts written off**	**Net**
Contingency reserves	**(237)**	**202**	**(14)**	**0**	**(48)**	**(225)**	**223**	**(0)**	**0**	**(2)**
Unimpaired financing commitments – 12-month expected credit losses	(54)	57	0	0	**3**	(55)	51	0	0	**(3)**
Unimpaired financing commitments – Lifetime expected credit losses	(135)	110	0	0	**(25)**	(150)	154	0	0	**4**
Impaired financing commitments – Lifetime expected credit losses	(37)	33	0	0	**(4)**	(16)	17	0	0	**1**
Others	(10)	2	(14)	0	**(22)**	(5)	1	(0)	0	**(4)**
Provisions for impairment of financial assets	**(742)**	**662**	**(14)**	**20**	**(74)**	**(567)**	**393**	**(0)**	**5**	**(169)**
Unimpaired financial assets – 12-month expected credit losses	(148)	158	0	0	**9**	(128)	104	0	0	**(24)**
Unimpaired financial assets – Lifetime expected credit losses	(309)	326	0	0	**18**	(255)	225	0	0	**(30)**
Impaired financial assets – Lifetime expected credit losses	(285)	178	(14)	20	**(101)**	(184)	65	(0)	5	**(114)**
Others	0	0	0	0	**0**					
Total	**(979)**	**864**	**(28)**	**20**	**(122)**	**(792)**	**617**	**(0)**	**5**	**(171)**
o/w:										
Reversals of surplus impairment provisions		*864*					*617*			
Reversals of utilized impairment provisions		*269*					*77*			
	sub-total reversals:	***1,133***				***sub-total reversals:***	***694***			
Write-offs covered by provisions		*(269)*					*(77)*			
	total net reversals:	***864***				***total net reversals:***	***617***			

3.9 Gains and losses on other assets

This item comprises capital gains and losses on the disposal of property, plant and equipment and intangible assets used in operations, as well as capital gains and losses on the disposal of investments in consolidated companies.

(in millions of euros)	30/06/2023			30/06/2022		
	Investments in consolidated companies	**Property, plant and equipment and intangible assets**	**TOTAL (1)**	**Investments in consolidated companies**	**Property, plant and equipment and intangible assets**	**TOTAL (2)**
Net capital gains/(losses) on disposals	42		42	16	14	30
Total	**42**		**42**	**16**	**14**	**30**

(1) Including disposal of AlphaSimplex for €40.9 million *(see Note 1.2)*;
(2) Including €16.4 million for the disposal of H2O and €13.7 million for the disposal of the buildings owned by the real estate entities Altaïr I and Altaïr II.

3.10 Reconciliation of the tax expense in the financial statements and the theoretical tax expense

(in millions of euros)	30/06/2023	30/06/2022
+ Net income (Group share)	486	1,383
+ Net income (Non-controlling interests)	26	24
+ Income tax expense	296	216
+ Income from discontinued operations	0	(985)
+ Impairment of goodwill	0	0
- Share in net income of associates	(7)	(6)
= Consolidated net income/(loss) before tax, goodwill amortization and share in income of associates	**801**	**632**
+/- Permanent differences (1)	229	271
= Consolidated taxable income/(loss)	**1,030**	**903**
x Theoretical tax rate (2)	25.83%	25.83%
= Theoretical tax charge	**(266)**	**(233)**
+ Income taxed at reduced rates		(2)
+ Losses for the period not recognized for deferred tax purposes (3)	3	36
+ Impact of tax consolidation	7	13
+ Difference in tax rates for foreign subsidiaries	8	9
+ Tax on prior periods and other tax items	(48)	(40)
= Tax charge for the period	**(296)**	**(216)**
o/w: taxes payable	(188)	(134)
deferred tax	(108)	(82)

(1) Permanent differences include the impact of non-tax-deductible regulatory contributions for +€130 million at June 30, 2023 (+€162 million at June 30, 2022), and the effects of the disposal of H2O by Natixis Investment Managers for -€15.6 million at June 30, 2022;
(2) In 2022, the standard corporate tax rate fell to 25.83%;
(3) Including the effects of changes in deferred tax assets recognized on Natixis' losses in France. These effects are mainly due to the entry of the companies of the Natixis tax consolidation group, which ended on December 31, 2021, into the BPCE tax consolidation group as of January 1, 2022. This entry is accompanied by an option formulated by BPCE for the legal mechanism known as the extended base, allowing the losses of the former Natixis Group to be offset against the profits of the companies of the Natixis tax consolidation group that have joined the BPCE tax consolidation group. This option improves the future capacity to allocate the deficit and the tax savings related to this allocation are fully reallocated to Natixis.

3.11 Net income from discontinued operations

At June 30, 2022, the "net income from discontinued operations" item presented the €985.3 million capital gain (loss) on disposal of entities related to the Insurance and Payments business lines.

NOTE 4 NOTES TO THE BALANCE SHEET

4.1 Financial assets and liabilities at fair value through profit or loss

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

- interest on hedging derivatives and non-SPPI instruments recorded as interest income and expenses in the income statement; and
- changes in fair value attributable to own credit risk on financial liabilities designated at fair value through profit or loss, recorded in other comprehensive income as "Revaluation of own credit risk of financial liabilities designated at fair value through profit or loss".

4.1.1 Financial assets at fair value through profit or loss

The table below shows the breakdown of financial assets at fair value through profit or loss by instrument type. Financial instruments that must be measured at fair value through profit or loss include debt instruments and non-SPPI loans, as well as equity instruments for which no choice has been made to measure them through equity.

(in millions of euros)	30/06/2023				31/12/2022			
	Financial assets held for trading	Financial assets to be valued at fair value through profit or loss (1)	Financial assets designated under the fair value option (2)	Total	Financial assets held for trading	Financial assets to be valued at fair value through profit or loss (1)	Financial assets designated under the fair value option (2)	Total
Securities	**56,370**	**2,366**	**0**	**58,736**	**44,239**	**2,445**	**0**	**46,684**
Debt instruments	22,126	1,563	0	23,689	14,205	1,637	0	15,843
Equity instruments	34,244	803		35,047	30,033	808		30,841
Financing against reverse repos (3)	**82,915**			**82,915**	**73,655**			**73,655**
Loans and receivables	**3,569**	**1,005**	**0**	**4,574**	**4,490**	**881**	**0**	**5,371**
Banks	17	0	0	17	0	0	0	0
Clients	3,552	1,005	0	4,557	4,490	881	0	5,371
Derivative instruments not eligible for hedge accounting (3)	**62,768**			**62,768**	**68,795**			**68,795**
Security deposits paid	**15,211**			**15,211**	**18,081**			**18,081**
Total	**220,833**	**3,371**	**0**	**224,204**	**209,260**	**3,326**	**0**	**212,586**

(1) The criteria used to classify financial assets at fair value through profit or loss due to the non-compliance with the SPPI criterion used by Natixis are provided in Note 5.1.2 of Chapter 5.1 "Consolidated financial statements at December 31, 2022 - Consolidated financial statements and notes" of the 2022 universal registration document;
(2) Only in the case of an "accounting mismatch" under IFRS 9;
(3) The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see *Note 4.2).*

4.1.2 Financial liabilities at fair value through profit or loss

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

(in millions of euros)	30/06/2023			31/12/2022		
	Financial liabilities issued for trading	Financial liabilities designated under the fair value option	Total	Financial liabilities issued for trading	Financial liabilities designated under the fair value option	Total
Note	*4.1.2.1 and 4.1.2.2*			*7.1.2.1 and 7.1.2.2*		
Securities	**23,702**	**25,816**	**49,518**	**22,086**	**23,272**	**45,357**
Debt securities	2	25,816	25,818	2	23,272	23,274
Subordinated debt	0	0	0	0	0	0
Short sales	23,700	0	23,700	22,084	0	22,084
Securities under repurchase agreements (1)	**89,133**	**0**	**89,133**	**74,751**	**0**	**74,751**
Liabilities	**9**	**194**	**203**	**8**	**232**	**240**
Due to banks	0	138	138	0	124	124
Customer deposits	9	56	65	8	42	50
Other liabilities	0	0	0	0	67	67
Derivative instruments not eligible for hedge accounting (1)	**57,021**	**0**	**57,021**	**68,077**	**0**	**68,077**
Security deposits received	**17,975**	**0**	**17,975**	**16,968**	**0**	**16,968**
Total	**187,839**	**26,010**	**213,849**	**181,891**	**23,504**	**205,394**

(1) The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see *Note 4.2).*

4.1.2.1 Conditions for classification of financial liabilities under the fair value option

Financial assets are designated at fair value through profit or loss when this choice provides more pertinent information or when these instruments incorporate one or more significant and separable embedded derivatives.

The use of the fair value option is considered to provide more pertinent information in two situations:

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

Liabilities measured at fair value through profit or loss mainly comprise issues originated and structured on behalf of clients for which risks and hedging are collectively managed. These issues include significant embedded derivatives for which changes in value are neutralized, except for those allocated to own credit risk, by those of the derivative instruments hedging them.

	30/06/2023				31/12/2022			
(in millions of euros)	Carrying amount	Accounting mismatch	Managed on a fair value basis	Embedded derivatives	Carrying amount	Accounting mismatch	Managed on a fair value basis	Embedded derivatives
Due to banks	138	3		135	124	3		121
Customer deposits	56	0		56	42	0		42
Debt securities	25,816	21,257		4,559	23,272	19,567		3,704
Subordinated debt					0			
Other liabilities					67	67		0
Total	**26,010**	**21,260**		**4,750**	**23,504**	**19,637**		**3,867**

Some liabilities issued and recognized under the fair value option through profit or loss are covered by a guarantee. The effect of this guarantee is incorporated into the fair value of the liabilities.

4.1.2.2 Financial liabilities under the fair value option and credit risk

The carrying amount of financial liabilities designated at fair value through profit or loss corresponds to their fair value shown on the balance sheet.
The amount contractually due on loans at maturity represents the principal amount outstanding at the reporting date, plus any accrued interest not yet due. The amount contractually due on securities represents their redemption value.

Financial liabilities designated under the fair value option for which related credit risk is presented in "other comprehensive income"

	30/06/2023				31/12/2022			
(in millions of euros)	Carrying amount	Amount contractually due at maturity	Difference between carrying amount and amount contractually due at maturity	Cumulative changes in the fair value of financial liabilities, designated at fair value through profit or loss, attributable to credit risk	Carrying amount	Amount contractually due at maturity	Difference between carrying amount and amount contractually due at maturity	Cumulative changes in the fair value of financial liabilities, designated at fair value through profit or loss, attributable to credit risk
Debt securities (1)	25,816	29,911	(4,096)	(420)	23,272	28,539	(5,267)	(306)
Subordinated debt								
Total (2)	**25,816**	**29,911**	**(4,096)**	**(420)**	**23,272**	**28,539**	**(5,267)**	**(306)**

(1) Payments related to early repayments of Natixis issues recognized in other comprehensive income in the first half of 2023 amounted to -€3 million compared to -€1 million at December 31, 2022;
(2) The fair value, determined using the calculation method described in Note 4.4, recorded in other comprehensive income in respect of internal credit risk on Natixis issues, totaled +€420 million at June 30, 2023 versus +€305.8 million at December 31, 2022. Besides changes in the outstanding amount, this difference reflects changes in the Natixis spread since the close of the previous year's accounts.

Financial liabilities under the fair value option for which credit risk is recognized in net income

(in millions of euros)	30/06/2023			31/12/2022		
	Carrying amount	Amount contractually due at maturity	Difference between carrying amount and amount contractually due at maturity	Carrying amount	Amount contractually due at maturity	Difference between carrying amount and amount contractually due at maturity
Due to banks	138	180	(41)	124	173	(49)
Customer deposits	56	56	(1)	42	43	(1)
Other debts				67	67	0
Total	**194**	**236**	**(42)**	**232**	**282**	**(50)**

4.2 Offsetting of financial assets and liabilities

The table below presents the amounts offset on the Natixis balance sheet meeting the criteria set out in IAS 32, as well as the impacts linked to the existence of an enforceable right of set-off under a master netting arrangement or similar agreements that do not meet the criteria set out in IAS 32 dealing with offsetting.
The net amount of financial assets and financial liabilities recognized (including amounts not offset on the balance sheet which may or may not be subject to master netting arrangements or similar agreements), after deducting the gross offset amounts, correspond to the gross balances presented on the balance sheet.
The gross offset amounts in the balance sheet reflect repurchase agreements and derivative transactions, most of which carried out with clearing houses, for which the criteria set out in IAS 32 are met:

- for listed derivatives, the positions recorded under the respective asset and liability items for:
  - index options and futures options are offset by maturity and by currency,
  - equity options are offset by ISIN code and maturity date;
- for OTC derivatives, the information is presented in consideration of the effects of the currency offset between asset valuations, liability valuations and variations in margin;
- for repurchase agreements, Natixis records in its balance sheet the net amount of repurchase and reverse repurchase agreements entered into with the same counterparty, and which:
  - have the same maturity date,
  - are operated via the same custodian or settlement platform,
  - are made in the same currency.

OTC derivatives handled with the clearing houses LCH Clearnet Ltd, Eurex Clearing AG and CME Clearing are not subjected to accounting offsets in the sense of IAS 32, but rather a daily liquidation (application of the settlement to market principle, as provided by those three clearing houses so that margin calls are considered a routine liquidation of derivatives, rather than security deposits as before).

These tables also show the impacts of master arrangements or similar agreements corresponding to derivative amounts or outstanding repos covered by master netting arrangements or similar agreements under which the net settlement criterion or the simultaneous settlement of assets and liabilities cannot be demonstrated or for which the right to set-off cannot be exercised except in the event of the default, insolvency or bankruptcy of one or more counterparties. These amounts are not offset on the balance sheet.

