NATIXIS
BEYOND BANKING

UNIVERSAL REGISTRATION DOCUMENT

and financial report

2020

SOMMAIRE

The items in the Annuel Financial Report are identified in the summary using the pictogram ●

The Statement of Non-Financial Performance is identified in the summary using the pictogram ■

TRANSPARENCE LABEL OR

This label recognizes the most transparent Universal Registration Documents according to the criteria of the Annual Transparency Ranking.

NATIXIS
BEYOND BANKING

UNIVERSAL REGISTRATION DOCUMENT 2020

and Annual Financial Report

Natixis, creator of customized solutions in asset management, financing, investment, insurance and payments

natixis.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This universal registration document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) on March 9, 2021, as the competent authority designated under EU regulation 2017/1129 without prior approval in accordance with Article 9 of said regulation.

The universal registration document of Natixis may be used for the purposes of a public offer of securities or admission of securities for trade on a regulated market if supplemented by a securities note and, where applicable, a summary of all amendments to the universal registration document. All these are approved by the AMF in accordance with EU regulation 2017/1129.

INTERVIEW

Nicolas Namias,

Natixis' Chief Executive Officer

Appointed to Natixis General Management in August 2020, Nicolas Namias looks back on a year that has profoundly changed our environment. He analyzes the profound impacts of the Covid-19 health and economic crisis and how the Company is mobilizing for its clients.

How did Natixis continue to support its clients throughout 2020 despite the health crisis?

The health and economic shock that we have been facing since the beginning of 2020 has had a major impact on our lives and our operating methods. The human toll is heavy and the lockdown and curfews have had significant economic consequences.

For Natixis, this crisis has highlighted the Natixis' solidity. The commitment and agility of our teams, in all our business lines and support functions, have been remarkable and have enabled us to continue our missions to serve our customers, whose needs have increased and diversified. We have been able to offer innovative systems to our customers throughout this health crisis in order to respond to economic challenges: EMP, orientation of our asset management funds to economic recovery plan projects, implementation of the economic recovery plan, specific insurance and payment offers for retailers, etc.

"The priority is to create value for all our stakeholders: our customers, our employees and our investors".

What can you learn from it?

We have accelerated our transformations. We have adapted our team operations within the company with the development of a "hybrid" model combining on-site presence and remote working. We have also redesigned and intensified our exchanges with our clients, always striving to add value to our advice and services. Despite the distance, we made sure to recreate proximity with our customers and, in the face of economic uncertainty, we supported them so that they could continue their activity and continue to undertake new projects.

This situation, which was urgently experienced within Natixis at the beginning of the year, gave rise to in-depth discussions within our company to define what we must permanently change in our working methods. Beyond that, we remain committed to meeting the major challenges of the environmental transition and technological transformation.

What are your strategic priorities and Natixis strengths in the face of future challenges?

Since my arrival at the helm of Natixis last August, my mandate has been clear: develop and sustainably grow each of Natixis' four business lines: Wealth & Asset Management, Corporate & Investment Banking, Insurance and Payments. Since my appointment, I have endeavored to address certain urgent issues and, in November 2020, we have taken and announced structuring decisions to put our company on a sustainable path of growth and development. These decisions concern our business lines, in particular Corporate & Investment Banking and Asset Management, but also our functions with better control of our costs and risks. We have started to implement these decisions. By the summer of 2021, in close consultation with Groupe BPCE, we will also specify our strategic roadmap for our four business lines by 2024.

To meet the challenges ahead, we can rely on Natixis' three key values: the constant search for a lasting impact, by providing our clients with differentiating expertise; the entrepreneurial spirit that we cultivate on a daily basis; finally, collective intelligence, in order to take full advantage of the company's multiple talents, working actively to succeed together as a team with openness and confidence.

A final message?

For me, the priority remains the creation of value for all our stakeholders: our customers, our employees and our investors. In the first place, our customers are at the heart of our attention; for them, let us use our expertise, all our know-how, our commitment and our agility! Next, we must support our employees, whom I would like to thank in particular for their commitment. Finally, we also demand results from our investors, to whom we must propose a sustainable growth trajectory.

PROFILE

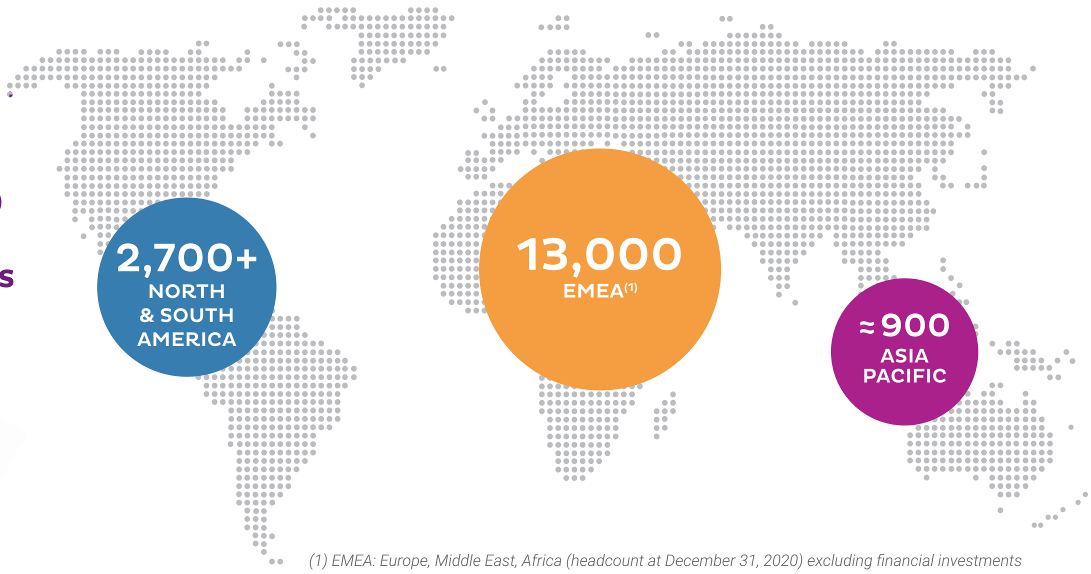
Natixis at a glance

As a designer of customized financial solutions, we support companies, banks, institutions and clients of the Banque Populaire and Caisse d'Epargne networks in the realization of their projects, all over the world, and design customized financial solutions for them.

We build a sustainable business model with our clients thanks to our proximity, the quality of the strategic dialogue and the combination of our expertise.

A worldwide presence

Over **16 000** employees in **36 countries**



(1) EMEA: Europe, Middle East, Africa (headcount at December 31, 2020) excluding financial investments

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Natixis posted positive net income for the full year thanks to a marked rebound in its business lines

€101M
Net income (CEO)

€7,3Bn
Net Banking Income
-14% vs 2019

11.6%
CET Bâle 3 fully loaded
+330 bp above regulatory requirements

Strong expertise in four business lines

ASSET MANAGEMENT AND FORTUNE

- Asset Management
- Wealth Management
- Employee savings schemes

CORPORATE & INVESTMENT BANKING

- Investment Banking and acquisitions and disposals
- Structured financing
- Capital market
- Trade finance and cash managemt
- Coverage

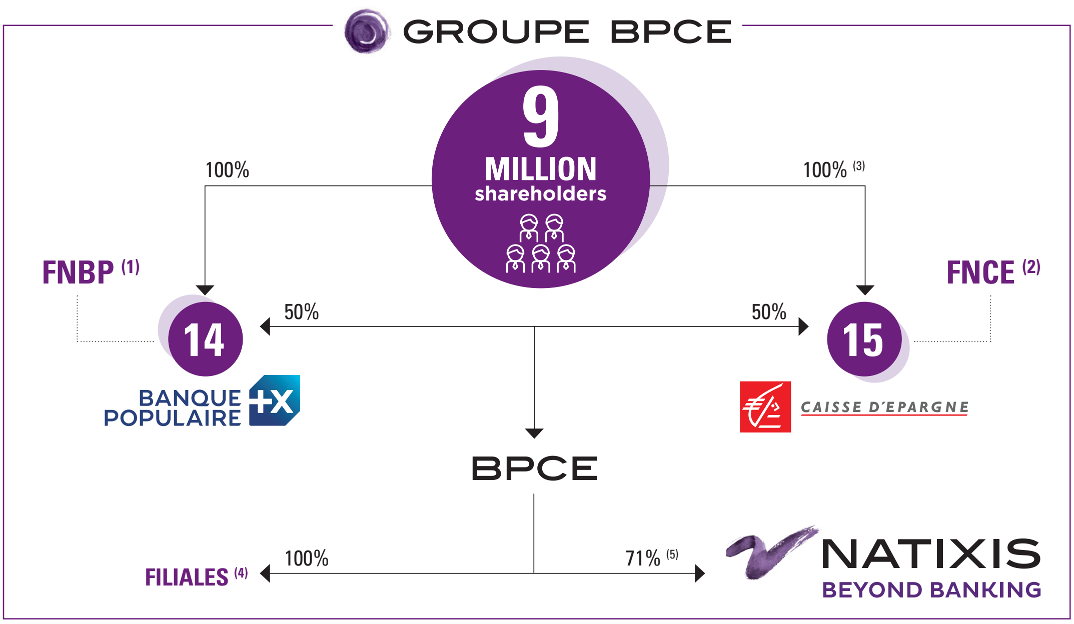
INSURANCE

- Life & Personal Protection Insurance
- Non-life insurance

PAYMENTS

- Issue
- Acquisition
- Processing
- Fight against fraud
- Prepaid

A subsidiary of BPCE Group*



* Second largest banking group in France. Source: Market shares: 22 % in customer savings and 21.5 % in customer loans (Banque de France Q3- 2020 (all non-financial customers)).

(1)) Fédération Nationale des Banques Populaires. (2) Fédération Nationale des Caisses d'Epargne. (3) Indirectly through Local Savings Companies

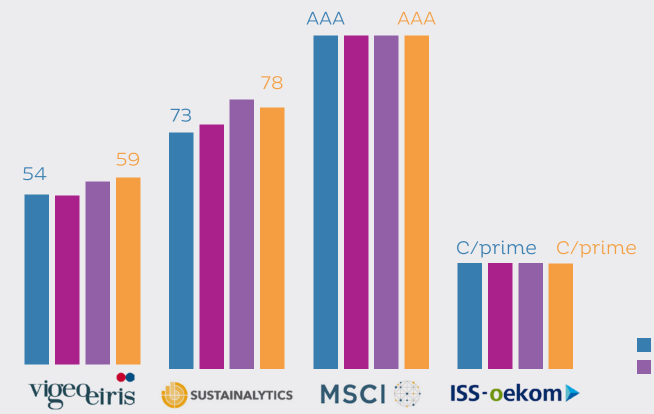
(4) Banque Palatine, Subsidiaries grouped together within the Financial Solutions & Expertise division, Oney Bank. (5) Free float: 29%.