4.2.1 Financial assets subject to offsetting or enforceable or similar global netting agreement

(in millions of euros)	30/06/2023 Gross amount of financial assets recognized in the balance sheet	30/06/2023 Gross amount of financial liabilities offset in the balance sheet	30/06/2023 Net amount of financial assets recognized in the balance sheet	31/12/2022 Gross amount of financial assets recognized in the balance sheet	31/12/2022 Gross amount of financial liabilities offset in the balance sheet	31/12/2022 Net amount of financial assets recognized in the balance sheet
Financial assets at fair value through profit or loss	**173,567**	**27,885**	**145,682**	**164,559**	**22,109**	**142,450**
Derivatives	65,269	2,501	62,768	71,156	2,361	68,795
Repurchase agreements	108,298	25,384	82,915	93,403	19,748	73,655
Hedging derivatives	**772**	**52**	**720**	**828**	**112**	**716**
Loans and receivables due from credit institutions	**3,073**	**400**	**2,673**	**2,532**	**1,000**	**1,533**
Repurchase agreements	3,073	400	2,673	2,532	1,000	1,533
Loans and receivables due from customers	**1,588**	**0**	**1,588**	**1,576**	**0**	**1,576**
Repurchase agreements	1,588	0	1,588	1,576	0	1,576
TOTAL	**179,000**	**28,337**	**150,663**	**169,496**	**23,220**	**146,275**

(in millions of euros)	30/06/2023 Net amount of financial assets recognized in the balance sheet	30/06/2023 Impacts of master netting and similar agreements (1)	30/06/2023 Guarantees received in cash	30/06/2023 Net exposure	31/12/2022 Net amount of financial assets recognized in the balance sheet	31/12/2022 Impacts of master netting and similar agreements (1)	31/12/2022 Guarantees received in cash	31/12/2022 Net exposure
Derivatives	63,487	36,199	13,186	14,102	69,511	43,082	11,411	15,018
Repurchase agreements	87,176	85,426	136	1,614	76,764	75,360	40	1,364
TOTAL	**150,663**	**121,625**	**13,322**	**15,716**	**146,275**	**118,443**	**11,451**	**16,382**

(1) Including guarantees received in the form of securities.

4.2.2 Financial liabilities subject to offsetting or enforceable or similar global netting agreement

(in millions of euros)	30/06/2023 Gross amount of financial liabilities recognized in the balance sheet	30/06/2023 Gross amount of financial assets offset in the balance sheet	30/06/2023 Net amount of financial liabilities recognized in the balance sheet	31/12/2022 Gross amount of financial liabilities recognized in the balance sheet	31/12/2022 Gross amount of financial assets offset in the balance sheet	31/12/2022 Net amount of financial liabilities recognized in the balance sheet
Financial liabilities at fair value through profit or loss	**174,058**	**27,904**	**146,153**	**164,939**	**22,111**	**142,828**
Derivatives	59,541	2,521	57,021	70,441	2,363	68,077
Repurchase agreements	114,516	25,384	89,133	94,499	19,748	74,751
Hedging derivatives	**447**	**32**	**414**	**442**	**110**	**333**
Due to banks	**2,642**	**400**	**2,242**	**2,617**	**1,000**	**1,617**
Repurchase agreements	2,642	400	2,242	2,617	1,000	1,617
Customer deposits	**193**	**0**	**193**	**130**	**0**	**130**
Repurchase agreements	193	0	193	130	0	130
TOTAL	**177,340**	**28,337**	**149,003**	**168,128**	**23,220**	**144,908**

(in millions of euros)	30/06/2023 Net amount of financial liabilities recognized in the balance sheet	30/06/2023 Impacts of master netting and similar agreements (1)	30/06/2023 Guarantees received in cash	30/06/2023 Net exposure	31/12/2022 Net amount of financial liabilities recognized in the balance sheet	31/12/2022 Impacts of master netting and similar agreements (1)	31/12/2022 Guarantees received in cash	31/12/2022 Net exposure
Derivatives	57,435	37,156	8,080	12,198	68,410	44,868	9,945	13,596
Repurchase agreements	91,568	88,019	19	3,531	76,498	75,967	19	512
TOTAL	**149,003**	**125,175**	**8,099**	**15,729**	**144,908**	**120,835**	**9,964**	**14,109**

(1) Including guarantees given in the form of securities.

4.3 Financial assets at fair value through other comprehensive income

This line item covers debt instruments managed under a hold to collect and sell business model, with cash flows that meet SPPI criteria, such as debt instruments held in the liquidity reserve and equity instruments that Natixis has irrevocably opted to measure at fair value through other comprehensive income.

(in millions of euros)	30/06/2023				31/12/2022			
	Debt instruments		Equity instruments	Total	Debt instruments		Equity instruments	Total
	Unimpaired financial assets (1)	Impaired financial assets (2)			Unimpaired financial assets (1)	Impaired financial assets (2)		
Note	*4.3.1*	*4.3.1*	*4.3.2*		*4.3.1*	*4.3.1*	*4.3.2*	
Securities	8,826		758	9,584	8,743		810	9,553
Loans and receivables	78			78				
Total	**8,904**		**758**	**9,663**	**8,743**		**810**	**9,553**

(1) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Bucket 1) or at maturity (Bucket 2).

(2) Impaired financial assets (Bucket 3) are assets for which an event of default has been identified as defined in Article 178 of the EU Regulation of June 26, 2013 on regulatory requirements for banks.

4.3.1 Reconciliation table for financial assets at fair value through other recyclable comprehensive income

The tables below show, for each class of instrument, changes over the first half of 2023 in accounting items and provisions related to financial assets at fair value through other recyclable comprehensive income.

(in millions of euros)	Financial assets at fair value through other recyclable comprehensive income									
	Unimpaired assets for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired assets for which expected credit losses are measured on a lifetime basis (S2 bucket)		Assets impaired after their origination/acquisition (S3 bucket)		Assets impaired on origination/acquisition		TOTAL	
	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses
Balance as of 01/01/2022	**11,101**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,101**	**0**
New originated or acquired contracts	6,636	(0)							6,636	(0)
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters *(excluding transfers)*	(1,433)	(0)							(1,433)	(0)
Financial asset transfers										
Transfers to S1										
Transfers to S2										
Transfers to S3										
Contracts fully repaid or sold during the period	(7,749)	0							(7,749)	0
Impairment in value *(write-off)*										
Variations linked to changes in exchange rates	190	(0)							190	(0)
Changes in the model used										
Other movements	(0)								(0)	
Balance as of 31/12/2022	**8,744**	**(1)**							**8,744**	**(1)**
New originated or acquired contracts	4,189	(0)							4,189	(0)
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters *(excluding transfers)*	(89)	(2)							(89)	(2)
Financial asset transfers	(15)		15						0	0
Transfers to S1										
Transfers to S2	*(15)*		*15*						*0*	*0*
Transfers to S3										
Contracts fully repaid or sold during the period	(3,852)	0							(3,852)	0
Impairment in value *(write-off)*										
Variations linked to changes in exchange rates	(85)								(85)	
Changes in the model used										
Other movements										
Balance as of 30/06/2023	**8,892**	**(3)**	**15**						**8,907**	**(3)**

4.3.2 Equity instruments at fair value through other comprehensive income

(in millions of euros)	30/06/2023					31/12/2022				
		Dividends recognized over the period		Derecognition over the period			Dividends recognized over the period		Derecognition over the period	
	Fair value	Equity instruments held as of 30/06/2023	Equity instruments derecognized during the period	Fair value on date of sale	Cumulative profit or loss on date of sale	Fair value	Equity instruments held as of 31/12/2022	Equity instruments derecognized during the period	Fair value on date of sale	Cumulative profit or loss on date of sale
Investments in unconsolidated companies	615	34	0	0	0	657	68	0	247	27
Other equity instruments	143	0	0	0	0	152	0	0	0	0
Total	**758**	**34**	**0**	**0**	**0**	**810**	**68**	**0**	**247**	**27**

4.4 Fair value of financial assets and liabilities carried at fair value in the balance sheet

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

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

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

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

- the quoted price if the instrument is quoted on an active market. A financial instrument is regarded as quoted on an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring transactions on an arm's length basis on the main market or, failing that, the most advantageous market;
- if the market for a financial instrument is not active, fair value is established using valuation techniques. The techniques used must maximize the use of relevant observable entry data and minimize the use of non-observable entry data. They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models, proprietary models in the case of hybrid instruments or non-observable data when no pricing or market data are available.

Additional valuation adjustments incorporate factors related to valuation uncertainties, such as market and credit risk premiums in order to account for the costs resulting from an exit transaction on the main market.

The main additional valuation adjustments are as follows:

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

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

Input uncertainty adjustment
Observing certain prices or inputs used in valuation techniques may be difficult or the price or input may be too regularly unavailable to determine the selling price. Under these circumstances, an adjustment may be necessary to reflect the probability of different values being used for the same inputs when evaluating the fair value of the financial instrument adopted by the market participants.

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

Funding Valuation Adjustment (FVA)
The purpose of an FVA is to take into account the liquidity cost associated with non-collateralized or imperfectly collateralized OTC derivatives. It is generated by the need to refinance or finance margin calls to be paid or received in the future, associated with hedging derivatives which are collateralized. Measuring a future financing/refinancing requirement (i.e. until the maturity of the exposures), it is based on expected future

exposures concerning non-collateralized derivatives and a liquidity spread curve.

Debit Valuation Adjustment (DVA)

The DVA is symmetrical to the CVA and represents the expected loss, from the counterparty's perspective, on liability valuations of derivative financial instruments. It reflects the impact of Natixis' credit quality on the valuation of these instruments. The adjustment is made by observing "zero-coupon" spreads on a sample of comparable entities, taking into account the liquidity of BPCE's "zero coupon" spread over the period. The Funding Valuation Adjustment (FVA) is taken into account in the DVA calculation.

Identifying an active market

The following criteria are used to determine whether a market is active:

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

The valuation control framework is presented in Section 3.2.6 "Market risk" of Chapter [3] "Risk factors, risk management and Pillar III" of the 2022 universal registration document.

Financial assets and liabilities measured and presented at fair value are categorized based on the following scale:

- level 1: market value is determined directly using prices quoted on active markets for identical assets and liabilities;
- level 2: market value is determined using valuation techniques based on significant data that may be directly or indirectly observed on the markets;
- level 3: market value is determined using unrecognized models and/or models based on non-observable market data, where they are liable to materially impact the valuation.

Assets *(in millions of euros)*	30/06/2023				31/12/2022			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Financial assets held for trading	**158,065**	**65,840**	**87,812**	**4,414**	**140,465**	**57,830**	**78,098**	**4,537**
o/w debt instruments in the form of securities	22,126	19,014	2,884	229	14,205	11,804	2,238	164
o/w equity instruments	34,244	32,589	1,646	9	30,033	28,363	1,665	5
o/w loans and receivables	86,484		82,308	4,176	78,146		73,777	4,368
o/w security deposits paid	15,211	14,237	974		18,081	17,663	418	
Derivative instruments not eligible for hedge accounting (positive fair value)	**62,768**	**107**	**61,005**	**1,655**	**68,795**	**75**	**66,291**	**2,429**
o/w interest rate derivatives	33,844		33,119	725	34,841		33,700	1,141
o/w currency derivatives	23,924	25	23,494	405	28,436	4	27,776	655
o/w credit derivatives	1,248		1,159	89	932		817	116
o/w equity derivatives	2,966	1	2,627	338	3,210		2,856	355
o/w other	785	82	606	98	1,375	71	1,142	162
Financial assets to be valued at fair value through profit or loss	**3,371**	**945**	**321**	**2,105**	**3,326**	**920**	**277**	**2,130**
o/w equity instruments	803	37		767	809	1		808
o/w debt instruments in the form of securities	1,563	908	44	611	1,637	919	58	660
o/w loans and receivables	1,005		277	728	881		219	662
Financial assets designated under the fair value option								
o/w debt instruments in the form of securities								
o/w loans and receivables								
Hedging derivatives (assets)	**720**		**720**		**716**		**716**	
o/w interest rate derivatives	718		718		716		716	
o/w currency derivatives	2		2					
Financial assets at fair value through other comprehensive income	**9,663**	**7,237**	**1,765**	**661**	**9,553**	**8,480**	**370**	**703**
o/w equity instruments	758	90	8	661	810	101	6	703
o/w debt instruments in the form of securities	8,826	7,147	1,679		8,743	8,379	365	
o/w loans and receivables	78		78					
Total	**234,587**	**74,129**	**151,622**	**8,836**	**222,855**	**67,305**	**145,752**	**9,799**

Liabilities *(in millions of euros)*	30/06/2023				31/12/2022			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities held for trading	**41,677**	**41,423**	**249**	**5**	**39,054**	**38,640**	**396**	**18**
o/w securities issued for trading purposes	23,702	23,447	249	5	22,086	21,672	395	18
o/w security deposits received	17,975	17,975			16,968	16,968		
Derivative instruments not eligible for hedge accounting (negative fair value)	**57,021**	**139**	**55,338**	**1,544**	**68,077**	**143**	**65,779**	**2,155**
o/w interest rate derivatives	31,614		30,796	818	34,788		33,416	1,372
o/w currency derivatives	20,961	7	20,825	130	28,045	2	27,817	226
o/w credit derivatives	1,166		1,059	107	821		692	129
o/w equity derivatives	2,495		2,071	424	2,901		2,507	395
o/w other	785	132	587	66	1,522	141	1,348	33
Other financial liabilities held for trading	**89,142**	**9**	**89,098**	**35**	**74,759**	**8**	**74,548**	**203**
Financial liabilities designated under the fair value option	**26,010**		**18,445**	**7,564**	**23,504**	**67**	**14,295**	**9,142**
o/w securities under the fair value option	25,816		18,280	7,535	23,272		14,177	9,095
o/w other financial liabilities under the fair value option	194		165	29	232	67	117	48
Hedging derivatives (liabilities)	**414**		**414**		**333**		**333**	
o/w interest rate derivatives	411		411		333		333	
o/w currency derivatives	3		3					
Total	**214,263**	**41,571**	**163,544**	**9,148**	**205,727**	**38,858**	**155,351**	**11,518**

a) Level 1: Measurement using prices quoted on liquid markets

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

This mainly includes securities listed on a stock exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and mutual fund units whose NAV is determined and reported on a daily basis.

b) Level 2: Measurement using observable market models and parameters

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

Simple instruments

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

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not listed on an active market whose fair value is determined on the basis of observable market data, for example use of market data from comparable companies, or multiples method based on techniques commonly used by market players;
- mutual fund units whose NAV is not determined and published on a daily basis, but are subject to regular reporting or offer observable data from recent transactions;
- debt issues measured under the fair value option where the underlying derivatives are classified in Level 2.

“Issuer credit risk” is also considered as observable. The valuation of the “issuer credit risk” component is based on the discounted cash-flow method, using inputs such as yield curves, revaluation spreads, etc. For each issue, this valuation represents the product of its remaining notional amount due and its sensitivity, taking into account the existence of calls, and based on the difference between the revaluation spread (based on BPCE’s cash reoffer curve at June 30, 2023, as on previous reporting dates) and the average issue spread. Changes in the issuer spread are generally not material for issues with an initial maturity of less than one year.

Complex instruments

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

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

- Equity products: equity products generally have their own characteristics that justify the choice of model.

  The main models used for equity products are local volatility, local volatility combined with the one-factor Hull & White (H&W1F) model, as well as the Local Stochastic Volatility ("LSV") models, and may be available in a single or multiple underlying framework.
  The local volatility model treats volatility as a function of time and the price of the underlying. Its main property is that it considers the implied volatility of the option (derived from market data) relative to its exercise price.

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

  The LSV Model is based on joint diffusion of the underlying asset and its volatility (two factors in total), with a local volatility function (called a "decorator") in order to be consistent with all of the vanilla options;

- Fixed-income products: fixed-income products generally have specific characteristics which justify the choice of model.

  The main models used to value and manage fixed-income products are the one-factor (HW1F) and two-factor (HW2F) Hull & White models, or a one-factor stochastic volatility model (HW1FVS).

  The HW1F model makes it possible to model the yield curve with a single Gaussian factor and one calibration of the vanilla rate options.

  The HW2F model makes it possible to model the yield curve with two factors and one calibration of the vanilla rate options and spread-option instruments.

  The HW1VS model makes it possible to jointly model the Gaussian factor representing the yield curve and its volatility (like the LSV model for equity);

- Currency products: currency products generally have specific characteristics which justify the choice of model.

  The main models used to value and manage currency products are local volatility and stochastic models (like the LSV model for the equity scope), as well as the hybrid models combining an underlying currency model with two one-factor Hull & White models to understand domestic and foreign economies' fixed-income curves;

- Credit derivatives: products generally have specific characteristics that justify the choice of model.

  The main models used for the valuation and management of credit products are the Hull & White credit factor model (HW1F Credit) and the hybrid Bi-Hull & White Rate-Credit model (Bi-HW Rate/Credit).

  The HW1F Credit model is used to disseminate a credit curve (CDS curve) with a Gaussian factor.

  The Bi-HW Rate/Credit model enables the yield curve and the credit curve to be disseminated jointly each with a Gaussian factor correlated with each other;

- Commodities products: commodities products generally have their own characteristics that justify the choice of model.

  The main models used for the valuation and management of commodities products are the Black & Scholes models, with local volatility and local volatility combined with the one-factor Hull & White (H&W1F), an extended version for all of these models to a multi-framework underlying asset to manage all futures of the commodity family.
  The Black & Scholes model is based on a log-normal dynamic of the underlying asset and a deterministic volatility assumption.
  The local volatility model treats volatility as a function of time and the price of the underlying. Its main property

is that it considers the implied volatility of the option (derived from market data) relative to its exercise price. The H&WIF model consists of combining the local volatility model described above with a one-factor Hull & White rate model, described above (*see fixed-income products*).

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

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

The fair value of instruments obtained using valuation models is adjusted to take account of liquidity risk (bid-ask), counterparty risk, the risk relating to the cost of financing uncollateralized or imperfectly collateralized derivatives, own credit risk (measurement of liability derivative positions), modeling risk and input risk.

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

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

Level 3 comprises instruments measured using unrecognized models and/or models based on non-observable market data, where they are liable to materially impact the valuation. This mainly includes:
- unlisted shares whose fair value could not be determined using observable inputs;
- Private Equity securities not listed on an active market, measured at fair value with models commonly used by market participants, in accordance with International Private Equity Valuation (IPEV) standards, but which are sensitive to market fluctuations and whose fair value determination necessarily involves a judgment call;
- hybrid interest rate and currency derivatives and credit derivatives that are not classified in Level 2;
- loans in the syndication process for which there is no secondary market price;
- loans in the securitization process for which fair value is determined based on an expert appraisal;
- the loan trading activity for which the market is illiquid;
- investment property whose fair value is obtained using a multi-criteria approach based on the capitalization of rents at the market rate combined with a comparison with market transactions;
- instruments with a deferred day-one margin;
- mutual fund units for which the fund has not published a recent NAV at the valuation date, or for which there is a lock-up period or any other constraint calling for a significant adjustment to available market prices (NAV, etc.) given the low liquidity observed for such securities;
- debt issues measured under the fair value option which are classified in Level 3 where the underlying derivatives are classified in Level 3. The associated “issuer credit risk” is deemed observable and thus classified in Level 2;
- CDS contracted with monoline insurers, for which the valuation model used to measure impairments has moved more in line, in terms of method, with the adjustment made for counterparty risk (Credit Valuation Adjustment – CVA). It also takes account of the expected depreciation of exposures and the counterparty spread implied from market data;
- plain vanilla derivatives are also classified as Level 3 in the fair value hierarchy when exposure is beyond the liquidity horizon determined by underlying currencies or by volatility surface (e.g. certain foreign currency options and volatility caps/floors).

In accordance with Regulation No. 2019/876 of May 20, 2019 (CRR II) amending European Regulation No. 575/2013 of June 26, 2013 (CRR) regarding the requirements of Pillar III, for each of the models used, a description of the crisis simulations applied and of the ex post control framework (validation of the accuracy and consistency of internal models and modeling procedures) is given in Section 3.2.6 of Chapter [3] “Risk factors, risk management and Pillar III” of the 2022 universal registration document.

Under IFRS 9, day-one profit should be recognized only if it is generated by a change in the factors that market participants would consider in setting a price, i.e. only if the model and parameters input into the valuation are observable.

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

At June 30, 2023, the scope of instruments for which the recognition of day-one profit/loss has been deferred mainly included:
- multiple equity and index underlying structured products;
- mono-underlying structured products indexed to sponsored indices;
- synthetic loans;
- options on funds (multi-asset and mutual funds);
- structured fixed-income products;
- securitization swaps.

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

Main types of products	Valuation techniques used	Main unobservable data	Unobservable data intervals min - max (June 2023)
Sticky CMS/Volatility Bond	Valuation models for interest rate options	Mean-reversion parameters	[0.5%; 2.5%]
Callable Spread Options and Corridor Callable Spread Options	Model representing several yield curve factors	Mean-reversion spread	[0%; 30%]
Bermuda Accreting		Accreting Factor	[71%; 94%]
Volatility cap/floor	Valuation models for interest rate options	Interest rate vol.	[29%; 201%]
Plain vanilla derivatives and complex derivatives, equity basket or funds	Different equity option valuation models, equity baskets or funds	Equity volatility	[8%; 131%]
		Fund volatility	[2%; 66%]
		Stock/stock correlations	[7%; 95%]
		Repo for general collateral baskets	[-0.75%; 1.11%]
Forex derivatives	Forex options valuation model	Forex volatility	[5.551%; 15.505%]
Long-term PRDC/PRDKO/TARN	Hybrid fixed income/forex options valuation model	Correlation between forex rates and interest rates as well as long-term volatility levels	[-40%; 60%]
			[5.551%; 15.505%]
CDO	The default rates are based on the market prices of the underlying PFI bonds and the recovery rates are based on historical ratings agency data	Correlation between the assets, base spread between the cash asset and derivative asset, recovery rate	[70%; 80%]
Securitization swaps	Discounted cash flow expected based on the underlying portfolio's early redemption assumptions	Prepayment rate	[27.6%; 53.9%]
Hybrid equity/fixed income/forex (FX) derivatives	Hybrid model coupling an equity diffusion, a FX diffusion and a fixed income diffusion	Equity-Forex correlations	[-99%; 60%]
		Equity-Fixed Income correlations	[14.73%; 30.41%]
		Fixed Income/Forex correlations	[-19%; 44%]
Helvetix: Strip of long-term options, Strip of quanto options, Strip of digital options	Black & Scholes model	EURCHF/EURUSD correlation	[30%; 40.27%]
Helvetix: Spread options and digital spread options	Gaussian copula	USDCHF & EURCHF long-term volatility	USDCHF volatility: [8.5249%; 11.1961%] EURCHF volatility: [6.9356%; 8.46685%]

d) Natixis' policy on transfers between fair value levels

Fair value transfers are examined and approved by the Fair Value Levels Committee, which brings together the Finance and Risk functions and the Business lines. To do this, the Fair Value Levels Committee relies on observability studies of valuation models and/or parameters that are carried out periodically.

These fair value transfers are also presented to the Valuation Steering Committee, which validated, during the first half of 2023, the transfer to Level 2 of the fair value of certain OTC derivatives and issues, due to the automatic application of the materiality process to valuation models and/or unobservable parameters on an extended scope of Level 3 transactions

As a reminder, the main reclassifications carried out at December 31, 2022 *(See Note 4.5.1.)*, concerned the transfer of margin calls from Level 2 to Level 1 fair value, due to a methodological refinement.

4.4.1 Financial assets and liabilities at fair value measured using Level 3 of the fair value hierarchy

At June 30, 2023

Financial assets

Financial assets *(in millions of euros)*	Level 3 opening balance as of 01/01/2023	Gains and losses recorded in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance as of 31/12/2021
		In income statement		In gains and losses recorded directly in equity	Purchases/Issues	Sales/Redemptions	Outside Level 3	To Level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed in the period									
Financial assets held for trading	**4,537**	**203**	**16**		**4,992**	**(5,456)**	**(263)**	**420**	**9**		**(44)**	**4,414**
o/w debt instruments in the form of securities	164	(8)	(14)		255	(196)	(8)	37			(1)	229
o/w equity instruments	5	(4)			191	(546)	(3)	356	9			9
o/w loans and receivables	4,368	215	30		4,546	(4,714)	(253)	27			(43)	4,176
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,429**	**218**	**(334)**		**349**	**(574)**	**(485)**	**64**			**(11)**	**1,656**
o/w interest rate derivatives	1,141	50	(100)		91	(129)	(327)	1			(4)	725
o/w currency derivatives	654	6	(155)		11	(32)	(125)	58	(1)		(12)	404
o/w credit derivatives	116	(14)			3	(10)	(9)	3			1	89
o/w equity derivatives	355	141	(44)		168	(285)	(5)	4			5	338
o/w other	163	35	(35)		77	(117)	(19)	(2)	1		(2)	100
Other financial assets held for trading												
Financial assets to be valued at fair value through profit or loss	**2,130**	**78**	**(6)**		**1,271**	**(1,352)**			**(2)**		**(15)**	**2,105**
o/w equity instruments	808	21			95	(152)			(2)		(3)	767
o/w debt instruments in the form of securities	660	(10)	(8)		59	(88)					(2)	611
o/w loans and receivables	662	67	2		1,117	(1,111)					(10)	728
Financial assets designated under the fair value option												
o/w debt instruments in the form of securities												
o/w equity instruments												
o/w loans and receivables												
Financial assets at fair value through other comprehensive income	**703**	**28**		**(40)**	**2**	**(28)**			**9**		**(14)**	**661**
o/w equity instruments	703	28		(40)	2	(28)			9		(14)	661
o/w debt instruments in the form of securities												
o/w loans and receivables												
Total financial assets recorded at fair value	**9,799**	**526**	**(324)**	**(40)**	**6,614**	**(7,409)**	**(747)**	**484**	**17**		**(84)**	**8,836**

Financial liabilities

Financial liabilities *(in millions of euros)*	Level 3 opening balance as of 01/01/2023	Gains and losses recorded in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance as of 30/06/2023
		In income statement		In gains and losses recorded directly in equity	Purchases/Issues	Sales/Redemptions	Outside Level 3	To Level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed in the period									
Securities held for trading	**18**	**(3)**				**(15)**	**(2)**	**6**				**5**
Derivative instruments not eligible for hedge accounting (negative fair value)	**2,155**	**97**	**(179)**		**292**	**(204)**	**(593)**	**33**			**(58)**	**1,544**
o/w interest rate derivatives	1,372	35	(120)		68	(94)	(445)	5			(4)	818
o/w currency derivatives	226	41	5		9	(40)	(88)	22			(45)	130
o/w credit derivatives	129	(14)	(2)		1	(4)	(9)	3			2	107
o/w equity derivatives	395	2	(54)		187	(60)	(39)	3			(11)	424
o/w other	33	32	(8)		27	(5)	(13)				(1)	66
Other financial liabilities held for trading	**203**		**13**		**35**	**(100)**	**(116)**				**(1)**	**35**
Financial liabilities under the fair value option through profit or loss	**9,142**	**525**	**128**		**2,655**	**(2,796)**	**(2,442)**	**458**			**(106)**	**7,564**
o/w securities under the fair value option	9,095	524	128		2,633	(2,796)	(2,401)	458			(106)	7,535
o/w other financial liabilities under the fair value option	48	1			22		(41)					29
Total financial liabilities recognized at fair value	**11,518**	**619**	**(38)**		**2,982**	**(3,115)**	**(3,153)**	**497**			**(164)**	**9,148**

At December 31, 2022

Financial assets

Financial assets *(in millions of euros)*	Level 3 opening balance as of 01/01/2022	Gains and losses recorded in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope	Translation adjustments	Level 3 closing balance as of 31/12/2022
		In income statement		In gains and losses recorded directly in equity	Purchases/Issues	Sales/Redemptions	Outside Level 3	To Level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed in the period									
Financial assets held for trading	**3,853**	**130**	**74**		**11,142**	**(10,790)**	**(217)**	**249**			**96**	**4,537**
o/w debt instruments in the form of securities	235	(36)	8		124	(170)	(20)	9			13	164
o/w equity instruments	6	24			271	(491)	(2)	198				5
o/w loans and receivables	3,612	142	67		10,747	(10,129)	(195)	42			83	4,368
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,817**	**299**	**(655)**		**1,028**	**(1,372)**	**(595)**	**712**		**2**	**194**	**2,429**
o/w interest rate derivatives	844	(52)	(97)		211	(121)	(52)	410			(2)	1,141
o/w currency derivatives	686	86	(199)		53	(146)	(310)	273			210	654
o/w credit derivatives	191	(49)	(24)		18	(15)	(5)	6			(7)	116
o/w equity derivatives	1,094	142	(335)		714	(1,046)	(228)	22			(8)	355
o/w other	2	172	(1)		32	(45)		1		2		163
Other financial assets held for trading												
Financial assets to be valued at fair value through profit or loss	**1,934**	**17**	**(15)**		**617**	**(307)**	**(152)**		**1**		**35**	**2,130**
o/w equity instruments	774	84	(15)		14	(60)			1		11	808
o/w debt instruments in the form of securities	665	(8)			228	(228)					3	660
o/w loans and receivables	496	(59)			375	(19)	(152)				21	662
Financial assets designated under the fair value option	**44**					**(48)**					**3**	
o/w debt instruments in the form of securities	44					(48)					3	
o/w equity instruments												
o/w loans and receivables												
Financial assets at fair value through other comprehensive income	**648**	**61**		**(138)**	**155**	**(61)**			**2**		**34**	**703**
o/w equity instruments	648	61		(138)	155	(61)			2		34	703
o/w debt instruments in the form of securities												
o/w loans and receivables												
Total financial assets recorded at fair value	**9,298**	**507**	**(596)**	**(138)**	**12,942**	**(12,578)**	**(964)**	**961**	**3**	**2**	**362**	**9,799**