Long and short-term rating

(Situation on February 11, 2021)

	Standard & Poor's	Moody's	Fitch Ratings
Rating Long term	A+	A1	A+
Rating Short term	A-1	P-1	F1
Perspective	Negative	Stable	Negative

Non-financial ratings for 2020



Key figures 2020

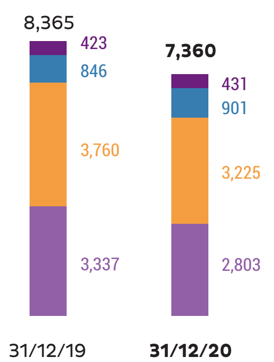
In 2020, Natixis posted positive net income for the full year thanks to a marked rebound in its business lines. These good results demonstrate the agility of its business model and the daily commitment of its teams to serving its customers. Through its results and its solid financial position, Natixis demonstrates its ability to create sustainable value for all its stakeholders and also returns to dividend payments.

Financial results

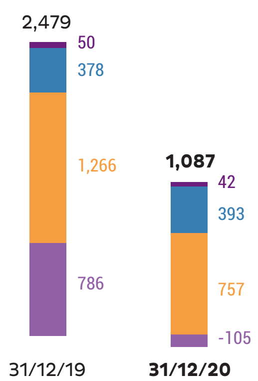
(in millions of euros)	**2020** (1)	2019 (1)	2018	2017	2016
Net Revenues	7,306	8,485	9,616	9,467	8,718
Gross operating income	1,478	2,369	2,793	2,835	2,480
Pre-tax profit	579	2,745	2,661	2,651	2,287
NET INCOME (GROUP SHARE) REPORTED	**101**	**1,897**	**1,577**	**1,669**	**1,374**
Cost/income ratio reported	79.8%	72.1%	71.0%	70.1%	71.6%
RoE reported	77.3%	11.1%	9.2%	9.6%	7.9%
Underlying cost/income ratio (2)	77.3%	71.3%	70.9%	68.9%	71.4%
Underlying RoE(2)	-0.1%	7.8%	9.4%	9.9%	7.9%
RoTE reported	2.4%	14.3%	11.8%	11.9%	9.9%
Underlying RoTE(2)	-0.1%	10.0%	12.0%	12.3%	9.9%
RoTE sous-jacent (2)	3.0%	10,0 %	12,0 %	12,3 %	9,9 %

BUSINESS LINES

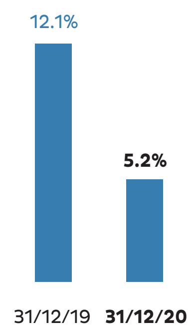
Net Revenues by business line
(in €m)



Pre-tax profit by business line
(in €m)



ROE (4) after tax by business line
(in %)

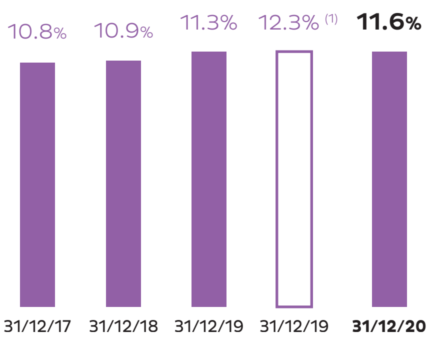


Corporate & Investment Banking   AWM (3)   Payments   Insurance

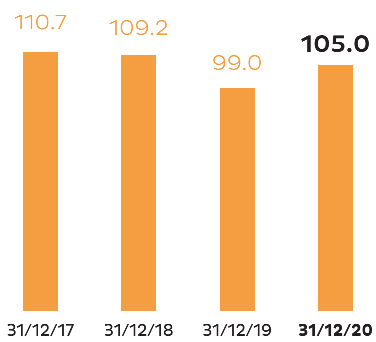
(1) Figures restated as communicated on April 20, 2020 following the announced disposal of a 29.5% stake in Coface (reported accounting data).
(2) Excluding exceptional items.
(3) Asset & Wealth Management.
(4) Reported figures including non-recurring items. Excluding non-recurring items, ROE 2019 of 12.5%, ROE 2020 of 6.2%.

FINANCIAL STRUCTURE

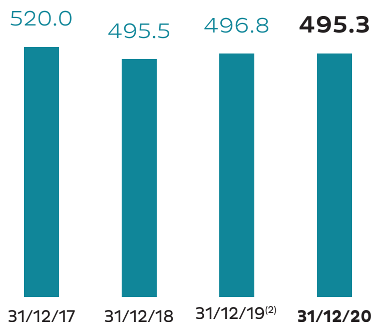
Common Equity Tier 1 ratio
Basel 3 (phased)
(%)



RWA
Basel 3 (phased)
(in €bn)



Total assets
(in €bn)



STOCK MARKET AND SHAREHOLDING

Net dividend per share in 2020 (3)	Book value per share 2020	Bénéfice net par action
€ 0.06	€ 4.14	-€ 0.01

Extra-financial results

~€2.5bn
of State-guaranteed loans (EMP)
paid at 31/12/2020

€1,082bn
Outstanding in assets under management SRI certified

N°1
Bank in the ranking of women in SBF 120 governing bodies

(1) In accordance with the ECB's recommendations, the 2019 dividend was reintegrated into Natixis' capital - see the press release of 31/03/2020.
(2) Restated.
(3) Proposal of an ordinary dividend per share of €0.06 submitted to the Shareholders' Meeting of May 28, 2021

Natixis: a diversified financial player aiming for a sustainable impact

Challenges

Energy transition and climate change

Digitalization of processes

New uses

Increased regulatory pressure

Our assets

Teams that are committed...
More than 16,000 women and men from various horizons

...and agile
98% of employees worked remotely during the lockdown period.

A distinctive corporate culture, the Purple Way
Three values that express our identity:
sustainable impact, entrepreneurial spirit, collective intelligence.

Strong expertise focused on innovation and sustainable finance.

An international presence in **36 countries.**

3,900 customers entreprises, ibanks and sovereigns who trust us.

A majority shareholder that is stable and committed to the long term: **BPCE.**

A solid financial structure with a CET1 of **11.6%.**

Over 8,000 suppliers in all our regions.

Our four business lines

Asset & wealth management

VALUE PROPOSAL:

Combination of a multi-boutique alpha generating model with an industrial management platform serving major institutional investors.

Corporate & Investment banking

VALUE PROPOSAL:

Development of solutions based on solid industry expertise around our clients and supporting their transition.

INSURANCE

VALUE PROPOSAL:

Comprehensive life and non-life insurance offer for customers of Groupe BPCE networks.

Payments

VALUE PROPOSAL:

Control of flows across the whole payment chain of value promoting the integration of Fintechs.

Our added value for our stakeholderss

OUR CLIENTS

- 2^{nd} largest European **asset manager** with more than **€1,117 billion** (excl. H20 AM) under management
- **€128 billion** in outstandings to companies
- **Top ten** issuers of green and sustainable bonds in euros

OUR EMPLOYEES

- **Deployment of specific programs** to support the transformation of jobs and skills (e.g. Step Up Academy)
- **Employee school development** (around a hundred flash surveys) to strengthen ties and commitment

OUR SHAREHOLDERS

- **The business lines** (savings, insurance and payments) serving customers Banque Populaire and Caisse d'Epargne networks

OUR SUPPLIERS

- **Over €1.3 billion** in purchases that contribute to the economic development of our regions

THE COMPANY

- Multiple actions to support caregivers, **research or the most disadvantaged** to respond to the Covid health crisis
- Arranger of the largest social bond in the world with UNEDIC in May 2020

THE ENVIRONMENT

- **Leader in the financing of renewable energies with 6.5 GW** renewable electricity capacity financed in 2020
- The only bank to develop a capital allocation tool linked to the climate impact: **Green Weighting Factor**
- First bank to make measured and dated commitments for biodiversity protection with **act4nature international**

Opportunities

Expertise in green and sustainable finance

Cost control

Diversification of the business portfolio

Team agility

New services

STRATEGY

Strategic plan NEW DIMENSION 2018-2020

The initiatives rolled out as part of the New Dimension strategic plan, completed at the end of 2020, enabled Natixis to continue its development and strengthen its agility.

Creating value for customers in the four business lines

ASSET & WEALTH MANAGEMENT

Ambition

Assert our position as world leader in active management, through size, profitability and ability to innovate

Achievements

- **Creation of a European leader** in rate and insurance management on behalf of large institutional clients, with the merger between Ostrum Asset Management and La Banque Postale Asset Management
- **Targeted strengthening of the product range**, in particular on alternative management, thematic and customized solutions
- **Strengthening governance** of the multi-affiliate model of Natixis Investment Managers and active management of the affiliate portfolio
- Creation of the **Natixis Investment Managers** brand and increased visibility
- **Strategic repositioning** of private banking and simplification of the business model

Natixis Investment Managers
2nd
Manager of European assets

COOPERATE AND INVESTMENT BANKING

Ambition

Become a leading bank in four key sectors and be recognized as a bank for innovative solutions

Achievements

- **Reinforcement of the innovative "origination-distribution"** model by extending it to a broader base of investors
- **Strengthening our expertise and capacity for innovation**, particularly in our four key sectors (Energy & Natural Resources, Aviation, Infrastructure, Real Estate & Hospitality)
- **Network development in mergers and acquisitions (M&A)**: Natixis is ranked number ten in the ranking of M&A advisory banks in France in 2020, up four places compared to 2019 (source: L'Agefi hebdo of January 7, 2021).
- **Supporting customers in the energy transition** thanks to the "Green & sustainable hub" global center of expertise and the development of the "Green Weighting Factor". Structuring in 2020 of the largest social bond ever issued for €5 billion
- **Strategic repositioning of certain activities:**
  - transfer of the "Equity Cash & Research" activity;
  - discontinuation of the most complex products and refocusing on Groupe BPCE's networks and strategic clients for the equity derivatives business;
  - decision to exit from shale oil and gas activities in the United States.

INSURANCE

Ambition

Strengthening the position of leading insurer in France

Achievements

- Unique insurance platform serving customers of the Banque Populaire and Caisse d'Epargne networks: fully-fledged bancassurere
- **Redesigned and enhanced offers** on life and non-life activities
- **Digital customer journeys of the highest standards** for clients and advisors of the Banque Populaire and Caisse d'Epargne networks
- **Combined ratio** at the best leve**l**

PAYMENTS

Ambition

Become a pure payments player in Europe

Achievements

- Innovative solutions in growing segments (e-commerce) thanks to the **Fintechs portfolio**
- Positioning on the "Banking As a Service" market with the **Xpollens payment solution**
- Strengthening relations with the Banque Populaire and Caisse d'Epargne networks: from producer to partner-expert in payment solutions

Transforming to gain agility

Simplified and more agile operating methods, for example

- **Deployment of the "Easy" program**, giving employees more flexibility in their working methods (e.g. deployment of laptops for all and collaborative tools).
- **Implementation of a new leadership mode**l and an approach to simplify organizations (reduction of hierarchical layers).
- **TEO program targets exceeded (~€340 million)** and cost flexibility proven with the crisis

Make culture a lever for employee engagement

Natixis launched an unprecedented approach at the height of the economic and financial crisis. Objective: identify practices and behaviors that reflect its corporate culture.

The participatory approach mobilized nearly 400 employees around forty workshops and discussion forums, as well as an upstream survey.

Result: "**Purple Way Natixis**' trademark, highlighted three key values:

- sustainable impact;
- sentrepreneurial spirit;
- collective intelligence.

STRATEGY

Strategic choices to prepare for the future

At the end of November 2020, Natixis adopted a series of structuring decisions in order to lay a solid foundation for preparing its next strategic plan for 2024.

Development of our business lines

Finalization of the merger between Ostrum Asset Management (Natixis) and Banque Postale Asset Management. Creation of a European leader in interest rate and insurance management. With €1,117 billion in assets under management, Natixis Investment Managers has become the second-largest European asset manager.

Evolution in the relationship between Natixis Investment Managers and H2O Asset Management. Towards a gradual and orderly outcome of this partnership.

Repositioning of the equity derivatives business. Exit from most complex products and tightened exposure limits on low/medium risk products. Refocusing on Groupe BPCE's networks and Natixis' strategic clients, i.e. a reduction in the number of clients from more than 400 to around 50.

Company transformation

Launch of a transformation and operational efficiency program..

≈€**350**M
of perennial recurring cost savings identified by 2024

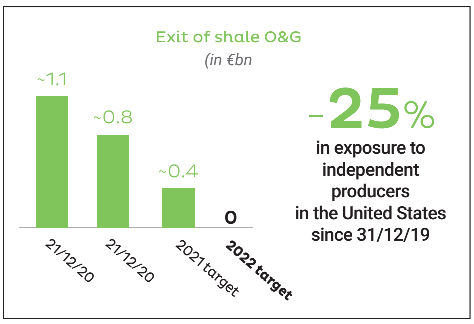
Continued development of the center of expertise in Porto which has **900 employees.**

Financing for the energy transition

Complete exit from shale oil and shale gas by 2022 with a -25% reduction in exposure already achieved over 2020.

20% reduction in exposure to the sector **Oil & Gas** thanks in particular to the refocusing of the trade finance activity..

Reduction in the cost of risk related to these commitments. Greening of the portfolio in line with the development of **Green Weighting Factor.**



Supporting customers towards economic recovery

Proximity, responsiveness, innovation...Natixis teams worked hard throughout the year to support customers and help them prepare for the future;

Asset management and fortune

- **Launch of the Natixis Access Series platform** to help clients better understand market issues (webinars, podcasts hosted by economists, financial market experts and portfolio managers).
- **Labeling of the Mirova dynamic** employment fund to direct savings towards economic recovery plan projects. sur les projets du plan de relance économique.

Corporate & Investment Bank

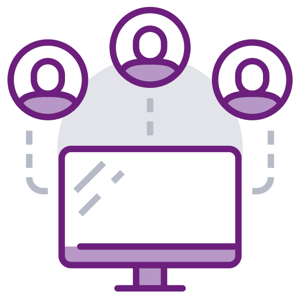
- **Increased commercial** focus on the needs of clients in terms of financing, hedging and investment solutions.
- **~€2.5 billion in State Guaranteed Loans (EMP) granted since the start of the COVID-19 crisis.**
- **Increased interactions between clients and the economic research** team, including sectoral focuses (Real Estate, Infrastructure, etc.) and sessions dedicated to **"C-suites".**

Insurance

- **Participation in the economic recovery** plan via the "Insurers - **Caisse des Dépôts Relance Durable France**" investment program to the tune of €60 M and other market initiatives.
- **Contribution to the national solidarity** fund for which the total contribution from French insurers amounts to **€400 million**.
- **Implementation of extra-contractual** measures for the benefit of policyholders in the pandemic context.

Payments

- **Innovative payment solutions/facilities** provided by Fintechs (PayPlug with sauvetonresto.com, etc.).
- **Facilitate retailers' click & collect experience** thanks to online payment.



Committed and agile governance

Board of Directors

as at March 1, 2021

15	15	47%	96%	12
Directors	Meetings (in 2020)	Rate of diversity	Rates of attendance	Training sessions

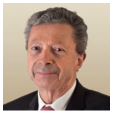
BOARD OF DIRECTORS

Directors from BPCE **2**


Laurent Mignon
CHAIRMAN


Catherine Halberstadt

4 Directors from Caisse d'Epargne


Daniel de Beaurepaire


Dominique Duband


Nicole Etchegoïnberry


Christophe Pinault

Directors from Banques Populaires **4**


Alain Condaminas


Sylvie Garcelon


Philippe Hourdain


Catherine Leblanc

5 Independent directors


Anne Lalou


Bernard Oppetit


Catherine Pariset


Diane de Saint Victor


Nicolas de Tavernost

Non-Voting Member


Henri Proglio

Nicolas Namias
CHIEF EXECUTIVE OFFICER

Other attendants to the Board

Social and Economic Committee Representatives
Sylvie Pellier
Laurent Jacquel

Auditors
Deloitte & Associés
Pricewaterhousecoopers

Chief Financial Officer
Nathalie Bricker

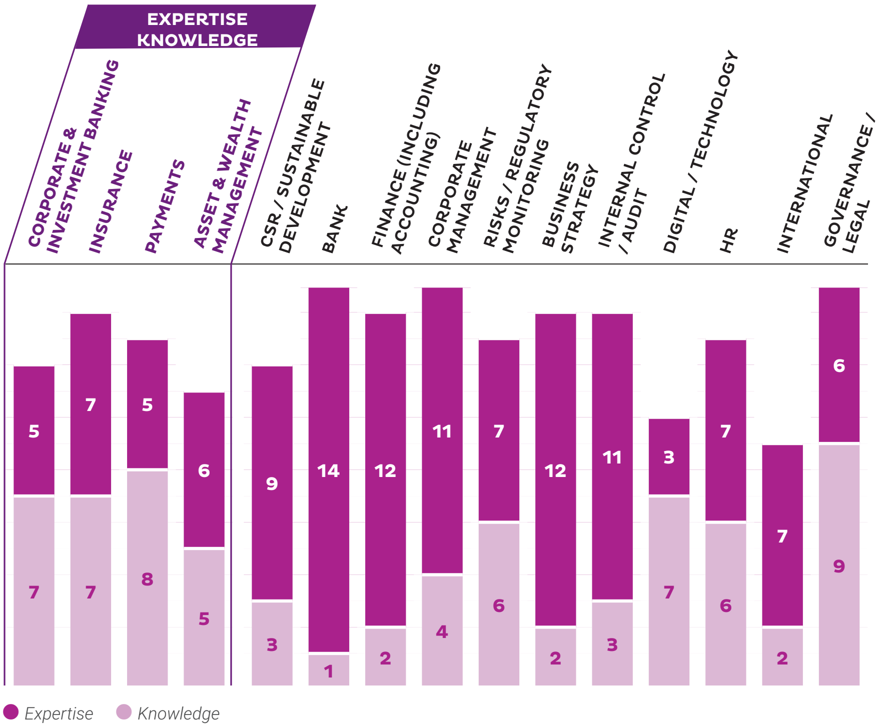
General Secretary
André-Jean Olivier

Board Secretary
Karine Pinault

SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS AS AT MARCH 1, 2021

	RISK COMMITTEE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	APPOINTMENTS COMMITTEE	STRATEGIC COMMITTEE	ESR COMMITTEE
Members	5 members	5 members	7 members	6 members	16 members	4 members
Attendance	88%	92%	97%	97%	100%	Created on 17/12/2020
Meetings	8	5	4	6	3	

SKILLS MAPPING



Specific meetings dedicated to crisis management

In the context of the health crisis, the Board of Directors, working alongside the General Management, regularly monitored the situation: **two exceptional Board meetings and one meeting of the Risk Committee were dedicated to crisis management** (business continuity plan, employee safety, disaster recovery scenario, etc.). The arrangements for organizing meetings, mostly remote, have been adapted to the circumstances

Senior Management Committee

as at March 1, 2021

11 MEMBERS

36% Rates of diversity

Chief Executive Officer

NICOLAS NAMIAS

Heads of the four business lines

ANNE-CHRISTINE CHAMPION
Global co-head of Corporate & Investment Banking

MOHAMED KALLALA
Global co-head of Corporate & Investment Bankinge

JEAN RABY
Head of the Asset and Wealth Management division

PIERRE-ANTOINE VACHERON
Head of the Payments division

FRANÇOIS CODET
Head of the Insurance division

Heads of the main functional departments

NATHALIE BRICKER
Chief Financial Officer and Executive Officer

ANDRÉ-JEAN OLIVIER
General Secretary

VÉRONIQUE SANI
Technology & Transformation Director

CÉCILE TRICON-BOSSARD
Human Resources Director

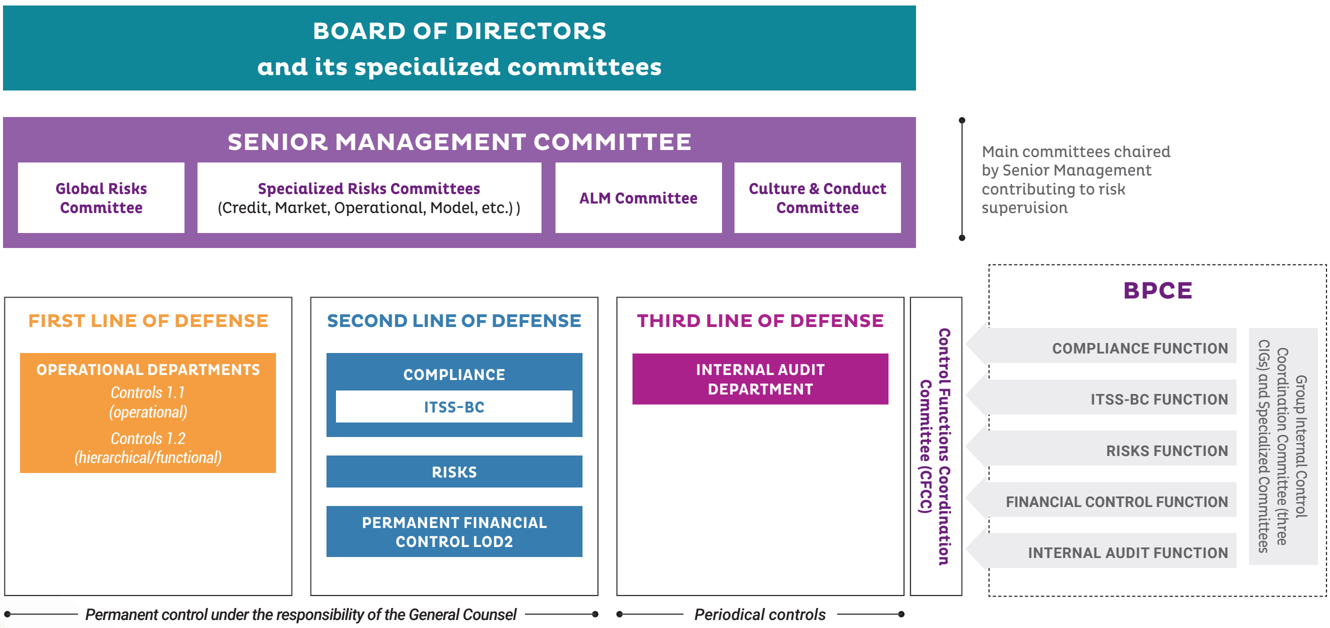
OLIVIER VIGNERON
Chief Risk Officer

Risk management: a key issue

The economic and financial crisis has shaken the global economy and financial markets and has had a very significant impact on risk management. Natixis has adapted its system and implemented a series of measures to continue its business in a secure environment, protect the health of our employees and respond to new requests from its customers.