Financial liabilities

Financial liabilities *(in millions of euros)*	Level 3 opening balance as of 01/01/2022	Gains and losses recorded in the period			Transactions carried out in the period		Reclassifications in the period			Change in consolidation scope (1)	Translation adjustments	Level 3 closing balance as of 31/12/2022
		In income statement		In gains and losses recorded directly in equity	Purchases/Issues	Sales/Redemptions	Outside Level 3	To Level 3	Other reclassifications			
		On outstanding transactions at the reporting date	On transactions expired or redeemed in the period									
Securities held for trading	**21**				**26**	**(46)**		**18**				**18**
Derivative instruments not eligible for hedge accounting (negative fair value)	**2,857**	**215**	**(864)**		**1,624**	**(1,675)**	**(631)**	**801**			**(170)**	**2,155**
o/w interest rate derivatives	690	158	(39)		168	(93)	(46)	531			4	1,372
o/w currency derivatives	556	(21)	(33)		50	(124)	(451)	238			11	226
o/w credit derivatives	216	(41)	(66)		58	(12)	(21)	2			(6)	129
o/w equity derivatives	1,347	78	(712)		1,336	(1,431)	(64)	20			(180)	395
o/w other	48	42	(14)		11	(15)	(48)	9			1	33
Other financial liabilities held for trading	**412**	**(23)**	**(10)**		**100**	**(280)**					**4**	**203**
Financial liabilities under the fair value option through profit or loss	**9,668**	**(1,366)**	**185**		**6,453**	**(6,191)**	**(970)**	**201**		**1,015**	**147**	**9,142**
o/w securities under the fair value option	9,564	(1,358)	185		6,438	(6,189)	(907)	201		1,015	147	9,095
o/w other financial liabilities under the fair value option	105	(8)			16	(2)	(63)					48
Total financial liabilities recognized at fair value	**12,959**	**(1,174)**	**(689)**		**8,203**	**(8,192)**	**(1,601)**	**1,020**		**1,015**	**(19)**	**11,518**

(1) Corresponds to the issues issued by Natixis S.A. and subscribed by the Insurance business line transferred to BPCE during the first quarter of 2022 (*see Note 1.2.1 and Note 2.3 of the financial statements published at December 31, 2022*).

Sensitivity analysis of the fair value of financial instruments measured according to Level 3 – Assets and Liabilities

Sensitivity of the fair value of financial instruments measured using the main unobservable inputs was valued at June 30, 2023. The amounts reported below are intended to illustrate the uncertainty inherent in the use of the judgment required to estimate the main unobservable parameters at the valuation date. They do not represent a measure of market risk on Level 3 instruments.
The estimate is based on the valuation adjustment policy. For equities and debt securities, the estimate is based on a shock of +/-1%.

(in millions of euros)	30/06/2023		31/12/2022	
	Potential impact on the income statement		Potential impact on the income statement	
	Negative	Positive	Negative	Positive
Equities	**(8)**	**8**	**(8)**	**8**
Debt securities	**(9)**	**9**	**(10)**	**10**
Equity derivatives	**(21)**	**32**	**(15)**	**30**
Volatility	(4)	*7*	(7)	*11*
Repo rate	(13)	*17*	(5)	*9*
Dividends	(3)	*6*	(2)	*6*
Correlations	(1)	*3*	(2)	*5*
Fixed income derivatives	**(22)**	**38**	**(20)**	**34**
Exchange rate correlations	(8)	*12*	(10)	*15*
Interest rate correlations	(8)	*12*	(7)	*13*
Interest rate volatility	(1)	*2*	(2)	*2*
Exchange rate volatility	*<1*	*<1*	*<1*	*<1*
CDS spreads	*<1*	*<1*	*<1*	*<1*
"Accreting Factor" of Bermuda swaptions	*<1*	*<1*	*<1*	*<1*
Recovery rate	*<1*	*1*	*<1*	*2*
Inflation volatility	*<1*	*3*	*<1*	*<1*
Securitization amortization rate (CPR)	*-5*	*8*	*<1*	*2*
Commodity derivatives	**<1**	**<1**	**<1**	**<1**
Commodity volatility	*<1*	*<1*	*<1*	*<1*
Sensitivity of Level 3 financial instruments	**(61)**	**88**	**(54)**	**83**

4.4.2 Restatement of the deferred margin on financial instruments

The deferred margin concerns financial instruments measured on the basis of one or more unobservable market parameters *(see Note 4.4)*. This margin is deferred over time to be recognized, depending on the case, at the maturity of the instrument, at the time of sale or transfer, as time passes or when market parameters become observable.

The table below shows the amount remaining to be recognized in the income statement, as well as the deferred margin of new transactions for the fiscal year.

(in millions of euros)	01/01/2022	Margin on new transactions	Margin recognized during the period	Other changes	31/12/2022	Margin on new transactions	Margin recognized during the period	Other changes	30/06/2023
Interest rate derivative instruments	10	10	(10)	1	11	8	(9)	0	10
Currency derivative instruments	5	31	(29)	0	7	9	(12)	(0)	4
Credit derivative instruments	5	15	(13)	0	7	5	(5)	(1)	6
Equity derivative instruments	210	132	(118)	(1)	223	66	(102)	1	187
Repurchase agreements	13	21	(11)	0	23	14	(13)	0	24
Total	**244**	**209**	**(181)**	**0**	**273**	**102**	**(142)**	**(1)**	**233**

4.4.3 Financial assets and liabilities at fair value: transfers between fair value levels

(in millions of euros)		30/06/2023					31/12/2022				
	From	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**
	To	**Level 2**	**Level 1**	**Level 3**	**Level 1**	**Level 2**	**Level 2**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Financial assets at fair value through profit or loss		**66**	**465**	**484**		**748**	**790**	**12,703**	**961**		**964**
Financial assets held for trading		**66**	**465**	**420**		**263**	**786**	**12,703**	**249**		**217**
o/w debt instruments in the form of securities		16	436	37		8	730	1,109	9		20
o/w equity instruments		50	24	356		3	55	285	198		2
o/w loans and receivables			5	27		253		36	42		195
o/w security deposits paid (1)								11,274			
Derivative instruments not eligible for hedge accounting (positive fair value)				**64**		**485**	**4**		**712**		**595**
o/w interest rate derivatives				1		327			410		52
o/w currency derivatives				58		125			273		310
o/w credit derivatives				3		9			6		5
o/w equity derivatives				4		5	4		22		228
o/w other				(2)		19			1		
Financial assets to be valued at fair value through profit or loss											**152**
o/w debt instruments in the form of securities											
o/w equity instruments											
o/w loans and receivables											152
Financial assets designated under the fair value option											
Financial assets at fair value through other comprehensive income		**59**	**317**				**260**	**435**			
o/w equity instruments											
o/w debt instruments in the form of securities		59	317				260	435			
o/w loans and receivables											

(1) See Note 7.5, paragraph d) to the financial statements published at December 31, 2022.

(in millions of euros)		30/06/2023					31/12/2022				
	From	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**
	To	**Level 2**	**Level 1**	**Level 3**	**Level 1**	**Level 2**	**Level 2**	**Level 1**	**Level 3**	**Level 1**	**Level 2**
Financial liabilities held for trading		**5**	**37**	**39**		**711**	**18**	**14,070**	**818**		**631**
Securities held for trading		**5**	**37**	**6**		**2**	**12**	**53**	**18**		
Derivative instruments not eligible for hedge accounting (negative fair value)				**33**		**593**	**5**		**801**		**631**
o/w interest rate derivatives				5		445	1		531		46
o/w currency derivatives				22		88			238		451
o/w credit derivatives				3		9			2		21
o/w equity derivatives				3		39	5		20		64
o/w other						13			9		48
Other financial liabilities held for trading						**116**					
Security deposits received (1)								**14,017**			
Financial liabilities designated under the fair value option				**458**		**2,442**			**201**		**970**
o/w securities under the fair value option (2)				458		2,401			201		907
o/w other financial liabilities under the fair value option						41					63

(1) See Note 7.5, paragraph d) to the financial statements published at December 31, 2022.
(2) See Note 4.4, paragraph d).

4.5 Financial assets at amortized cost

These are SPPI financial assets held under a “hold to collect” model. The vast majority of loans granted by the Group are classified in this category.

4.5.1 Loans and receivables due from banks at amortized cost

(in millions of euros)	30/06/2023			31/12/2022		
	Unimpaired financial assets [(1)]	**Impaired financial assets** [(2)]	**Total**	**Unimpaired financial assets** [(1)]	**Impaired financial assets** [(2)]	**Total**
Current accounts overdrawn	5,621	0	5,621	6,201	0	6,201
Loans and receivables	83,826	24	83,851	68,511	30	68,541
Security deposits paid						
Value adjustments for credit losses	(66)	(24)	(90)	(42)	(24)	(66)
Total	**89,382**	**0**	**89,382**	**74,670**	**6**	**74,676**

(1) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Bucket 1) or at maturity (Bucket 2);

(2) Impaired financial assets (Bucket 3) are assets for which a default event has been identified as defined in Article 178 of the EU Regulation of June 26, 2013 on regulatory requirements for banks, and by Regulation (EU) No. 2018/171 on the materiality level for outstanding arrears.

The fair value of loans and receivables due from banks was €89,101 million at June 30, 2023 compared with €74,503 million at December 31, 2022.

Reconciliation of loans and receivables due from banks at amortized cost

(in millions of euros)	Loans and receivables due from banks at amortized cost									
	Unimpaired assets for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired assets for which expected credit losses are measured on a lifetime basis (S2 bucket)		Assets impaired after their origination/acquisition (S3 bucket)		Assets impaired on origination/acquisition		TOTAL	
	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses
Balance as of 01/01/2022	**86,562**	**(2)**	**175**	**(2)**	**19**	**(19)**	**5**	**(5)**	**86,761**	**(29)**
New originated or acquired contracts	61,781	(0)	5	(0)			0	0	61,786	(0)
Changes in contractual cash flows not giving rise to derecognition	(0)	0	0	0	0	0	0	0	(0)	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	486	(1)	(14)	(39)	(5)	4	4	(4)	471	(39)
Financial asset transfers	*(40)*	*0*	*34*	*0*	*6*	*(0)*		*0*	*(0)*	*(0)*
Transfers to S1	4	(0)	(4)	0	0	0		0	(0)	(0)
Transfers to S2	(39)	0	39	0	0	0		0	0	0
Transfers to S3	(6)	0	0	0	6	(0)		0	0	0
Transfer to non-current assets held for sale [(1)]	(2)	0	0	0	0	0		0	(2)	0
Contracts fully repaid or sold during the period	(74,334)	0	(2)	0	(0)	0	0	0	(74,336)	0
Impairment in value *(write-off)*					0	0	0	0	0	0
Variations linked to changes in exchange rates	46	(0)	16	2	0	(0)	0	(0)	63	2
Changes in the model used										0
Other movements	(0)	0	(0)	0	0	0	0	0	(0)	0
Balance as of 31/12/2022	**74,498**	**(3)**	**214**	**(39)**	**21**	**(15)**	**9**	**(9)**	**74,742**	**(66)**
New originated or acquired contracts	66,596	(0)	23	(0)			0	0	66,619	(1)
Changes in contractual cash flows not giving rise to derecognition	0	0	0	0	0	0	0	0	0	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	(828)	1	(39)	(37)	(2)	0	0	(0)	(868)	(37)
Financial asset transfers	*(86)*	*0*	*90*	*(0)*	*(4)*	*0*		*0*	*(0)*	*(0)*
Transfers to S1	1	(0)	(1)	0	0	0		0	0	0
Transfers to S2	(87)	0	91	(0)	(4)	0		0	(0)	(0)
Transfers to S3	0	0	0	0	0	0		0	0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0		0	0	0
Contracts fully repaid or sold during the period	(50,827)	0	(1)	0	0	0	0	0	(50,828)	0
Impairment in value *(write-off)*					0	0	0	0	0	0
Variations linked to changes in exchange rates	(176)	0	(17)	13	(0)	(0)	(0)	0	(193)	13
Changes in the model used										0
Other movements	0	0	0	0	0	0	0	0	0	0
Balance as of 30/06/2023	**89,177**	**(2)**	**270**	**(64)**	**15**	**(15)**	**9**	**(9)**	**89,472**	**(90)**

4.5.2 Loans and receivables due from customers at amortized cost

(in millions of euros)	30/06/2023			31/12/2022		
	Unimpaired financial assets (1)	Impaired financial assets (2)	Total	Unimpaired financial assets (1)	Impaired financial assets (2)	Total
Reverse repurchase agreements	1,588		1,588	1,576		1,576
Current accounts overdrawn	1,528	36	1,563	2,286	47	2,333
Finance leases	45	3	48	39	3	41
Other loans and receivables due from customers	64,764	2,079	66,842	67,694	2,170	69,864
Security deposits paid	54		54	112		112
			0			
Value adjustments for credit losses	(219)	(947)	(1,166)	(290)	(960)	(1,250)
Total (3) (4) (5)	**67,759**	**1,170**	**68,929**	**71,416**	**1,260**	**72,676**

(1) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Bucket 1) or at maturity (Bucket 2):

(2) Impaired financial assets (Bucket 3) are assets for which a default event has been identified as defined in Article 178 of the EU Regulation of June 26, 2013 on regulatory requirements for banks, and by Regulation (EU) No. 2018/171 on the materiality level for outstanding arrears;

(3) At June 30, 2023, gross outstanding loans guaranteed by the State amounted to €689 million (€1,405.4 million at December 31, 2022);

(4) At June 30, 2023, Ukrainian exposures amounted to the equivalent of €70.7 million, provisioned to the equivalent of €24.2 million compared with the equivalent of €90.7 million, provisioned to the equivalent of €35.0 million at December 31, 2022;

(5) At June 30, 2023, Russian counterparties classified as non-performing outstandings amounted to €3.0 million (€146.9 million at December 31, 2022), with provisions of €0.9 million (€38.5 million at December 31, 2022). The other Russian counterparties classified as assets under watch (Stage 2) amounted to €802.3 million (€904.9 million at December 31, 2022) provisioned for €7.4 million (€10.0 million as of December 31, 2022).