Risk governance

Natixis has set up a risk management system rolled out throughout the Company and supervised by the Board of Directors.



The business continuity and recovery **plan** field-tested

The Compliance and Risk teams were at the forefront of deploying the Business Continuity Plan (BCP).

In a few days and at the height of the health crisis, 98% of employees were able to work remotely in a secure manner. This operation was facilitated thanks to the early adoption of teleworking, the equipment of employees with laptops and collaborative work training. More complex and unprecedented situation for market and treasury activities. Market operators have had to adopt remote working and adapt to this new environment in a context of high market volatility. This operation was successful thanks to a continuity system regularly tested by first and second level controls and recurring crisis management exercises.

A proactive approach to risks to manage the crisis

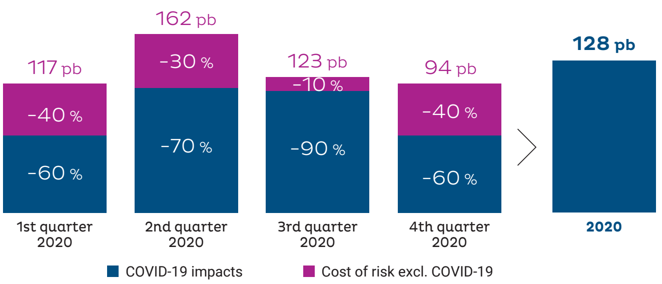
CREDIT RISK

Credit risk is the risk of financial loss due to a debtor's inability to honor its contractual obligations

IMPACT OF THE ECONOMIC AND HEALTH CRISIS

- General deterioration in the economic environment and financial situation of counterparties.
- Temporary contraction of syndication activities..

Breakdown of the cost of risk in 2020[1]



ACTIONS IMPLEMENTED

- Very high selectivity for new operations.
- Review of portfolios vulnerable to the health crisis and implementation of risk reduction measures.
- Active management of distribution risk..

(1) Cost of risk excluding credit institutions. Cost of risk expressed in bps of total outstandings, beginning of period. Main impacts related to COVID-19: IFRS 9, fraudulent credit counterparties, airlines

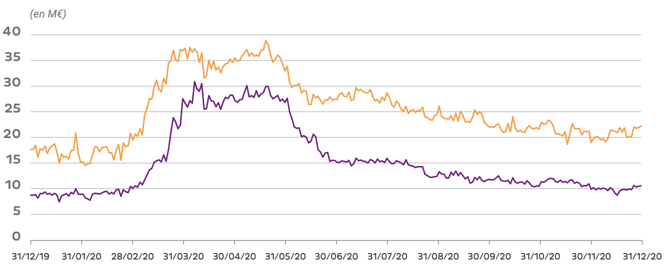
MARKET RISK

Market risk is the risk of loss in value caused by any adverse fluctuations in market parameters.

IMPACT OF THE ECONOMIC AND HEALTH CRISIS

- Very high volatility in all markets worldwide, particularly in equities and commodities (oil).

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



ACTIONS IMPLEMENTED

- Daily monitoring with senior management.
- Reduction of exposure on the most sensitive portfolios.
- Special attention to the valuation of transactions.

OPERATIONAL RISKS

Operational risk is the risk of loss resulting from an inadequacy or failure of internal processes.

IMPACT OF THE ECONOMIC AND HEALTH CRISIS

- Risks related to the implementation of generalized remote working.
- Increased risk related to outsourced services, internal and external fraud, and cybersecurity.

30

incidents directly related to internal or service provider failures due to the health crisis
(based on incidents identified/ declared as at 31/12/2020)

< €1M

financial impact of incidents directly related to the health crisis
(based on incidents identified/ declared as at 31/12/2020)

ACTIONS IMPLEMENTED

- Support in the implementation of the remote working system.
- Adjustment of operational and legal processes to the context
- Special attention to trading activities.
- Strengthening of the risk management system related to outsourced services.

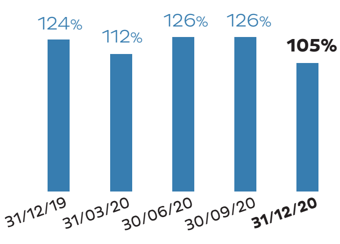
STRUCTURAL BALANCE SHEET RISKS

Structural balance sheet risks cover the risk of managing the bank's liquidity in order to meet its liquidity commitments, the risk of losses linked to changes in interest rates and credit spreads in bank portfolios, structural foreign exchange risk and the management of regulatory constraints and ratios.

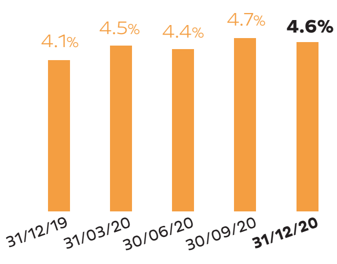
IMPACT OF THE ECONOMIC AND HEALTH CRISIS

- Acute liquidity crisis with a peak in March-April.
- Closing of the wholesale market in euros.
- Implementation of quantitative easing by central banks.

Liquidity coverage ratio



Leverage ratio [2]



ACTIONS IMPLEMENTED

- Activation of Contingency Funding Plan (CFP) by Natixis and BPCE to manage the liquidity crisis and support business line needs (EMP, markets).

(2) Leverage ratio: see section 3.3.2.2 of Chapter [3].

ESR COMMITMENTS

Committed to sustainable finance

Natixis places environmental and social responsibility at the heart of its strategic ambitions. ESR/ESG commitments permeate all of its business lines and functions and support customers towards a sustainable business model.

The ESR policy has **three priorities**

Development of sustainable business

Contributing to the energy transition and helping clients move towards a sustainable business model

Direct impact & mobilization

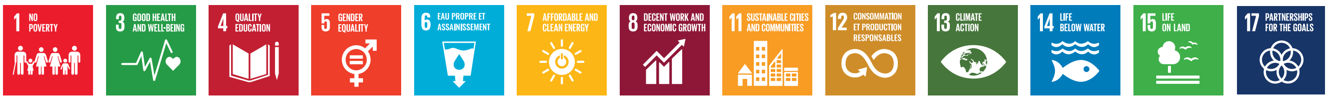
Raising employee awareness, reducing the environmental footprint, responsible purchasing, commitment to solidarity initiatives.

Risk management

Integration of ESG criteria in our financing and investments.

Support for the Sustainable Development Goals (SDGs)

The Group 's ESR policy actively contributes to **13 SDGs** in its business lines and operations



Solidarity: very strong employee engagement

Employees have been involved in general interest projects for many years. In 2020, this commitment accelerated to tackle the health crisis. Nearly 85 solidarity initiatives have been rolled out worldwide.

In France, the Tous mobilés contre la COVID-19 platform enabled employees to donate their time or make financial donations to three charities: Samu Social de Paris, Action Against Hunger and Tous Unis contre le virus. To support this outpouring of solidarity, Natixis has implemented a matching scheme for all donations made around the world.

Climate action

Natixis pursues a proactive policy to reduce the impact of its activity on the environment, by integrating the risks linked to climate change, pollution, loss of biodiversity or the increasing scarcity of resources. To comply with the scenario of limiting global warming to 2°C, Natixis leads its financing and investments towards a low carbon economy.

Natixis combines actions on its own operations and on its financing and investment portfolios to support the environmental transition.

ENVIRONMENTAL RISK MANAGEMENT

- Sector policies: selection and exclusion linked to environmental risks: timetable for the total phase-out of coal
- Signature of the Equator Principles since 2010
- ESG risk monitoring tool integrated into our compliance and risk systems

FINANCING THE ENVIRONMENTAL TRANSITION

- Renewable energy: €1.5 billion arranged in 2020
- Green Bonds: €15.9 billion arranged in 2020.
- Natural capital: €110 million managed by Mirova

DECARBONIZING OUR PORTFOLIOS

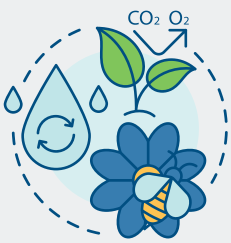
- Work to measure the carbon footprint of financing with the Green Weighting Factor proprietary tool
- Assessment of the trajectory of all Mirova portfolios with a trajectory of 1.5°C
- Natixis Assurance in line with its objective of aligning the investment portfolio with the Paris Agreement by 2030

REDUCING OUR DIRECT CARBON FOOTPRINT

- 40% reduction in our energy consumption since 2010.
- Mobility plan to support the development of active transport
- Responsible digital program to reduce the impact of our digital equipment and uses

SHAREHOLDER ENGAGEMENT

- Integration of climate and environmental issues in shareholder dialog
- Integration of ESG criteria into the voting policies of asset management affiliates



The biodiversity commitments of Natixis as part of the act4nature international initiative

Natixis was the first bank to publish its biodiversity commitment as part of act4nature international, an initiative launched by the French Entreprise pour l'Environnement (EPE) association. Objective: to integrate biodiversity into its activities and business lines through a series of concrete, measurable commitments over time, including:

- Supporting clients' environmental transition by systematically integrating biodiversity issues into the sustainable finance offering by 2021;
- Measuring the impact of biodiversity on client portfolios, financing and a portion of assets managed on behalf of third parties;
- Incorporating biodiversity criteria into the ESG analysis and shareholder dialog of asset management for the most material sectors;
- Increase the assets under management dedicated to natural capital (Mirova) and the protection of water resources (Thematics) to €2 billion by 2023.

1

PRESENTATION OF NATIXIS

1.1 History and links with BPCE

1.1.1 History

1818

The first Caisse d'Epargne is established in Paris to promote, collect and manage the general public's savings. The passbook savings account is launched

1878

The first Banque Populaire bank is established. The Banque Populaire banks are founded by and for the entrepreneurs with the aim of pooling funds to finance their projects

1919

Crédit National is founded to help rebuild France after the destruction caused by World War I

1921

Caisse Centrale des Banques Populaires is founded

1949

Banque Française du Commerce Extérieur (BFCE) is founded to finance international trade deals

1999

Natexis Banques Populaires is founded from the contribution of the operating activities of Caisse Centrale des Banques Populaires to Natexis S.A.

1999

Caisse Nationale des Caisses d'Epargne (CNCE)

2004

Caisse Nationale des Caisses d'Epargne buys CDC IXIS, established in 2001. Caisse d'Epargne Group thus becomes a full-service bank.

2006

Natixis is founded from the merger of IXIS and Natexis Banques Populaires

2009

Groupe BPCE, the N°.2 banking group in France, is formed from the merger of CNCE and the Banque Fédérale des Banques Populaires

2009

Natixis launches its 2009-2013 strategic plan New Deal; securing its position as the corporate and investment banking, savings, solutions and specialized financial services arm of Groupe BPCE.

2013

Natixis launches its 2014-2017 strategic plan New Frontier centered on the goal of becoming a bank for high value-added solutions, focused exclusively on its clients

2014

Natixis creates a unique insurance division, paving the way for Groupe BPCE to become a fully-fledged bancassurer

2017

- Natixis creates the new Payments business line aimed at becoming a major player in the payments sector in Europe
- Natixis unveils its new brand territory and the new visual identity, reflecting its shared culture: the Purple Touch

2018

- Natixis launches its 2018-2020 strategic plan New Dimension, founded on three pillars: Deepen, Digitalize & Differentiate
- Groupe BPCE decides to transfer Natixis' Specialized Financial Services business lines to BPCE S.A. in order to better meet clients' needs across the Banques Populaires and Caisses d'Epargne networks

2019

BPCE Group and Natixis sign the Principles for Responsible Banking and commit to strategically aligning their activities with the United Nations' Sustainable Development Goals and the Paris Agreement on climate change.

- Natixis becomes the first bank to actively manage the climate impact of its balance sheet by implementing the Green Weighting Factor
- BPCE Group and Banque Postale Asset Management hold discussions to allow Natixis to become a major European insurance manager and euro fixed income manager

2020

- During the health crisis, Natixis is stepping up support for its customers across all its business lines, with adapted products and services and ever more advice.
- Natixis and La Banque Postale create a European leader in fixed-income and insurance-related asset management: Ostrum Asset Management, which provides an asset management offering and dedicated investment services.
- Natixis announces its withdrawal from shale oil and gas and accelerates its exit from the coal industry

1.1.2 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 the purpose of which, according to Articles L.511-31 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 support is based on legislative provisions imposing a legal solidarity mechanism by which the central institution is required to restore the liquidity or solvency of affiliates in difficulty, and/or all affiliates of the Group, by providing, as necessary, the total capacity and regulatory capital of all contributing affiliates. As a result of this fully-engaged legal solidarity mechanism, one or more affiliates cannot be placed in court-ordered liquidation nor be affected by the resolution measures within the meaning of Directive 2014/59 EU without this being is the case for all the affiliates. In accordance with Article L.613-29 of the French Monetary and Financial Code, the judicial liquidation procedure is therefore implemented in a coordinated manner with regard to the central body and all of its affiliates.

In accordance with Article L. 613-29 of the French Monetary and Financial Code, the judicial liquidation procedure is therefore implemented in a coordinated manner with regard to the central institution and all of its affiliates. Thus, in the event of difficulties for Natixis, (i) BPCE will firstly mobilize its own funds as a shareholder; (ii) if this is not sufficient, BPCE could call on the mutual guarantee fund created by BPCE, which at December 31, 2020 had a total of:

€351.4 million in assets, contributed equally by the two Banque Populaire and Caisse d'Epargne networks, which are expected to grow through annual contributions (subject to the amounts that would be used in the event of calls for funds); (iii) if BPCE's own funds and this mutual guarantee fund are insufficient, BPCE can call on the guarantee funds of each of the two Banque Populaire and Caisse d'Epargne networks for a total amount of €900 million and of the Mutual Guarantee Fund of Banques Populaires and Caisse d'Epargne, made up of deposits made by Banque Populaire banks and Caisses d'Epargne in the books of BPCE in the form of term accounts with a fixed-term deposit for a ten-year term years, renewable indefinitely, in the amount of €176 million at December 31, 2020. if BPCE's own funds and this mutual guarantee fund were not sufficient, BPCE could call (in equal shares) the guarantee funds of each of the two Banque Populaire and Caisse d'Epargne networks for a total amount of €900 million and the Mutual Guarantee Fund of the Banque Populaire banks and Caisse d'Epargne, made up of deposits made by the Banque Populaire banks and the Caisses d'Epargne in the books of BPCE in the form of term accounts with a term of ten years and renewable indefinitely, in the amount of €176 million at December 31, 2020.

Lastly, (iv) if the use of BPCE's equity capital and these three guarantee funds is insufficient, additional amounts would be requested from all the Banque Populaire banks and Caisses d'Epargne.

In the event of court-ordered liquidation concerning all the affiliates, the external creditors of all the affiliates are managed by their ranking and in the order of hierarchy in an identical 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 resolution, identical write-down and/or conversion rates would be applied to the debts and credits of the same ranking and irrespective of their association to any given affiliated entity, and in the order of the hierarchy set out above.

Only the entities not concerned by court-ordered liquidation nor resolution measures and which do not contribute to the Group solidarity mechanism, as is the case of Natixis, are excluded from contributing to the bail-in of other failing affiliates.

It should be noted that the guarantee funds referred to above comprise a Groupe BPCE internal guarantee mechanism activated at the initiative of the BPCE Executive Board, or the competent authority dealing with banking crises which may request their use if deemed necessary.

A resolution procedure may be initiated against Groupe BPCE if (i) the Group's default 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 customers, 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 executives or the appointment of a temporary administrator (special administrator) and the issue of capital or equity.

Resolution proceedings may be initiated against Groupe BPCE if (i) the Group's default 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 the resources of the Government by minimizing the use of exceptional public financial support and (d) protect the funds and assets of customers, 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 that 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: 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), the suspension of the admission to trading or official listing of the financial instruments, and the removal of executives or the appointment of a temporary director (special director) and the issue of capital or equity.

1.2 Natixis' businesses

1.2.1 Asset & Wealth Management

Natixis Investment Managers, one of the world's largest asset managers, remains the primary driver of the Asset & Wealth Management division at Natixis.

1.2.1.1 Asset management

Natixis Investment Managers ranks 17th globally by assets under management (Cerulli Associates: Global Markets 2020 report based on AuM as of December 31, 2019).

As a global multi-affiliate asset management business, Natixis Investment Managers includes more than 20 specialized investment managers in the US, Europe and Asia. Based on the Active Thinking[SM] concept, the brand platform of Natixis Investment Managers embodies its commitment to a highly active, conviction-led investment style and its stewardship for a long-term investing approach.

Natixis Investment Managers

Natixis Investment Managers' multi-affiliate structure encompasses a portfolio of more than 20 independent active asset managers providing a distinctive, alpha-generating and diversified suite of investment strategies across traditional and specialized equity, fixed income and alternative asset classes, supported by a federation of shared services. The Company supports the growth of each affiliate through its global distribution platform, offers financial backing for innovation and global oversight to ensure the consistency of operational risk management. Natixis Investment Managers covers over 20 countries, and its main support functions operate from Boston, London and Paris.

Its global distribution platform serves two major customer segments: institutional investors (public and private pension funds, insurers and banks, sovereign funds and central banks, etc.) and distribution/retail (investment platforms, financial advisors, funds of funds and Private Banking).

2020 was marked by exceptional uncertainty and unprecedented challenges, with significant repercussions on revenues and results. However, Natixis Investment Managers proved resilient to the test and continued to record new inflows and preserve its return margins. Natixis Investment Managers has once again demonstrated the effectiveness and resilience of the multi-affiliate model. Robust and diversified, focused on performance, sustainable growth sources and the unique needs of investors, Natixis Investment Managers has proven its ability to evolve according to circumstances and has been able to provide advice and services to its clients.

There was good momentum in investment styles, strategies and geographic areas, including fixed income, growth equities, ESG, private debt and alternative investment solutions. Natixis Investment Managers achieved significant gross inflows in several markets, particularly in the United States and Asia. Despite the outflows recorded at H2O Asset Management, the European activity once again demonstrated its ability to produce results despite market headwinds:

- the announced merger of the fixed-income and insurance management activities of Ostrum Asset Management and La Banque Postale Asset Management was completed. This marks the creation of a European leader to assist liability-driven investors and bond management for large institutional clients, with more than €430 billion in assets under management. This transaction was also an opportunity to strengthen the DNCA Finance and Thematics Asset Management teams by repositioning the equity expertise of Ostrum AM;
- **Natixis** Investment Managers **and H2O AM announced that they have begun discussions on the possible and orderly unwinding of their partnership by the end of 2021**. Such evolution remains subject to consideration and approval by relevant regulatory authorities;
- the ambition to extend the private debt offering in recent years, in particular with the development of Flexstone Partners, the launch of Vauban Infrastructure Partners and the acquisition of MV Credit, is bearing fruit. The activities of Natixis Investment Managers in this exposure class are now among its main profitability drivers, fueled by strong inflows;
- following the acquisition of a minority stake in 2019, WCM Investment Management is now fully consolidated into the distribution platform, as evidenced by material contracts won in Korea and the Middle East, in addition to over $6 billion in outstandings collected by the centralized American distribution platform.
- Natixis Investment Managers continues to support the ambitions of its affiliates to strengthen their capacities and further their international development. In the fourth quarter, Boston-based Loomis Sayles recruited a European credit team (specializing in A-rated bonds) that will step up its global footprint. The Company ended the year with record assets under management and profits;
- Natixis Investment Managers enjoyed a solid sales momentum in most of the regions where it operates and continued to develop its distribution network. In the United States, Natixis IM saw a strong drive in retail activity with its main distributors and through its newly established strategic distribution partnerships. In Europe, an increase in inflows was recorded despite a challenging environment, particularly in private debt. Lastly, Natixis Investment Managers achieved significant growth in Asia, particularly in China, which confirmed the targeted strategy in the region;
- the Company is on track to continue the transition of its clients to a more sustainable investment model. In 2020, Natixis Investment Managers published its first report on responsible investment, Making a difference, which presents its approach to ESG and sustainable investing, and its latest thoughts on several major challenges facing society as a responsible investor. The affiliate Mirova, specialized in ESG and impact investing, experienced strong growth in all the regions where it operates, with a 58% increase in its assets under management in 2020 and strong net inflows. At the same time, many affiliates continued to successfully develop their ESG strategies. The portion of Natixis Investment Managers' assets invested in SRI-labeled funds now represents nearly 15% of total assets of the Company's funds. The share of assets devoted to sustainable investment in general (funds and mandates) represents more than 10% of assets under management;

- innovation remains a priority for Natixis Investment Managers, which has invested in FundsDLT, a company focused on the digitization of fund distribution operations, and SmartPensions, a British technology platform specialized in pension and savings solutions. Natixis Investment Managers also appointed Renan Borne as Chief Information Officer and Digital Transformation Lead.