The fair value of loans and receivables due from customers amounted to €71,858 million at June 30, 2023 compared to €75,276 million at December 31, 2022.

Reconciliation table for loans and receivables due from customers at amortized cost

(in millions of euros)	Loans and receivables due from customers at amortized cost									
	Unimpaired assets for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired assets for which expected credit losses are measured on a lifetime basis (S2 bucket)		Assets impaired after their origination/acquisition (S3 bucket)		Assets impaired on origination/acquisition		TOTAL	
	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses
Balance as of 01/01/2022	**55,405**	**(76)**	**12,844**	**(121)**	**2,527**	**(961)**	**657**	**(129)**	**71,433**	**(1,287)**
New originated or acquired contracts	18,073	(36)	652	(25)	0	0	206	0	18,931	(61)
Changes in contractual cash flows not giving rise to derecognition	0	0	0	0	0	0	0	0	0	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	(3,537)	4	(1,457)	(3)	(404)	5	28	(103)	(5,371)	(97)
Financial asset transfers	*(1,594)*	*1*	*1,596*	*(62)*	*(2)*	*(124)*		*(3)*	*0*	*(187)*
Transfers to S1	728	(3)	(720)	5	(8)	0		0	0	3
Transfers to S2	(2,010)	3	2,569	(72)	(559)	2		(1)	0	(68)
Transfers to S3	(312)	2	(253)	5	565	(126)		(2)	0	(122)
Transfer to non-current assets held for sale	0	0	0	0	0	0		0	0	0
Contracts fully repaid or sold during the period	(11,475)	17	(1,207)	19	(234)	57	(56)	3	(12,972)	96
Impairment in value *(write-off)*					(319)	318	(36)	34	(355)	352
Variations linked to changes in exchange rates	1,691	(2)	430	(3)	106	(55)	6	(2)	2,233	(61)
Changes in the model used		0		0		0		0		0
Other movements	53	0	(26)	0	(1)	(4)	0	0	26	(4)
Balance as of 31/12/2022	**58,616**	**(92)**	**12,833**	**(195)**	**1,672**	**(762)**	**806**	**(201)**	**73,926**	**(1,250)**
New originated or acquired contracts	7,244	(9)	126	(4)	0	0	6	0	7,375	(13)
Changes in contractual cash flows not giving rise to derecognition	0	0	0	0	0	0	0	0	0	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	(2,788)	12	(1,652)	39	(73)	(42)	(42)	(30)	(4,555)	(20)
Financial asset transfers	*416*	*3*	*(752)*	*10*	*335*	*(74)*		*(2)*	*(0)*	*(62)*
Transfers to S1	1,125	(1)	(1,118)	2	(7)	0		0	0	2
Transfers to S2	(676)	4	698	(6)	(22)	1		0	(0)	(1)
Transfers to S3	(33)	0	(331)	14	364	(75)		(2)	(0)	(63)
Transfer to non-current assets held for sale	0	0	0	0	0	0		0	0	0
Contracts fully repaid or sold during the period	(4,740)	7	(828)	10	(185)	34	(1)	1	(5,754)	52
Impairment in value *(write-off)*					(131)	117	0	0	(131)	117
Variations linked to changes in exchange rates	(695)	1	(127)	1	(17)	7	(4)	1	(843)	10
Changes in the model used		0		0		0		0		0
Other movements	22	(0)	54	(1)	1	1	0	2	77	2
Balance as of 30/06/2023	**58,075**	**(78)**	**9,654**	**(140)**	**1,603**	**(720)**	**764**	**(228)**	**70,096**	**(1,166)**

4.5.3 Debt securities at amortized cost

(in millions of euros)	30/06/2023			31/12/2022		
	Unimpaired financial assets (1)	Impaired financial assets (2)	Total	Unimpaired financial assets (1)	Impaired financial assets (2)	Total
Debt instruments	1,612	128	1,740	1,392	139	1,531
Value adjustments for credit losses	(1)	(95)	(96)	(0)	(96)	(97)
Total	**1,611**	**33**	**1,644**	**1,392**	**42**	**1,434**

(1) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Bucket 1) or at maturity (Bucket 2);

(2) Impaired financial assets (Bucket 3) are assets for which a default event has been identified as defined in Article 178 of the EU Regulation of June 26, 2013 on regulatory requirements for banks, and by Regulation (EU) No. 2018/171 on the materiality level for outstanding arrears.

The fair value of debt securities at amortized cost stood at €1,645 million at June 30, 2023 compared to €1,435 million at December 31, 2022.

Reconciliation table for debt securities at amortized cost

(in millions of euros)	Debt securities at amortized cost									
	Unimpaired assets for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired assets for which expected credit losses are measured on a lifetime basis (S2 bucket)		Assets impaired after their origination/acquisition (S3 bucket)		Assets impaired on origination/acquisition		TOTAL	
	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses	Gross carrying amount	Value adjustment for credit losses
Balance as of 01/01/2022	**1,144**	**(4)**	**93**	**(2)**	**81**	**(81)**	**52**	**(7)**	**1,370**	**(94)**
New originated or acquired contracts	346	(0)							346	(0)
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters (excluding transfers)	(158)	0	(24)	2	7	(7)	8	(2)	(167)	(6)
Financial asset transfers	*4*		*(4)*							
Transfers to S1	*7*		*(7)*							
Transfers to S2	*(3)*		*3*							
Transfers to S3										
Contracts fully repaid or sold during the period	(82)	4	(5)	0	0		(10)		(97)	4
Impairment in value (write-off)										
Variations linked to changes in exchange rates	75	(0)	4	(0)	0	(0)	1	0	80	(0)
Changes in the model used										
IFRS 5 – Entities held for sale										
Other movements										
Balance as of 31/12/2022	**1,329**	**(0)**	**63**	**(0)**	**88**	**(88)**	**51**	**(8)**	**1,531**	**(97)**
New originated or acquired contracts	334	(0)							334	(0)
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters (excluding transfers)	292	(0)	(9)	0	0	0	(11)	1	272	1
Financial asset transfers										
Transfers to S1										
Transfers to S2										
Transfers to S3										
Contracts fully repaid or sold during the period	(375)								(375)	
Impairment in value (write-off)										
Variations linked to changes in exchange rates	(21)	0	(1)	0	0	(0)	0	0	(22)	(0)
Changes in the model used										
IFRS 5 – Entities held for sale										
Other movements		0								0
Balance as of 30/06/2023	**1,559**	**0**	**53**	**0**	**88**	**(88)**	**40**	**(7)**	**1,740**	**(96)**

4.6 Due to banks and customer deposits

Amounts due to banks and customer deposits are presented by type of deposit (demand or term deposits). They are measured in accordance with IFRS 9 within other financial liabilities using the amortized cost method.

4.6.1 Due to banks

(in millions of euros)	30/06/2023	31/12/2022
Current accounts	3,875	5,713
Deposits and loans	99,028	96,109
Repurchase agreements	2,242	1,617
Security deposits received	53	108
Other debts	4,709	4,701
Total	**109,907**	**108,249**

The fair value of debts due to banks amounted to €109,878 million at June 30, 2023 compared to €108,260 million at December 31, 2022.

4.6.2 Customer deposits

(in millions of euros)	30/06/2023	31/12/2022
Current accounts	31,543	29,454
Deposits and loans	6,689	6,018
Repurchase agreements	193	130
Special savings accounts	253	254
Other debts	1,667	726
Accrued interest	162	83
Total	**40,508**	**36,664**

The fair value of customer deposits was €40,504 million at June 30, 2023 compared to €36,657 million at December 31, 2022.

4.7 Debt securities

Debt securities (interest-bearing notes, interbank market securities, etc.) are broken down by type of security, excluding subordinated securities which are included within "Subordinated debt".

(in millions of euros)	30/06/2023	31/12/2022
Marketable debt instruments	41,684	43,673
Bonds	1,562	1,642
Other debt securities	614	677
Total	**43,860**	**45,992**

The fair value of debt securities stood at €43,771 million at June 30, 2023 compared to €45,888 million at December 31, 2022.

4.8 Subordinated debt

Subordinated debt differs from advances and bonds issued in that it is repaid after all senior and unsecured creditors, but before the repayment of participating loans and securities and deeply subordinated securities. Subordinated debt is valued at amortized cost.

(in millions of euros)	30/06/2023	31/12/2022
Dated subordinated debt (1)	2,968	2,968
Perpetual subordinated debt	45	45
Accrued interest	15	10
Total	**3,028**	**3,023**

The main characteristics of the issues of subordinated notes are given on the Natixis website (*www.natixis.groupebpce.com*).

(1) Subordinated debt issuance agreements do not incorporate a clause providing for early redemption in the event that the covenants are not observed.

The fair value of subordinated debt stood at €2,959 million at June 30, 2023 compared with €2,975 million at December 31, 2022.

Change in subordinated debt during the first half of 2023

(in millions of euros)	31/12/2022	Issues	Redemptions	Translation adjustments	Changes in scope	Other [1]	30/06/2023
Other dated subordinated debt	**2,968**	**300**	**(300)**			**1**	**2,969**
Subordinated notes	118					1	119
Subordinated loans	2,850	300	(300)				2,850
Other undated subordinated debt	**45**		**(1)**				**44**
Deeply subordinated notes							
Subordinated notes	45		(1)				44
Subordinated loans							
Total	**3,013**	**300**	**(301)**			**1**	**3,013**

This table does not include accrued interest;
(1) Other changes mainly concern the revaluation of hedged debts.

Change in subordinated debt over the 2022 fiscal year

(in millions of euros)	31/12/2021	Issues	Redemptions	Translation adjustments	Changes in scope	Other [1]	31/12/2022
Other dated subordinated debt	**4,018**		**(1,020)**			**(31)**	**2,968**
Subordinated notes	168		(20)			(31)	118
Subordinated loans	3,850		(1,000)				2,850
Other undated subordinated debt	**45**						**45**
Deeply subordinated notes							
Subordinated notes	45						45
Subordinated loans							
Total	**4,063**		**(1,020)**			**(31)**	**3,013**

This table does not include accrued interest;
(1) Other changes mainly concern the revaluation of hedged debts.

4.9 Accrual accounts, other assets and liabilities

This heading corresponds to accrual accounts and liabilities of technical accounts, details of which are given below:

ASSETS

(in millions of euros)	30/06/2023	31/12/2022
Accrual accounts	2,929	1,853
Securities settlement accounts	17	12
Other items and miscellaneous assets	217	163
Security deposits paid	275	228
Other miscellaneous debtors	2,633	2,770
Other assets	233	215
Total	**6,304**	**5,241**

LIABILITIES

(in millions of euros)	30/06/2023	31/12/2022
Accrual accounts	4,946	3,472
Miscellaneous creditors	526	430
Securities settlement accounts	23	28
Lease liabilities	696	847
Miscellaneous liabilities	1,605	1,998
Total	**7,796**	**6,776**

4.10 Goodwill

At June 30, 2023

(in millions of euros)	01/01/2023	30/06/2023						
	Opening balance	Acquisitions during the period	Transfers [2]	Impairment	Translation adjustments	Reclassifications	Other movements	Closing balance
Asset & Wealth Management [1]	3,350		(2)		(35)		3	3,316
Corporate & Investment Banking [1]	147				(1)			146
Total	**3,496**	**0**	**(2)**	**0**	**(36)**	**0**	**3**	**3,461**

(1) Certain goodwill recorded for the United States gives rise to a tax amortization over 15 years due to the difference between the carrying amount of the goodwill and its tax value. This difference in treatment generated a deferred tax liability of €361 million at June 30, 2023;
(2) Additional reallocation of goodwill for -€1.6 million in the first half of 2023 following the disposal of AlphaSimplex Group (ASG) of the Asset Management business line, treated under IFRS 5 as of December 31, 2022.

At December 31, 2022

(in millions of euros)	01/01/2022	31/12/2022							
	Opening balance	Acquisitions during the period [2]	Transfers	Impairment	Translation adjustments	Transfers to "Assets held for sale" [3]	Reclassifications	Other movements	Closing balance
Asset & Wealth Management [1]	3,297	27			91	(48)		(18)	3,350
Corporate & Investment Banking [1]	143				3				147
Total	**3,440**	**27**	**0**	**0**	**95**	**(48)**	**0**	**(18)**	**3,496**

(1) Certain goodwill recorded for the United States gives rise to a tax amortization over 15 years due to the difference between the carrying amount of the goodwill and its tax value. This difference in treatment generated a deferred tax liability of €373.2 million as of December 31, 2022;
(2) Recognition of goodwill of +€27.2 million in the second quarter of 2022 in connection with the acquisition of 100% of SunFunder by Mirova within the Asset Management business line;
(3) Reclassification under "Assets held for sale" of goodwill for AlphaSimplex Group (ASG) in the Asset Management division of -€47.9 million taking into account the ongoing disposal of this affiliate.