During this worldwide pandemic, Natixis Investment Managers launched the Natixis Access Series to provide market trends to its clients through webinars. A record amount of content was broadcast and a large number of customer events were digitized (more than 180 global events organized in a virtual setting with more than 14,000 attendants).

Natixis Investment Managers aims to consolidate its position as a leading player in the Asset Management industry, anchored by its mature leading-business in the United States and France, and grow its presence in Europe and other critical regions, including Asia-Pacific, the Middle East and Latin America. Building on its current leading market position and its differentiating multi-affiliate business model, Natixis Investment Managers will continue to diversify its line-up of offerings and further invest in digitization and technology, and expand its global footprint and capabilities, notably in Asia The Company will also continue to invest in ESG management and impact investing, as well as diversity and inclusion, and is committed to making clearly measurable progress in both areas.

Natixis Investment Managers: more than 20 specialized investment managers in the US, Europe and Asia (as of December 2020 – assets under management in billions of euros)

- Active Index Advisors (€3.3 billion), discretionary index-based strategies.
- AEW/AEW Europe (€57.4 billion) real estate asset management, real estate investment trusts (SCPI) and real estate mutual funds (OPCI)
- Alliance Entreprendre (€0.4 billion), Private Equity
- Alpha Simplex Group LLC (€4.8 billion), quantitative investment management
- DNCA Finance (€26.3 billion), fixed income and equities
- Dorval Asset Management (€1.3 billion), flexible management
- FlexstonePartners [(1)] (€3.8 billion), Private Equity
- Gateway Investment Advisers, LLC (€8.1 billion), hedged equity
- H2O Asset Management (€18.4 billion), global macro multi-strategy and international fixed income
- Harris Associates (€84.8 billion), US and international value stocks
- Investors Mutual Limited (€4.3 billion), value-based Australian equities
- Loomis, Sayles & Co. (€284.2 billion), equities (growth, core, value) and bonds (core to high-yield)
- Mirova (€19.6 billion), SRI equity and fixed income, infrastructure project financing
- Managed Portfolio AdvisorsOverlay [(2)] (€16.4 billion), overlay strategies
- MV Credit (€2.4 billion), real assets
- Naxicap Partners (€3.8 billion), Private Equity
- NIM Dynamic Solutions (€49.9 billion)
- NIM Private Debt (€2.9 billion)
- OSSIAM (€3.9 billion), strategy-based ETFs (Exchange Traded Funds)
- Ostrum Asset Management (€436.3 billion), fixed income & equities
- Seeyond (€8.8 billion), structured products and volatility
- Seventure Partners (€0.7 billion), Private Equity
- Thematics Asset Management (€2.9 billion), international thematics asset management
- Vauban Infrastucture Partners (€4.5 billion)
- Vaughan Nelson Investment Management (€11.4 billion), value stocks and bonds
- Vega Investment Management (€7.7 billion), bespoke investments solutions
- WCM Investment Management (€67.1 billion)

(1) Launched in January 2019 and bringing together three of Natixis Investment Managers' existing Private Equity affiliates: Euro-PE, Caspian Private Equity and Eagle Asia.
(2) A division of Natixis Advisors, LP.

1.2.1.2 Wealth management

Natixis Wealth Management, with its French and Luxembourg footprint, offers clients (business proprietors, senior executives/company Directors and owners of family wealth), wealth management and financial solutions to support them over the long term.

Groupe BPCE's clients or those won directly benefit from a wide range of expertise covering all aspects of their projects, at all stages of their development: corporate advisory, origination, vanilla and complex financing, investment, wealth engineering and asset management. These offerings have been enhanced with diversification solutions in recent years, particularly in Private Equity and Life insurance, thanks to a dedicated business unit operating on an open-architecture basis. The entire value proposition is tailored to the level of customization requested by clients and is distributed via two channels, BtC (business to consumer) and BtB (business to business).

Natixis Wealth Management works with its subsidiaries to expand its range of products and services, which can be tailor-made: VEGA Investment Managers, its preferred partner for the production of solutions for liquid asset classes, and Massena Partners. VEGA Investment Managers' core expertise in collective management, delegated management and fund selection on an open-architecture basis complements that of Massena Partners, advising private family-owned groups and family offices, mainly in Private Equity.

In 2020, Natixis Wealth Management continued to roll out its strategic ambitions under the New Dimension plan, to reposition its direct client franchise in the "High Net Worth Individuals" segment, while growing its offering to serve the Group. In addition, the progress made in terms of cross-functionality between entities and digital transformation enabled to facilitate and streamline interactions with clients and internally during the health crisis.

This year also marked a turning point in the strengthening of ESG commitments, with the enhancement of the management processes of VEGA Investment Managers, which also launched its second SRI fund "VEGA Transformation Responsible", in collaboration with the Impak Finance start-up, a leader in impact rating.

At the end of 2020, Natixis Wealth Management managed €30.7 billion in assets.

1.2.1.3 Natixis Interépargne

Natixis Interépargne, Groupe BPCE's reference in employee savings and pension plans, supports companies of all sizes in setting up and managing their employee savings and retirement savings plans, as well as their employee shareholding to make them a driver of performance.

A pioneer in innovation for more than 50 years, its ability to adapt to a constantly changing environment and uses allows it to offer full access to a whole range of employee savings and supplementary pension solutions: company savings plans, company savings plan in securities account format or, in partnership with Arial CNP Assurances, in insurance format.

It relies on the financial management offers of Natixis Investment Managers, a specialist in the active management of employee savings.

In 2020, Natixis Interépargne consolidated its position as a leading player in employee savings and retirement savings plans with more than 75,000 corporate clients, nearly three million savers(1) and 26.5% market share in employee savings(2). With a 31.2% SRI market share(3), Natixis Interépargne has consolidated its position as a leader in employee savings through Socially Responsible Investment.

Natixis Interépargne is delivering long-term performance thanks to the quality and consistency of its range and the constant work of management teams. In 2020 it was awarded first place in the Corbeilles de l'Épargne Salariale awards(4) in the Long-Term Salary Savings Basket category for the quality of the management by Natixis Investment Managers International and Mirova of the "Avenir" and "Impact SRI" fund ranges.

2020 also marked the development of the retirement savings offer for companies with more than 6,000 collective pension plans subscribed(5).

(1) Association Française de Gestion – June 30, 2020.
(2) Association Française de Gestion – December 31, 2020.
(3) Finansol & CIES.
(4) Awarded each year by the monthly magazine Mieux Vivre Votre Argent this award is widely recognized in the industry and rewards the institutions whose funds have achieved the best performance over time.
(5) At 30/11/2020.

1.2.2 Cooperate and investment banking

At December 31, 2020, Corporate & Investment Banking (CIB) **comprised 3,681 employees** (FTEs) in **27 countries** around the world: **38.7% of which in France, and 61.3% internationally**.

Corporate & Investment Banking serves corporate clients, financial institutions, 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 investment banking and mergers & acquisitions on Capital Markets, and in financing and transaction banking. Its objective is to develop a strategic dialogue with each of its clients over the long term by building a close working relationship with them through a strong regional and international presence.

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 Structured Financing, as well as portfolio management for all vanilla and Structured Financing under an originate-to-distribute (O2D) model;
- **Trade and Treasury Solutions:** cash management, trade finance, export finance and trade commodity 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 three **international platforms**:

- **Americas:** Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru and the United States;
- **Asia-Pacific:** Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand;
- **EMEA** (Europe, the Middle East and Africa): France, Germany, Italy, Russia, Saudi Arabia, Spain, the United Arab Emirates, and the United Kingdom.

Corporate & Investment Banking has a cross-business team dedicated to Natixis' client coverage. This team provides long-term support to clients at each stage of their development. It anticipates their needs and advises them by drawing on all of Natixis' expertise.

Organized by client type (banks and the international public sector, insurers, financial sponsors, asset managers and corporates), the Coverage function has a strong regional presence in France and is supported internationally by all Natixis' teams across 27 countries. This structure encourages responsiveness, close, personalized working relationships and in-depth strategic dialogue with clients over the long term.

In 2020, Corporate & Investment Banking continued to implement the objectives of the New Dimension strategic plan (2018-2020), targets aimed at achieving the following goals: to be recognized as a bank that offers innovative solutions and to become a benchmark bank in four strategic sectors (energy transition, aerospace, infrastructure, real estate and hospitality/tourism).

Natixis also continued to enhance its expertise in green finance.

After deploying its Green Weighting Factor (GWF) in 2019, a tool not only for innovative oversight of capital allocation based on the environmental performance of its financing solutions, but also for helping clients achieve their own personal ecological transition, Natixis worked throughout the year on the active management of its own energy targets.

The Green & Sustainable Hub (GSH) continued to drive Corporate & Investment Banking's efforts to promote green and sustainable finance, securing a position as a valued partner for corporate clients, the public sector and investors in navigating the key issues of the ecological and social transitions.

As part of its resolute specialist positioning, GSH's center of expertise, which is based in particular on CIB Research is responsible for keeping an active watch over market and regulatory developments, and for focusing efforts in the areas of product or methodology investigation and innovation.

In 2020, the team further expanded its in-depth knowledge of investors in these green and sustainable finance areas, through multiple interactions (and research) centered on their ESG strategies.

Lastly, the GSH was the driving force behind the strategic development of Corporate & Investment Banking's green and sustainable activities: enhanced development of loans (green loans and sustainability-linked loans) and investment solutions, consolidation on the green bond market, and pioneering of several innovative financing or investment products.

Lastly, Natixis' green and social bond activities saw very strong growth since the beginning of the year, with a recovery in approvals for sustainable loans in the second half of 2020 – Green Loans and Sustainability-Linked Loans (or "SLL").

The GSH continued to innovate in terms of investment products for various banking distribution (Banque Populaire and Caisses d'Epargne) and insurance (Groupama in France) networks and for institutional clients by offering the Green and Social bond under structured products.

1.2.2.1 Global Markets (Capital Markets)

Natixis offers a wide range of investment, financing and hedging products and solutions backed by proven research, to its corporate and institutional clients (private and public sectors) and clients of Groupe BPCE networks. The Global Markets business model is built on the following elements:

- the development of innovative solutions (as opposed to standard flow products) in the main asset classes. This tailored approach enables Natixis to respond more pertinently to its clients' needs and set itself apart from its competitors;
- in addition, access to a wide range of flow products via electronic platforms cover all client requests on the markets;
- the development of an investment policy targeted to clients' local needs. The challenge for the bank is firstly to focus on products in which Global Markets enjoys a genuine competitive advantage, and secondly to achieve the necessary critical size in these activities to ensure the sustainability of franchises;

- the further development of Global Markets' international reach in terms of client and market coverage, drawing on Corporate & Investment Banking's presence in the EMEA, Americas and Asia-Pacific regions;
- a multi-underlying focus, illustrated by the Global Securities Financing team, which operates simultaneously on the fixed income and equity markets.