4.11 Provisions and impairment

The table below does not include value adjustments for credit losses of financial assets measured at amortized cost *(see Note 4.5)* and at fair value through other comprehensive income (see *Note 4.3).*

At June 30, 2023

(in millions of euros)	01/01/2023	Increase	Reversal (utilized provisions)	Reversal (surplus provisions)	Translation adjustments	Others	30/06/2023
Counterparty risks	**732**	**237**	**(133)**	**(202)**	**(9)**	**(0)**	**625**
Financing and guarantee commitments	198	227	0	(200)	(0)	(0)	224
Litigation [1]	532	1	(133)	(1)	(9)	0	391
Other provisions	2	9	(0)	(2)	(0)	0	9
Impairment risks	**3**	**0**	**(2)**	**0**	**0**	**0**	**2**
Long-term investments	3	0	(2)	0	0	0	1
Real estate developments	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0
Employee benefit obligations	**423**	**58**	**(53)**	**(1)**	**(3)**	**(0)**	**424**
Operational risks	**175**	**17**	**(25)**	**(2)**	**0**	**(0)**	**165**
Total Contingency reserves	**1,333**	**312**	**(212)**	**(206)**	**(11)**	**(0)**	**1,216**

(1) Of which €332.3 million of provisions at June 30, 2023 for the Madoff fraud exposure (see *Section [3.2.10] of Chapter [3] "Risk factors, risk management and Pillar III").*

At December 31, 2022

(in millions of euros)	01/01/2022	Increase	Reversal (utilized provisions)	Reversal (surplus provisions)	Translation adjustments	Others	31/12/2022
Counterparty risks	**718**	**426**	**(13)**	**(441)**	**37**	**4**	**732**
Financing and guarantee commitments	205	419	0	(430)	3	0	198
Litigation [1]	509	0	(8)	(2)	34	0	532
Other provisions	3	7	(4)	(9)	0	4	2
Impairment risks	**148**	**0**	**(141)**	**0**	**0**	**(4)**	**3**
Long-term investments	148	0	(141)	0	0	(4)	3
Real estate developments	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0
Employee benefit obligations	**532**	**126**	**(169)**	**(21)**	**1**	**(45)**	**423**
Operational risks	**182**	**47**	**(52)**	**(4)**	**3**	**(1)**	**175**
Total Contingency reserves	**1,580**	**599**	**(375)**	**(467)**	**42**	**(46)**	**1,333**

(1) Of which €339.7 million in provisions at December 31, 2022 in respect of the Madoff fraud exposure (see *Section [3.2.10] of Chapter [3] "Risk factors, risk management and Pillar III" of the 2022 universal registration document).*

4.12 Financial instruments subject to the index reform

The table below shows the financial instruments by index to be transitioned as part of the index reform. The data presented are taken from the ALM management databases and concern financial instruments with maturities exceeding June 30, 2023 for USD LIBOR and SOR, June 28, 2024 for CDOR and December 31, 2024 for SIBOR. The following conventions have been taken into account:

- financial assets and liabilities excluding derivatives are presented on the basis of their par value (outstanding capital), excluding provisions, with the exception of fixed-rate securities (excluding issues) which have been deferred, including valuation;
- derivatives are presented on the basis of their notional value at June 30, 2023;
- repurchase agreements are broken down before accounting offsetting;
- for derivatives comprising a borrowing leg and a lending leg, each exposed to a benchmark rate, the two legs have been reported in the notes to the financial statements to effectively reflect Natixis' exposure to the benchmark rates on these two legs.

(in millions of euros)	Replacement RFR	Financial assets	Financial liabilities	Derivatives (notional)
LIBOR – London Interbank Offered Rate – USD	Secured Overnight Financing Rate (SOFR)	7,806	1,807	273,700
SOR - Swap Offer Rate	SORA - Singapore Overnight Rate Average	94	10	1026
SIBOR - Singapore Interbank Offered Rate	SORA - Singapore Overnight Rate Average	0	0	0
CDOR - Canadian Dollar Offered Rate	Canadian Overnight Repo Rate Average (CORRA)	245	0	1343
Total		8,145	1,817	276,068

NOTE 5 COMMITMENTS

5.1 Guarantee commitments

A financial guarantee is a contract that requires the issuer to compensate the holder of the contract following any losses that the holder incurs because a debtor fails to make payment when due. The exercise of these rights is subject to the occurrence of an uncertain future event.
The amounts shown represent the par value of the commitment undertaken:

(in millions of euros)	30/06/2023	31/12/2022
Guarantee commitments given		
To banks	**5,076**	**5,552**
Confirmation of documentary credits	2,043	2,265
Other guarantees	3,033	3,287
To customers	**24,764**	**26,570**
Real estate guarantees	156	161
Administrative and tax bonds	910	1,163
Other bonds and endorsements given	611	488
Other guarantees	23,087	24,757
TOTAL GUARANTEE COMMITMENTS GIVEN	**29,840**	**32,122**
Guarantee commitments received from banks	**23,463**	**34,738**

Guarantee commitments reconciliation table

(in millions of euros)	Guarantee commitments									
	Unimpaired commitments for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired commitments for which expected credit losses are measured on a lifetime basis (S2 bucket)		Commitments impaired after their origination/acquisition (S3 bucket)		Commitments impaired on origination/acquisition		TOTAL	
	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses
Balance as of 01/01/2022	**23,378**	**(6)**	**4,297**	**(10)**	**404**	**(33)**	**78**	**(6)**	**28,157**	**(55)**
New OBS commitments originated or purchased	20,389	(8)	1,006	(4)			1	0	21,396	(12)
Variations linked to changes in credit risk parameters (excluding transfers)	(4,006)	0	(781)	1	8	(3)	1	6	(4,778)	4
Transfers of guarantee commitments	(314)	0	339	(1)	(26)	0	0	(2)	0	(3)
Transfers to S1	*517*	*0*	*(500)*	*2*	*(17)*	*0*	*0*		*0*	*1*
Transfers to S2	*(779)*		*839*	*(3)*	*(61)*	*0*	*0*	*(2)*	*0*	*(4)*
Transfers to S3	*(52)*	*0*	*0*	*0*	*52*		*0*		*0*	*0*
Fully sold, called or matured commitments	(12,432)	3	(1,262)	5	(151)	18	(1)	0	(13,846)	26
Variations linked to changes in exchange rates	973	0	202	(1)	19	0	0	0	1,194	(1)
Changes in the model used										
Other movements	13	1	(9)	0	(5)	1	0	0	(1)	1
Balance as of 31/12/2022	**28,002**	**(10)**	**3,793**	**(10)**	**249**	**(17)**	**79**	**(2)**	**32,122**	**(39)**
New OBS commitments originated or purchased	7,560	(2)	322	(1)			1	0	7,883	(3)
Variations linked to changes in credit risk parameters (excluding transfers)	(2,835)	1	(299)	3	(164)	11	45	(4)	(3,252)	11
Transfers of guarantee commitments	87	0	(75)	(2)	(13)	0	0	0	(1)	(2)
Transfers to S1	*432*	*0*	*(420)*	*0*	*(13)*	*0*	*0*	*0*	*(1)*	*0*
Transfers to S2	*(345)*	*0*	*348*	*(2)*	*(3)*	*0*	*0*	*0*	*0*	*(2)*
Transfers to S3	*0*	*0*	*(3)*	*0*	*3*	*0*	*0*	*0*	*0*	*0*
Fully sold, called or matured commitments	(5,930)	1	(633)	1	(3)	0	(5)	0	(6,571)	3
Variations linked to changes in exchange rates	(327)	0	(50)	0	(3)	0	0	0	(380)	0
Changes in the model used		0		0		0		0		0
Other movements	45	0	(6)	0	1	(1)	0	0	39	(1)
Balance as of 30/06/2023	**26,601**	**(10)**	**3,052**	**(9)**	**66**	**(7)**	**120**	**(6)**	**29,840**	**(31)**

5.2 Financing commitments

(in millions of euros)	30/06/2023	31/12/2022
Financing commitments given		
To banks	**9,637**	**1,812**
To customers	**62,001**	**62,061**
- Opening of documentary credits	2,402	2,480
- Other confirmed lines of credit	59,170	58,869
- Other commitments	429	712
Total financing commitments given	**71,638**	**63,873**
Financing commitments received		
- from banks	12,827	2,528
- from customers	174	21
Total financing commitments received	**13,001**	**2,549**

The following financing commitments fall within the scope of IFRS 9:

- commitments qualified as financial liabilities at fair value through profit or loss if the entity that grants them has a practice of reselling or securitizing loans immediately after they are issued;
- commitments which are settled net (i.e. sold);
- commitments which result in a loan granted at below-market interest rates.

Other financing commitments falling within the scope of IAS 37

A financing commitment given is a contingent liability, defined by IAS 37 as:

- a potential obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;
- or
- a present obligation arising as a result of past events but not recognized because:
  - it is not likely that an outflow of economic benefits will be required to settle the obligation, or
    - or
  - the amount of the obligation cannot be measured with sufficient reliability.

Financing commitments reconciliation table

(in millions of euros)	Financing commitments									
	Unimpaired commitments for which expected credit losses are measured over 12 months (S1 bucket)		Unimpaired commitments for which expected credit losses are measured on a lifetime basis (S2 bucket)		Commitments impaired after their origination/acquisition (S3 bucket)		Commitments impaired on origination/acquisition		TOTAL	
	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses	Gross exposure	Provisions for losses
Balance as of 01/01/2022	**56,754**	**(37)**	**5,746**	**(111)**	**66**	**(2)**	**224**	**0**	**62,790**	**(150)**
New OBS commitments originated or purchased	19,198	(13)	282	(2)			9	0	19,490	(14)
Variations linked to changes in credit risk parameters (excluding transfers)	11,962	2	(1,394)	11	196	2	(1)	(3)	10,681	12
Transfers of financing commitments	(134)	0	127	0	(74)	(1)	0	(15)	0	(15)
Transfers to S1	*1,054*	*(2)*	*(1,053)*	*8*	*(81)*	*0*			*0*	*7*
Transfers to S2	*(1,188)*	*2*	*1,192*	*(9)*	*(5)*	*0*		*(15)*	*0*	*(22)*
Transfers to S3			*(12)*	*1*	*12*	*(1)*				
Fully sold, called or matured commitments	(30,099)	7	(655)	2	(10)	0	(19)	0	(30,782)	13
Variations linked to changes in exchange rates	1,328	(1)	206	(1)	4	0	0	0	1,537	(2)
Changes in the model used										
Other movements	155	0	1	(1)	0	0	0	0	157	(1)
Balance as of 31/12/2022	**59,164**	**(41)**	**4,313**	**(101)**	**182**	**(1)**	**214**	**(15)**	**63,873**	**(159)**
New OBS commitments originated or purchased	20,439	(5)	381	(1)	0	0	5	0	20,826	(6)
Variations linked to changes in credit risk parameters (excluding transfers)	(3,947)	4	(447)	(28)	1	(6)	45	9	(4,348)	(21)
Transfers of financing commitments	333	1	(220)	(12)	(113)	(2)			0	(13)
Transfers to S1	*998*	*(1)*	*(996)*	*3*	*(2)*	*0*			*0*	*2*
Transfers to S2	*(665)*	*2*	*799*	*(16)*	*(134)*	*0*			*0*	*(14)*
Transfers to S3	*0*	*0*	*(23)*	*1*	*23*	*(2)*			*0*	*(1)*
Fully sold, called or matured commitments	(7,653)	2	(418)	0	0	0	(3)	0	(8,075)	3
Variations linked to changes in exchange rates	(432)	1	(43)	0	(3)	0	0	0	(477)	1
Changes in the model used										0
Other movements	(160)	0	(1)	0	0	0	0	0	(162)	0
Balance as of 30/06/2023	**67,746**	**(38)**	**3,565**	**(140)**	**66**	**(10)**	**262**	**(6)**	**71,638**	**(194)**

NOTE 6 SEGMENT REPORTING

In July 2021, Groupe BPCE presented its new strategic plan, “BPCE 2024”. This development plan is based on **three strategic priorities** (Winning Spirit, Client, Climate) and three key principles (Simple, Innovative, Secure), and contains **ambitious targets** for the Retail Banking and Insurance and Global Financial Services **business lines**. Natixis’ business lines are fully in line with this strategic plan.

Natixis is now organized around the following business lines:

- **Asset & Wealth Management**, which includes the Asset Management business line of Natixis Investment Managers (including employee savings schemes) and the Wealth Management business line;

- **Corporate & Investment Banking,** which advises businesses, institutional investors, insurance companies, banks and public sector entities and offers them a diversified line of financing solutions as well as access to Capital Markets. Its duties are threefold: to strengthen the bank’s client focus, to serve as a meeting place between issuers and investors and to roll out the “Originate to Distribute” model to optimize the rotation of the bank’s balance sheet via active management of the loan book.

These two activities form the global business lines of Groupe BPCE, grouped within Global Financial Services.

The activities of Private Equity (a proprietary activity managed in run-off mode, and portion of sponsored funds) and Natixis Algérie, which are still considered non-strategic, are part of the Corporate Center, the same as the central financial mechanisms.

Based on this organizational structure, Senior Management monitors businesses’ performance over the period, it draws up business plans and manages operations. In accordance with IFRS 8 “Operating segments”, this is the segmentation used by Natixis to define its operating segments.

6.1 Asset & Wealth Management

- **Asset Management:** asset management activities are brought together within Natixis Investment Managers. They cover all asset classes and are carried out mainly in the US and France. These activities are performed by autonomous entities (specialized management companies and specialized distribution units) coordinated by a holding company that ensures the organization’s consistency by overseeing its strategic direction. These companies are thus able to focus on their core business and on achieving robust performance, while retaining the option of developing their own institutional clientele and drawing on the business line’s other support functions, based on appropriate economic models. Many of these Asset Management companies are well-known, such as Loomis Sayles, Harris Associates, AEW, Mirova, DNCA and Ostrum Asset Management (which joined La Banque Postale Asset Management’s fixed income and insurance-related activities at the end-2020).

  Together, these specialized asset management companies enable the Group to provide a comprehensive range of expertise meeting demand from all customer segments. Coverage of the various customer segments is optimized by the organization of distribution around a shared platform and the business franchises developed over the long term by the Asset Management companies. Since the beginning of 2014, the Private Equity managed on behalf of third parties has reported to Natixis Investment Managers. The teams have extensive expertise in equity financing for generally unlisted, small and medium-sized enterprises in France and Europe via sponsored equity holdings.

- **Wealth Management:** this business line covers Wealth Management activities in France and Luxembourg and Asset Management. Natixis Wealth Management holds a key place on the French market. The bank offers clients who are business owners, senior executives or those holding family capital, Wealth Management and financial solutions to support them over the long term. It offers advisory services, financial planning and expertise, and mutual fund unit management solutions.