In order to provide a holistic response to its professional clients, the Natixis Global Markets Department merged its fixed income and equity derivatives sales and financial engineering teams.

This business line is divided into four divisions:

- two Solutions divisions aiming to strengthen commercial relations with customers: cross-asset solutions offering single, multi-asset access to distributors, family offices, mutual funds and pension funds; multi-asset solutions which address the needs of large institutional investors, asset managers and corporates;
- a single Financial Engineering division offering clients innovative hedging, investment and financing solutions across all asset classes;
- a Multi-Asset Client Servicing & Execution (MACSE) division coordinating flow products and digital offerings.

On Capital Markets Natixis was able to adapt to the exceptional and unprecedented health crisis conditions by remaining close to its customers and partners by adapting its offering and know-how according to their new needs. The Company upheld its position with institutional investors and supranationals and strengthened its position with large corporations.

In Fixed Income, the teams were heavily involved in helping industrial and institutional investors adapt their risk hedging and investment policies during the COVID-19 crisis. Institutional investors relied on sales teams to seize new opportunities, particularly in the credit market. In Fixed Income, the teams were heavily involved during the COVID-19 crisis to support Corporate clients to adjust hedges on the foreign exchange market as well as in the monitoring and management of cash flow. Institutional investors faced excess liquidity and relied on the sales teams to seize new investment opportunities, in the bond market but also through dedicated structured offers.

In equity derivatives, Natixis continued to conduct campaigns for financial savings products committed to the energy transition for various banking (BPCE) and insurance distribution networks.

The bank received two awards, one from The Banker magazine and the other from the Structured Retail Products magazine. *(source: (1) Investment Bank of the Year for Equity-linked Products, (2) Deal of the Year 2020)*.

In Europe, GSCS and Alternative Credit Syndications entered into an additional commitment of €500 million from Apollo Management International for the Dutch residential mortgage platform Merius Prime.

Natixis also successfully placed a bespoke senior financing note in the amount of $100 million linked to a US mid-market warehouse with a Nordic pension fund, thereby marking the first transaction of this type with the client in the context of our initiative to forge strategic O2D partnerships in the asset class. The transaction leverages our leading position in the CLO US mid-market, by leveraging many of the structural features of our CLOs, but also by adapting them to the needs of the pension fund.

In the United States, Natixis New York Branch is now a sponsor of the Fixed Income Clearing Corporation (FICC) Sponsored Repo program for the financing of global securities.

Global Securities Financing

A product of the merger of the Equity Finance (Equity Derivatives) and Securities Financing group (Fixed Income) teams, Global Securities Financing aims to promote dialog with clients in order to offer them multi-underlying and multi-product solutions.

With 65 employees in Paris, New York, Hong Kong and Tokyo, Global Securities Financing's primary areas of expertise are secured funding and collateral management (repos, securities lending/borrowing, etc.), repo market-making and credit and sovereign securities lending/borrowing, and index (equity) market-making, and has a Solutions Department.

The pooling of expertise facilitates the development of innovative hybrid solutions to serve customers' funding or exposure needs. The team helps the bank adapt to changes in the market and regulatory constraints (relating to balance sheet, LCR, RWA, etc.), and provides an overview of the bank's assets, mainly equities and fixed income (collateral) in order to manage them more efficiently and comprehensively.

CVA/DVA desk

Global Markets has a centralized XVA management desk (CVA/DVA/FVA). Its core responsibilities are to measure and manage XVA exposures and hedge the main risks generated by these exposures.

Research

Global Markets Research, now CIB Research, complements Natixis' sales strategy. It publishes analyses to guide clients in their investment decisions and contributes to creating financial solutions tailored to clients' needs using models, such as valuation models, risk management models and quantitative asset allocation strategy models (equity derivatives, fixed income, credit, foreign exchange), all backed by technical analyses.

Recognized for the macroeconomic expertise of its Chief Economists in its three international platforms, CIB Research also does extensive research in key sectors such as infrastructure, real estate, energy & natural resources, and insurance. In 2019, it launched a new website with an offering tailored to each client, inviting them to rate the publications and select personalized investment themes.

A genuine center of expertise was developed in real estate, combining analyses of macroeconomic flows, valuation models and new publications to guide clients throughout their strategic projects. It also developed expertise in investment themes as varied as electric cars, gas and 5G.

The growing use of big data and machine learning paved the way for the definition and publication of innovative indicators, for example on uncertainty, sentiment and risk.

CIB research also contributes to Natixis' energy transition goals through its joint venture with the Green & Sustainable Hub. Through this collaboration, it has produced extensive research on the theme of water and helped create the Green Weighting Factor.

Quantitative **Research contributes** to the adaptation of our offering on the Capital Markets. It supports the bank's financial innovation process and ensures that it remains competitive in today's fast-changing markets. Its teams help develop pricing, risk management models and quantitative asset allocation strategies.

1.2.2.2 Financing

The Real Assets business lines (which in addition to the Aviation, Infrastructure and Real Estate & Hospitality sectors, now include the Structured Financing activities of Energy and Mining & Metals assets) proved very resilient as reflected by the cost of risk which remained at a contained level.

The passenger air transport sector was particularly affected by the COVID-19 epidemic. The recovery was slow, driven by domestic and tourism flights, with business and international travel remaining low. In this challenging period, Natixis continued to support its clients, both airlines and leasing companies, by providing liquidity facilities, portfolio financing and transactions guaranteed by export credit agencies.

The new Infrastructure & Energy sector survived the economic crisis relatively well, driven by the telecommunications infrastructure segment and the renewable energy sector. For example, Natixis arranged numerous solar farms in Chile (Sonnedix, CVE, Langa, Reden, Grenergy, Arroyo) which confirms Natixis' dominant position in this segment. Other highlights include the financing of the world's biggest Concentrated Solar Power (CSP) project in the United Arab Emirates (DEWA V), the financing of the biggest floating offshore wind farm (Kincardine, £380 million), as sole green loan coordinator, and the financing as Sole Mandated Lead Arranger of the largest next-generation data center in Europe for Vantage Data Center, in the amount of £320 million. In Asia, Natixis was Mandated Lead Arranger for the financing of Next Data Center, contributing to the Group's growth, particularly in Australia. Natixis also continued the development of its renewable energy franchise with the CFXD deal, an offshore wind farm with a capacity of 589 MW in Taiwan.

Natixis received the IJGlobal "2019-2020 Latin America MLA of the year on Project Finance & Infrastructure" and "2019-2020 MENA MLA of the year on Project Finance & Infrastructure" awards.

The Real Estate and Hospitality/Tourism sector continued to support its clients in all the geographic areas where it operates, and to develop Green and Sustainable financing arrangements.

Natixis co-arranged a green mortgage loan for Swiss Life AG in the amount of €397 million for the acquisition of the Ecocampus, Engie's future headquarters near La Défense. Natixis also co-arranged a €1,385 million syndicated corporate credit facility for Klépierre, the European leader in shopping centers, including a sustainable development criterion and designed to support the Klépierre group's ambition to achieve the carbon neutrality of its portfolio by 2030.

Distribution & Portfolio Management

Distribution & Portfolio Management (DPM) develops optimal financing solutions for business and attractive investment opportunities for investors. The bank boasts excellent portfolio management and distribution across its three international platforms (Americas, EMEA and Asia-Pacific) consisting of 175 professionals. It is in charge of the syndication and active management of the loan book, and therefore proactively manages the credit quality and profitability of financing put in place by Natixis.

Natixis further consolidated its strategic O2D model in 2020, while developing processes and initiatives aimed at optimizing credit risk management. As a key component of the bank's O2D strategy, the Singular digital financing platform was extended to the active portfolio management activities. The platform's main purpose is to improve collaboration and visibility across the O2D chain and ultimately provide a better service for clients.

Trade & treasury Solutions

Trade & Treasury Solutions has been transformed in 2020 by moving closer to export credit and commodity trading activities aimed at better serving our clients by providing them with more comprehensive support for their working capital needs and the development of their business sales, particularly internationally. Among the highlights in 2020, TTS stepped up support for customers in their energy transition, with innovative products such as the Green Repo for aluminum with Trafigura. TTS is also giving itself the means to put even more emphasis on digital innovation, for example with international payments traceability.

1.2.2.3 Investment banking

The purpose of the Investment Banking business line is to strengthen strategic dialog with clients while offering them the best possible combination of solutions to meet their financing needs. Accordingly, it includes acquisition & strategic finance, financing on the primary markets for bonds and equities, financial engineering applied to holdings (strategic equity transactions, a team reporting both to the Head of Investment Banking and that of global markets). It also includes financial structure and rating advisory services.

Strategic and acquisition finance

Natixis is a world-class player in strategic and acquisition finance, with over 25 years of experience in the sector and offices in the EMEA region (Paris, London, Milan and Madrid), Asia-Pacific (Hong Kong and Sydney) and the Americas (New York). It offers corporate clients, investment funds, family offices and institutional clients a full range of financing solutions (bonds, loans, private placements) for their various strategic requirements, including acquisitions, shareholder restructuring, investments, debt financing and post-IPO financing. In 2019, Natixis was named No. 1 bookrunner for sponsored loans in France *(source: Dealogic)* and No. 6 in the EMEA region *(source: Refinitiv)*.

Natixis arranges tailor-made solutions, drawing on the full range of its expertise in M&A advisory services, equity Capital Market transactions and bonds. It is also recognized for its structuring and placement capacity, thanks to its dedicated syndication and secondary-market teams.

In 2020, in exceptional market conditions, the Strategic and Acquisition Finance teams completed numerous transactions with diversified profiles, in a variety of geographies and sectors.

Firstly, to support the Corporate Coverage teams, ASF arranged numerous financing arrangements (credit facilities, GBLs in France) to strengthen the balance sheet on behalf of Natixis' clients: for the PSA group automotive manufacturer, a Revolving Credit Facility (RCF) in the amount of €3 billion where Natixis served as Underwriter, MLA Bookrunner and Documentation Agent; For the Vivescia agricultural cooperative, €1 billion in funding and GBLs. For Air France airlines, an GBL of 4 billion (MLA bookrunner, facility agent and documentation agent). In addition, and broadly speaking, numerous funding transactions were structured in various formats: syndicated loans, private placements or bond issues. Natixis, as joint global coordinator and dealer manager, thereby arranged the $333 million Eurobond issue of and the buyback of existing bonds by the Ukrainian steel and mining group Metinvest.