6.2 Corporate & Investment Banking

Corporate & Investment Banking (Natixis CIB) serves corporate clients, institutional investors, financial sponsors, public sector entities and the Groupe BPCE networks. It advises them and develops innovative tailor-made solutions to support their strategy by drawing on the full range of its expertise in consultancy, investment banking, financing, commercial banking and on the capital markets.

Numerous impact financing initiatives have been carried out by Natixis CIB, which has strengthened its position there by being at the forefront of innovation with many French and international clients.

Corporate & Investment Banking's areas of expertise are:

- **Capital Markets:** a wide range of diversified, standard and bespoke products and solutions on the fixed income, credit, forex, commodities and equities markets;

- **Financing:** origination, arrangement and syndication of real assets, vanilla and structured financing, as well as portfolio management for all financing under an originate-to-distribute (O2D) model;

- **Global Trade:** cash management, trade finance, export finance and commodity trade solutions;

- **Investment Banking:** acquisition & strategic finance, financing on the primary markets for bonds and equities, financial engineering applied to holdings, and financial structure and rating advisory services;

- **Mergers & Acquisitions**: preparation and execution of disposals and mergers, fund-raising, restructuring and capital protection**.**

These areas of expertise are adapted locally across the following three international platforms:

- North and South America;
- Asia-Pacific;
- EMEA (Europe, the Middle East and Africa).

Two cross-functional teams provide vital support to the business lines, with the aim of informing the investment and hedging decisions of Natixis CIB clients by providing key information and in-depth analyses on all asset classes:

- The Green & Sustainable Hub for ecological and social topics;
- Research for major macro-economic trends, market movements and geopolitical developments.

6.3 Corporate Center

In addition to these operational divisions, there are Corporate Center activities, which primarily include central financial mechanisms and revenues and costs related to Natixis' asset and liability management.

It also includes the net income of the bank's portfolio of investments that do not fall within a division, the results of proprietary private equity activities (managed in run-off mode), the net income of Natixis Algérie, net income related to the IT service provided by Natixis to Bpifrance Assurance Export, following the transfer to the latter on January 1, 2023, institutional activities on behalf of the French State and the subsidiary Agency, expenses relating to the contribution to the Single Resolution Fund as well as the residual net income from discontinued operations.

6.4 Segment reporting

At June 30, 2023

(in millions of euros)	30/06/2023			
	Asset & Wealth Management	Corporate & Investment Banking	Corporate Center	Total
Net banking income	**1,560**	**2,005**	**144**	**3,709**
change 2022/2023 (1)	-4%	6%	28%	2%
Expenses	**(1,276)**	**(1,275)**	**(277)**	**(2,828)**
change 2022/2023 (1)	-1%	6%	-17%	-1%
Gross operating income	**284**	**730**	**(133)**	**881**
change 2022/2023 (1)	-17%	8%	-67%	12%
Cost of risk	**5**	**(69)**	**(58)**	**(122)**
change 2022/2023 (1)	113%	-143%	95%	-40%
Net operating income	**288**	**661**	**(190)**	**759**
change 2022/2023 (1)	-15%	23%	-18%	21%
Associates	**0**	**6**	**0**	**7**
change 2022/2023 (1)	-9%	7%		7%
Others	**38**	**(0)**	**4**	**42**
change 2022/2023 (1)	71%			30%
Income before tax	**326**	**668**	**(186)**	**808**
change 2022/2023 (1)	-5%	23%	-11%	21%
Net income (Group share)	**223**	**489**	**(227)**	**486**
change 2022/2023 (1)	-4%	22%		

This information is determined based on the accounting principles applied in accordance with IFRS as adopted by the European Union at June 30, 2023;

(1) Reported change between June 30, 2023 and June 30, 2022.

Breakdown of Net banking income

(in millions of euros)	**Net banking income**	*change 2022/2023*
Asset & Wealth Management	**1,560**	**-4%**
Asset Management	1,466	**-5%**
Wealth Management	94	**7%**
Corporate & Investment Banking	**2,005**	**7%**
Capital Markets	967	**8%**
Global Finance & Investment Banking	957	**-4%**
Others	81	
Corporate Center	**144**	**39%**
Total	**3,709**	**2%**

At June 30, 2022 (reported)

(in millions of euros)	30/06/2022					
	Asset & Wealth Management	Corporate & Investment Banking	Corporate Center	Total	Residual item from discontinued operations	Total reported
Net banking income	**1,625**	**1,877**	**104**	**3,607**	**37**	**3,644**
change 2021/2022 (1)	3%	5%	48%	5%		6%
Expenses	**(1,294)**	**(1,202)**	**(326)**	**(2,822)**	**(48)**	**(2,870)**
change 2021/2022 (1)	9%	3%	2%	6%		8%
Gross operating income	**331**	**675**	**(221)**	**785**	**(11)**	**773**
change 2021/2022 (1)	-17%	9%	-11%	2%		1%
Cost of risk	**(1)**	**(167)**	**(3)**	**(171)**		**(171)**
change 2021/2022 (1)	-65%	54%	-59%	46%		46%
Net operating income	**330**	**508**	**(224)**	**614**	**(11)**	**603**
change 2021/2022 (1)	-17%	0%	-13%	-5%		-7%
Associates	**0**	**6**	**(0)**	**6**		**6**
change 2021/2022 (1)	-65%	7%		0%		0%
Others	**11**	**(0)**	**18**	**30**		**30**
change 2021/2022 (1)		88%	53%	190%		
Income before tax	**342**	**514**	**(206)**	**650**	**(11)**	**638**
change 2021/2022 (1)	-13%	0%	-16%	-2%		-4%
Net income (Group share) (2)	**232**	**379**	**781**	**1,392**	**(8)**	**1,383**
change 2021/2022 (1)	-14%	0%				

This information was determined based on the accounting principles applied in accordance with IFRS as adopted by the European Union as of June 30, 2022;

(1) Restated change between June 30, 2022 and June 30, 2021.

(2) Net income (Group share) at June 30, 2022 included the €985.3 million capital gain (loss) on disposal of entities related to the Insurance and Payments business lines.

Breakdown of Net banking income

(in millions of euros)	**Net banking income**	*change 2021/2022*
Asset & Wealth Management	**1,625**	**3%**
Asset Management	1,537	**0%**
Wealth Management	88	**2%**
Corporate & Investment Banking	**1,877**	**5%**
Capital Markets	893	**10%**
Global Finance & Investment Banking	993	**3%**
Others	(9)	
Corporate Center	**104**	**48%**
Residual item from discontinued operations	**37**	
Total	**3,644**	**6%**

NOTE 7 RISK MANAGEMENT

7.1 Capital management and capital adequacy

Natixis' main objectives in terms of capital management are to ensure compliance with regulatory capital and solvency requirements. The capital steering framework adapts all processes with the aim of meeting the requirements of the supervisory authorities, shareholders and investors, in particular:

- continuously maintaining the targets set in terms of capital adequacy;
- the development of the Natixis internal capital adequacy assessment process (ICAAP);
- projecting/forecasting capital requirements specific to business lines, within the framework of Natixis' overall capital adequacy policy;
- anticipating regulatory changes and their impact on Natixis' various business lines;
- a mechanism for analyzing the capital consumption of the business lines and their profitability;
- allocation of capital to business lines as part of the strategic plan and annual budget.

Regulatory framework:

Since January 1, 2014, Natixis has applied the Basel 3 regulations implemented in the European Union through the CRD IV Directive and the CRR Regulation. These regulations are based on three pillars:

- Pillar I: a set of rules defining the measurement of risks and capital based on various possible methodologies and minimum observable requirements;
- Pillar II: framework governing the role of the supervisory authorities. For each supervised institution, the competent authorities may define additional capital requirements according to the risk exposure, and internal governance and steering framework;
- Pillar III: requires institutions to disclose a large number of items highlighting the level of risks incurred, capital adequacy and the adequacy of their management.

The CRR/CRD IV package aims to strengthen the financial soundness of banking institutions, notably by proposing:

- a stricter definition of the capital items eligible to meet regulatory capital requirements;
- reinforced regulatory capital requirements, in particular for counterparty risk on derivatives;
- higher ratios to observe, specifically regarding CET1 capital and capital buffers:
  - a capital conservation buffer, which represents 2.5% of total weighted risk exposures,
  - a countercyclical capital buffer, i.e. the average of the countercyclical capital buffer of each country in which Natixis holds risk exposures, weighted by the amount of said exposures. Since the second half of 2022 and especially from 2023, the national macroprudential authorities in many countries have increased their countercyclical buffer rate. In France, the rate applied was zero since the second quarter of 2020, but the HCSF decided to raise the rate to 0.5% from April 7, 2023 and then to 1% from January 2, 2024,
  - buffer for systemically important institutions: additional requirement for large institutions (G-SIBs/O-SIB), it aims to reduce their risk of bankruptcy. Natixis is not subject to this buffer,
  - systemic risk buffer: its objective is to limit long-term non-cyclical systemic or macroprudential risks. It can be applied to all of the institution's exposures or to sectoral exposures. It is currently at 0%;
- in addition, other mechanisms have been introduced, including mechanisms to limit dividend payouts, interest on Additional Tier One (AT1) subordinated debt and variable compensation (Maximum Distributable Amount, or MDA).

Information on capital management and capital adequacy is presented in Section [3.3.1] of Chapter 3 "Capital management and capital adequacy".

7.2 Credit risk and counterparty risk

The information on the risk management of credit and counterparty risks required by IFRS 7 is presented in Section [3.2.4] of Chapter [3], "Risk factors, risk management and Pillar III".

7.3 Market risk, overall interest rate risk, liquidity risk and structural foreign exchange risk

The information required by IFRS 7 on the management of market risks is presented in Section [3.2.6] of Chapter [3] “Risk factors, risk management and Pillar III”, and the information on overall interest rate risks, liquidity risks and structural foreign exchange risks is presented in Section [3.2.8] of Chapter [3] “Risk factors, risk management and Pillar III”.

NOTE 8 OTHER INFORMATION

8.1 Equity instruments issued

Share capital

Ordinary shares	Number of shares	Par value	Capital in euros
Opening balance	3,684,053,471	1.60	5,894,485,554
Capital increase	-	-	-
Closing balance	**3,684,053,471**		**5,894,485,554**

At June 30, 2023, there were 47,068 Treasury shares, compared to 2,461,581 shares at December 31, 2022.
Free shares granted to certain Natixis employees were allocated in the first half of 2023 by use of the portfolio of treasury shares.

8.2 Other shareholders' equity instruments issued

Perpetual deeply subordinated notes and preference shares

In accordance with IAS 32, issued financial instruments are classified as debt or equity depending on whether or not they incorporate a contractual obligation to deliver cash to the holder.

Since December 31, 2009, issues of perpetual deeply subordinated notes and preference shares have been recognized as equity instruments issued in accordance with a clause concerning dividend payments which has become discretionary and have been booked to "Consolidated reserves" in the consolidated balance sheet.
The conversion of these debt instruments into equity instruments had generated a gain of €418 million recognized in income on June 30, 2009.
Issues after June 30, 2009 were always classified as shareholders' equity given the discretionary nature of their compensation.

Deeply subordinated notes amounted to €2,181.1 million at June 30, 2023 (no change compared to December 31, 2022).

Note that the gross amount of exchange rate fluctuations in deeply subordinated notes denominated in foreign currencies recorded in net income at June 30, 2023 amounted to -€38.7 million, or -€28.7 million net after tax, compared with +€148.3 million as of June 30, 2022, or +€110 million net after tax.

The main characteristics of the undated deeply subordinated notes are available on the Natixis website (*www.natixis.groupebpce.com*).

8.3 IFRIC 21

IFRIC 21 "Levies", applicable since January 1, 2015, aims to clarify the date to be used for the recognition of levies in the financial statements. This interpretation entails:

- for levies for which the obligating event that triggers payment occurs on January 1, recognition of a provision in full from the first quarter, whereas they were previously staggered across quarters. The levies concerned are mainly local authority levies and contributions to the Single Resolution Fund;
  Note that the banking tax on systemic risk (TSB), which was repealed on January 1, 2019 (Article 26 of the 2014 Amending Finance Act No. 2014-1655 of December 29, 2014), had been fully recognized in income at June 30, 2018;
- for revenue-based levies due during the following fiscal year, the recognition of all levies as of January 1 of the fiscal year in which the levies are payable, whereas they were previously recognized in proportion to the revenue for the period. The main levy concerned is the social solidarity contribution of companies.

At June 30, 2023, the difference in treatment amounted to net income (Group share) of €87.1 million compared to €111.9 million at June 30, 2022.

8.4 Related parties

8.4.1 Relations between the Group's consolidated companies

Natixis' main transactions with related parties (BPCE and its subsidiaries, the Banques Populaires, the Caisses d'Epargne and all investments accounted for using the equity method) are detailed below:

(in millions of euros)	30/06/2023					31/12/2022				
	BPCE (1)	Insurance division	Financial Solutions & Expertise division (2)	Banques Populaires	Caisses d'Epargne	BPCE (1)	Insurance division	Financial Solutions & Expertise division (2)	Banques Populaires	Caisses d'Epargne
ASSETS										
Financial assets at fair value through profit or loss	19,414	188	535	4,027	5,779	14,288	192	486	5,495	6,336
Financial assets at fair value through other comprehensive income										
Debt instruments at amortized cost	0				0					0
Loans and receivables due from banks and similar items at amortized cost	36,213		2,329	14,073	30,635	23,725		2,472	19,111	22,805
Loans and receivables due from customers at amortized cost	197	26	49	60		168	37	11	60	
Insurance business investments										
Non-current assets held for sale										
LIABILITIES										
Financial liabilities at fair value through profit or loss	9,225	3,184	589	3,505	4,297	8,741	2,847	617	3,819	4,613
Deposits and loans due to banks and similar items	39,556	538	161	13,878	30,616	43,526		430	18,918	22,831
Customer deposits and loans	313	116	56	46	1	643	210	71	48	0
Debt securities	276	40				281	70			
Subordinated debt	2,870					2,866				
Liabilities related to insurance contracts										
Liabilities on assets held for sale										
Shareholders' equity	2,181					2,181				
COMMITMENTS										
Commitments given	9,773	2	9	108	370	1,514	2	0	0	349
Commitments received	27,917	4	6,591	65	667	28,127	101	7,986	68	642

Relations with associates and joint ventures are not material.

(1) Corresponds to BPCE S.A. and its subsidiaries with the exception of the Insurance, Factoring, Consumer Financing, Leasing and Financial Surety & Guarantee entities;

(2) Corresponds to Factoring, Consumer Financing, Leasing and Financial Surety & Guarantee entities.

(in millions of euros)	30/06/2023					31/12/2022				
	BPCE (1)	Insurance division	Financial Solutions & Expertise division (2)	Banques Populaires	Caisses d'Epargne	BPCE (1)	Insurance division	Financial Solutions & Expertise division (2)	Banques Populaires	Caisses d'Epargne
INCOME										
Interest and similar income	574	1	37	247	356	447	1	25	93	141
Interest and similar expenses	(1,172)	(7)	(3)	(251)	(368)	(980)	(3)	(2)	(87)	(157)
Net fee and commission income	(46)	(19)	1	(16)	(26)	(110)	(35)	(18)	(34)	(56)
Net gains or losses on financial instruments at fair value through profit or loss	521	(23)	(20)	(9)	(56)	4,699	(4)	(636)	(1,446)	(2,716)
Gains and losses on financial assets at fair value through other comprehensive income										
Net gains or losses arising from the derecognition of financial assets at amortized cost						(38)				
Net gains or losses on financial assets at amortized cost reclassified to financial assets at fair value through profit or loss										
Net gains or losses on financial assets at fair value through other comprehensive income reclassified to financial assets at fair value through profit or loss										
Income and expenses from other activities	(26)	0	(0)	0	0	(21)	21	2	0	0
Operating expenses	(169)	(0)	3	(0)	(1)	(326)	16	7	2	4

Relations with associates and joint ventures are not material.

(1) Corresponds to BPCE S.A. and its subsidiaries with the exception of the Insurance, Factoring, Consumer Financing, Leasing and Financial Surety & Guarantee entities;

(2) Corresponds to Factoring, Consumer Financing, Leasing and Financial Surety & Guarantee entities.

5.2 Statutory Auditors' report on the half-yearly financial information

Statutory Auditors' report on the half-yearly financial information

Period from January 1, 2023 to June 30, 2023

To the shareholders,

Pursuant to the assignment entrusted to us by your General Shareholders' Meeting and in application of Article L.451-1-2 III of the French Monetary and Financial Code, we have conducted:

- a limited review of the condensed half-yearly consolidated financial statements of Natixis for the period from January 1, 2023 to June 30, 2023, as attached to this report;
- verification of the information given in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France.

A limited review consists mainly of interviewing the members of management in charge of accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. As a result, the assurance that the financial statements taken as a whole are free from material misstatement, obtained through a limited review, is a moderate assurance, less than that obtained through an audit.

Based on our limited review, we did not identify any material misstatements such as to call into question the compliance of the condensed half-yearly consolidated financial statements with IAS 34, the IFRS standard as adopted in the European Union on interim financial information.

II - Specific verification

We have also verified the information provided in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our limited review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, August 3, 2023

The Statutory Auditors

Mazars

PricewaterhouseCoopers Audit

Emmanuel Dooseman

Olivier Gatard

Emmanuel Benoist

CHAPTER 8: LEGAL AND GENERAL INFORMATION

8.3 Distribution and change in share capital and voting rights

8.3.1 Distribution of share capital as of July 31, 2023

8.3.1.1 Share ownership table

At July 31, 2023, Natixis' main shareholders are as follows:

	% capital	% voting rights
BPCE	99.89%	99.89%
Employee shareholding*	0.11%	0.11%
Treasury shares	0.001%	0.00%

** Employee shareholding includes shares held by the beneficiaries (employees, executive corporate officers and former employees of the Company) under certain free share allocation plans that are subject to lock-up obligations or a fiscal holding period (as defined in Natixis' response document filed with the Autorité des Marchés Financiers (AMF), the French financial markets authority on April 15, 2021) at the closing date of the Offer. These locked-up shares were the subject of put and call options under liquidity agreements between the beneficiaries of the free share allocation plans and BPCE. Locked-up shares held by Laurent Mignon (Chairman of the Board of Directors until December 2, 2022) and for which a liquidity agreement has been concluded with BPCE, are also recorded in the "Employee shareholding" section.*

8.3.1.2 Treasury shares held by Natixis

At July 31, 2023, the Company held 47,068 treasury shares corresponding to 0.001% of the share capital.

8.3.1.3 Employee shareholding

At July 31, 2023, the percentage of share capital held by employees was 0.11%.

Employee shareholding includes shares held by the beneficiaries (employees, executive corporate officers and former employees of the Company) under certain free share allocation plans that are subject to lock-up obligations or a fiscal holding period (as defined in Natixis' response document filed with the AMF on April 15, 2021) at the closing date of the simplified public offer initiated by BPCE on February 9, 2021 on Natixis securities. These shares were covered by liquidity agreements concluded between the beneficiaries and BPCE, in order to guarantee the liquidity of the free shares, in the interests of shareholders.

As such, BPCE has granted each beneficiary a firm and irrevocable promise to purchase followed by a firm and irrevocable promise to sell by the concerned beneficiary for all free shares in the process of vesting or not available under the conditions provided for by the liquidity agreement (as detailed in Natixis' response document filed with the AMF on April 15, 2021).

BPCE will eventually become the owner of the concerned free shares as of their respective availability date.

8.3.9 Dividend distribution policy

For the fiscal year 2022 considering the financial situation and outlook of Natixis, the General Shareholders' Meeting of May 23, 2023 approved, on the proposal of the Board of Directors, the distribution of a dividend of 12 cents per share, representing a maximum amount of €442,086,416.52 for the 2022 fiscal year, assuming that there were no treasury shares at that date, and without taking into account, where applicable, shares to be created subsequently. The dividend paid on May 26, 2023 amounted to €442,080,768.36.

In respect of previous years (2017 to 2021), Natixis has distributed the following dividends:

(in euros)	**For the 2021 fiscal year**	**For the 2020 fiscal year**	**For the 2019 fiscal year** *	**For the 2018 fiscal year**	**For the 2017 fiscal year**
Net dividend per share	0.25	0.06	N/A	0.78	0.37
Pay-out ratio	61%	N/A	N/A	64%	74%

** Given the COVID-19 pandemic, and in line with the ECB recommendations of March 27, 2020, the Company did not distribute dividends in 2019.*

8.7 Person responsible for the Amendment to the universal registration document and its amendments

Person responsible for the Amendment to the universal registration document and its amendments

Mr. Stéphanie Paix

Chief Executive Officer of Natixis

Statement by the person responsible for the universal registration document and its amendments

I hereby certify that the information contained in this amendment to the 2022 universal registration document is, to the best of my knowledge, true and accurate and contains no omission liable to impair its significance.

I hereby certify, that the condensed consolidated financial statements for the past half-year are, to the best of my knowledge, prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the half-yearly management report presents an accurate picture of the significant events that occurred during the first six months of the fiscal year, their impact on the financial statements, the principal transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 4, 2023

Stéphanie Paix

Chief Executive Officer of Natixis

8.8 Documents available to the public

This document is available on the website https://natixis.groupebpce.com/about-us/financial-information/ and on that of the AMF *https://www.amf-france.org/*.

All regulated information as defined by the AMF (in Title II of Book II of the AMF General Regulation) is accessible on the Company's website: *www.natixis.groupebpce.com*.

The Articles of Association of Natixis S.A. are reproduced in full in this document.

8.9 Cross-reference table and incorporation by reference

Incorporation by reference

The amendment to the universal registration document should be read and interpreted in conjunction with the documents referred to below. These documents are incorporated in this amendment and are deemed to form an integral part thereof:

- the 2021 universal registration document filed with the AMF on March 11, 2022 under number D.22-0088 which includes the annual financial report, available on the Natixis website:

https://natixis.groupebpce.com/wp-content/uploads/2023/06/Natixis-URD-2021_V2_EN.pdf

- the first amendment to the 2021 universal registration document filed with the AMF on August 5, 2022 under number D.22-0088-A01, available on the Natixis website:

https://natixis.groupebpce.com/wp-content/uploads/2023/01/NATIXIS_First-amendment-2021_URD-05AUG22.pdf

All documents incorporated by reference in this Amendment to the universal registration document have been filed with the AMF and are published on the Issuer's website https://natixis.groupebpce.com/about-us/financial-information and on the AMF's website (*https://www.amf-france.org/fr*).

The information incorporated by reference should be read in accordance with the cross-reference table below. Any information that is not indicated in this cross-reference table but is part of the documents incorporated by reference is provided for information purposes only.

The following cross-reference table contains the sections provided for in Annex 1 (as referenced in Annex 2) of the Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019, supplementing Regulation (EU) No. 2017/1129 of the European Parliament and European Council and repealing Commission Regulation (EC) No. 809/2004, and refers to the pages of the 2022 universal registration document containing information about each of these sections.

		First amendment to the 2022 universal registration document	Page number of the 2022 universal registration document
SECTION 1	**PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT REPORTS AND COMPETENT AUTHORITY APPROVAL**		
Item 1.1	Person responsible	165	510
Item 1.2	Declaration of the person responsible	165	510
Item 1.3	Statement or report attributed to a person as an expert		
Item 1.4	Information sourced from a third party		
Item 1.5	Competent authority approval		
SECTION 2	**STATUTORY AUDITORS**	**177**	**367**
SECTION 3	**RISK FACTORS**	**13 to 26**	
SECTION 4	**INFORMATION ABOUT THE ISSUER**		**490**
SECTION 5	**BUSINESS OVERVIEW**		
Item 5.1	Principal activities	89 to 99	4 to 7; 24 to 27; 512
Item 5.2	Principal markets	89 to 99; 154 to 157	4 to 7; 339 to 343; 512
Item 5.3	Important events in the development of the issuer's business	86 to 89; 101; 102-103	228 to 231; 240; 242
Item 5.4	Strategy and objectives		10-11; 18-19; 431 to 480
Item 5.5	Potential dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	41	155
Item 5.6	Basis for any statements made by the issuer regarding its competitive position	89 to 99	24 to 27; 227 to 237
Item 5.7	Investments	101	239; 512
SECTION 6	**ORGANIZATIONAL STRUCTURE**		
Item 6.1	Brief description of the Group and the issuer's position within the Group	4-5	4-5; 22-23
Item 6.2	List of significant subsidiaries		368 to 379
SECTION 7	**OPERATING AND FINANCIAL REVIEW**		
Item 7.1	Financial position	27 to 38; 91 to 100	125 to 136; 140 to 147; 232 to 238; 512
Item 7.2	Net operating income	92-93; 106	8; 232-233; 247
SECTION 8	**CAPITAL RESOURCES**		
Item 8.1	Information concerning the capital resources (both short term and long term)	42 to 55; 109	156 to 175; 252-253
Item 8.2	Sources and amounts of and description of the issuer's cash flows	110	254
Item 8.3	Information on the borrowing requirements and financing structure of the issuer	35 to 38	140 to 144
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations		
Item 8.5	Information regarding the anticipated financing sources needed to fulfill commitments referred to in item 5.7.2 of Annex 1		
SECTION 9	**REGULATORY ENVIRONMENT**		**156; 159 to 165; 170 to 175**
SECTION 10	**TREND INFORMATION**	**102; 112**	**240; 242; 258-259**
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**		
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**		

Pursuant to Article 19 of Regulation (EU) No. 2017/1129, the pages of the documents referred to below are included for reference purposes:

- the parent company and consolidated financial statements for the fiscal year ended December 31, 2022, presented respectively on pages 391 to 423 and 245 to 379 and 387 to 389, and the relevant Statutory Auditors' reports, on pages 424 to 429 and 380 to 386 and 390 respectively of the universal registration document filed with the AMF on March 23, 2023 under registration number D.23-0140.

  The information is available at the following link:

  https://natixis.groupebpce.com/wp-content/uploads/2023/05/NATIXIS_URD-2022_EN

- the parent company and consolidated financial statements for the fiscal year ended December 31, 2021, presented respectively on pages 418 to 452 and 263 to 407 and the relevant Statutory Auditors' reports, pages 453 to 458 and 408 to 416, respectively, of the universal registration document filed with the AMF on March 11, 2022 under registration number D.22-0088.

  The information is available at the following link:

  https://natixis.groupebpce.com/wp-content/uploads/2023/06/Natixis-URD-2021_EN

- the parent company and consolidated financial statements for the fiscal year ended December 31, 2020, presented respectively on pages 413 to 449 and 249 to 403 and the relevant Statutory Auditors' reports, pages 450 to 454 and 404 to 412 respectively of the universal registration document filed with the AMF on March 9, 2021 under registration number D.21-0105.

  The information is available at the following link:

  https://natixis.groupebpce.com/wp-content/uploads/2022/08/natixis_2020_urd_en.pdf

The first amendment to the universal registration document is available for consultation on the AMF website (*https://www.amf-france.org/*) and on the Natixis website (*www.natixis.groupebpce.com*).

Cross-reference table for the half-yearly financial report

This document includes the information in the half-yearly financial report referred to in Article L.451-1-2 of the French Monetary and Financial Code and in Articles 222-4 and 222-6 of the AMF General Regulation.

8.10 Persons responsible for the audit of the financial statements

Persons responsible for the audit of the financial statements

<u>Principal Statutory Auditors</u>

- Mazars (represented by the signatory partners Emmanuel Dooseman and Olivier Gatard) - 61 rue Henri Regnault - Exaltis - 92075 Paris La Défense;
- PricewaterhouseCoopers Audit (represented by the signatory partner Emmanuel Benoist) - 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex.

Mazars and PricewaterhouseCoopers Audit are registered as Statutory Auditors with the Compagnie Régionale des Commissaires aux Comptes de Versailles and are under the oversight of the Haut Conseil du Commissariat aux Comptes.

8.11 Significant change

With the exception of the items mentioned in this Amendment to the 2022 universal registration document,

(i) no significant adverse change in the issuer's outlook has occurred since the end of the last period for which audited financial statements were published and, in particular, since the signing of the Statutory Auditors' report on the half-yearly consolidated financial statements of June 30, 2023;

(ii) no significant change in the financial position or financial performance of Natixis has occurred since June 30, 2023.

GROUPE BPCE

GLOBAL FINANCIAL SERVICES

NATIXIS INVESTMENT MANAGERS

NATIXIS CORPORATE AND INVESTMENT BANKING

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