In terms of acquisition finance, many transactions were conducted by corporate buyers. As part of the acquisition of Endemol Shine group by Banijay, allowing the group to become the world's biggest independent producer of TV programs, Natixis set up financing of €2.4 billion as global coordinator, active joint bookrunner on all bank and bond tranches, B&D (bill & delivery) on the euro senior secured note facility, rating advisor and hedging bank. PJ Solomon acted as financial advisor. Natixis arranged as MLA Bookrunner and Underwriter the financing of £200 million for Compañía Logística de Hidrocarburos (CLH), a Spanish oil infrastructure group, for its acquisition of the British group Inter Terminals. In the telecoms sector, Natixis acted as Iliad's Underwriter and MLA Bookrunner in the financing of €2.3 billion and bacskstop of €1.65 billion for the acquisition of the Polish mobile operator Play Communication. In Asia, Natixis acted as arranger and bookrunner in a syndicated loan of $1.75 billion with a view to financing the acquisition of Pinehill Ltd by PT Indofood, a listed food group in Indonesia.

In 2020, volumes in the leveraged buyout segment for investment funds were smaller despite a recovery at the end of the year. Some successful achievements can be noted: In France, Natixis arranged and coordinated (Sole Sustainability Coordinator and Facility Agent) for IK Partners in connection with the acquisition of Kersia, a leader in biosafety and food safety, the first sustainability-linked LBO (€520 million) for a French loan. In North America, Natixis acted as Joint Lead Arranger and Joint Bookrunner in the acquisition by the Stonepeak Infrastructure Partners fund of Xplornet Communications, the leading Internet access provider in rural areas in Canada. Lastly, as Joint Bookrunner, Natixis set up a funding of existing debts as well as the financing of an exceptional dividend to the shareholders of Astoria Energy I, an electricity producer and supplier, in particular for New York City.

Bond origination

Operating on the principal European, American and Asian markets, Natixis serves all types of issuers (corporates, financial institutions, sovereigns/supranationals/agencies), helping them obtain financing on the euro and foreign-currency bond markets (£, $, ¥), and particularly in the green bond, investment grade, covered bond, high yield, hybrid and private placement segments.

Primary activity without financial intermediaries was particularly strong in 2020 for corporates. Natixis was the preferred institution of French companies for the launch of their public bonds and stood at the top of the league table of the "non-dilutive hybrid segment in France" (Number 1 LT hybrid and senior corporate FR; *source: dealogic*).

Among other transactions, Natixis acted as Global Coordinator and Structurer of the perpetual double tranche transaction for VEOLIA. Natixis joined as active joint bookrunner in the perpetual issues of TOTAL, EDF, Orange and ABERTIS for their first transaction in a "hybrid" format.

Regarding foreign currency transactions, DCM corporate Natixis acted notably as ESG structurer of the senior secured transaction of NRG Energy Inc. in the amount of US$900 million and assisted LVMH as a global coordinator with its EUR/GBP multi-currency transaction which prefinanced the acquisition of Tiffani & Co. and the general needs of the Company.

In 2020, Natixis furthered its development in the subordinated debt segment for financial institutions, with a total of 12 transactions, including ten in the insurance sector. This development was particularly marked in Europe, with transactions for Phoenix (RT1 in USD), Helvetia (Tier <2), Generali (Green T2 combined with a buyback of existing debt), and Ageas (T2) with a role of Global Coordinator, and Bankinter (AT1), or La Banque Postale (Tier 2 mandate).

Natixis also continues its sustainable finance strategy by positioning itself in a variety of green and social bond transactions, with a total of twelve mandates executed. Notable events include the participation in bond issues aimed at supporting activities affected by the health crisis ("COVID Bonds") for the Spanish banks BBVA and CaixaBank. In green transactions, Natixis was largely involved in the inaugural issue of Crédit Mutuel (BFCM), as well as in the issues of the Belgian bank KBC, the Swedish bank SBAB, the German bank Commerzbank, the Spanish bank Bankinter, the Japanese bank Mizuho and ultimately Bank of China.

Natixis also served in a number of flagship transactions in investment grade and emerging sovereign markets, including bonds issued by the Kingdom of Belgium (€5 billion), the Kingdom of Morocco (€1 billion in double tranche and US$3 billion in triple tranche), and the Sultanate of Oman (US$2 billion in double tranche). In addition, Natixis was the structurer of the Mexico ESG Framework (the inaugural ESG issue for an amount of €750 million).

In the unprecedented health context, Natixis acted as structurer and bookrunner for most of the issues by French agencies, including the CADES inaugural social issue (€5 billion, with Natixis as Framework Structurer), the AFD inaugural Sustainable Bond (€2 billion, with Natixis as Framework Structurer) and the Unedic inaugural social issue (€4 billion, with Natixis as Framework Structurer).

This year, Natixis maintained a privileged relationship with the World Bank (three mandates totaling €7.5 billion in issues). Natixis also strengthened its international franchise with a new Canadian client Omers (the inaugural issue of €1 billion) and maintained a strong presence in European supranationals, including the European Investment Bank (the €5 billion benchmark) and ESM (€1.5 billion).

Equity Capital Markets

On the equity Capital Markets (ECM), Natixis provides clients with tailored advisory services for all transactions that affect their capital structure: IPOs, capital increases and convertible or exchangeable bond issues. Natixis also provides advice on how to conduct takeover bids. Natixis also includes the corporate broking activity, which offers intermediation services to clients: acquisitions or disposals of equity investments, share buybacks and liquidity contracts.

2020 was unprecedented in many aspects. Since one of the largest market lows of all times in the first quarter, markets rallied hard and some equity indices reached record levels again, particularly in the United States.

In primary equity markets, against all odds, European volumes surged in 2020, up 75% compared to 2019, driven in particular by the need to reinforce equity or other recapitalization. On the other hand, the French market was marked by a completely different trend (issuance volumes in line with those of 2019), with many French companies applying for State-guaranteed loans rather than using the market to finance this crisis.

Natixis was nonetheless active in the capital increase market, acting as Partner Bookrunner on Alstom's €2 billion transaction, the largest capital increase to finance an M&A transaction since 2016 in France, and the Technicolor €330 million capital increase, as Global Coordinator and Joint Bookrunner.

In these exceptionally volatile market conditions; Natixis benefited from its strong expertise in the convertible bond market to manage five large-scale transactions in 2020, including the issues of Accor, Safran, STMicroelectronics, and Worldline on two occasions.

In Corporate Broking, Natixis recorded sustained activity: Natixis was involved in the six largest share buyback mandates active in Paris in 2020, with a total of 21 transactions for SBF120 and CAC40 issuer clients (including Vivendi, Cap Gemini, ArcelorMittal, Sanofi, Compagnie de Saint-Gobain, Accor, ST Microelectronics and Klepierre). In addition, the team also served as presenting institution, guarantor and bidder in the takeover bids of CVC investment fund for the April group, of the American fund Searchlight for the Latecoere group, of the Eurazeo PME investment fund for Easyvista. Natixis ODDO-BHF signed a liquidity agreement with Carbios and Transgene.

Equity-linked finance

The Strategic Equity Transaction team, specialized in equity engineering originates, structures and implements value-added solutions on Natixis clients' equity positions (equity investments, treasury shares, investments, etc.) by using all types of instruments directly or indirectly linked to shares.

SET is a reference in equity engineering and the use of tailor-made derivatives, an activity that requires first-class customer focus and responsiveness, innovation, expertise and excellence in structuring and execution as well as total confidentiality, backed by strict intervention rules and a dedicated team that manages all aspects of the transaction.

2020 evidenced that SET is a major player in the Strategic Equity sector in the EMEA region and in ASIA with financing and protection solutions with major corporate clients.

Its comprehensive range of structured solutions on financial engineering listed securities and listed equity derivatives enables it to provide solutions in three key areas for its clients:

- equity investment (economic exposure, construction of positions, M&A on listed shares, strategic investments, capital increase, dilution risk, exchangeable bonds, equity engineering);
- shareholders (reference shareholders, investment vehicles, Family Office and Holding companies);
- own shares (treasury shares, employee share ownership plans, stock options, structured share buybacks, indexed financing, convertible bonds).

To illustrate this performance and thanks to the joint work of Corporate Broking and SET, Natixis remains the number one player in terms of volumes bought back on the French market and number of transactions.

Financial structure and rating advisory services

This advisory business activity consists of analyzing financial structures and credit rating issues for Natixis' corporate and financial institution clients. Its goal is to define the most appropriate equity and debt-based financing solutions for its clients. Given the internationalization and increasing disintermediation of Capital Markets, clients rely more on ratings, giving this business line increasing strategic importance. It applies its rating advisory expertise to analyze and optimize the impact of major events on clients' ratings, and can even help clients obtain their first rating.

1.2.2.4 Mergers and acquisitions

Natixis' mergers and acquisitions (M&A) teams help large and medium-sized commercial and industrial enterprises, institutional investors and investment funds prepare and execute disposals and mergers, fund-raising, restructuring and capital protection.

On the background of the COVID crisis, Natixis and the M&A affiliates network carried out numerous large-scale transactions this year.

In France, Natixis Partners advised Sagard on the sale of Ipackchem to SK Capital. In the United Kingdom, Fenchurch Advisory advised Hastings Group plc on the takeover bid by a consortium of Sampo and RMI. In the United States, PJ Solomon advised Mood Media, first on its restructuring under Chapter [11] and later on its sale to Vector Capital.

In France, Natixis and Natixis Partners jointly rank No. one by number of deals with midcaps *(source: L'Agefi Hebdo)*. In the United Kingdom, Fenchurch Advisory ranks No. 1 in the FIG sector by number of transactions *(source: Mergermarket)*.

1.2.3 Insurance

Insurance division

The Insurance division consists of a holding company, Natixis Assurances, which owns various operating insurance subsidiaries that develop and manage a comprehensive range of insurance solutions for individuals and professionals. The division is structured as two large business lines and one activity common to all of Groupe BPCE:

- the Personal Insurance business, which focuses on the development of portfolios for life insurance, investment and retirement savings, and a very wide range of personal protection coverage (death benefit, work cessation and dependency) and payment protection solutions;
- the Non-Life Insurance business, which develops portfolios for motor and multi-risk home insurance, personal accident insurance, legal protection, healthcare, and property and casualty insurance;
- Corporate Solutions handles Groupe BPCE insurance matters that are not dealt with by its own insurance subsidiaries, e.g. the Group's insurance program.

Natixis' Insurance division had 1,904 full-time equivalent (FTE) employees at the end of 2020, compared to 1,880 at the end of 2019. The Insurance business generated total revenue from direct sales of €10.8 billion in 2020.

The Insurance division comprises several legal entities (excluding investment vehicles):

Group company	Legal form	Location	% voting rights	% ownership
Natixis Assurances	Joint stock company	FRANCE	100%	100%
BPCE Vie	Joint stock company	FRANCE	100%	100%
BPCE Prévoyance	Joint stock company	FRANCE	100%	100%
BPCE Assurances	Joint stock company	FRANCE	100%	100%
Natixis Life	Joint stock company	LUXEMBOURG	100%	100%
BPCE APS	Simplified joint-stock company	FRANCE	53%	53%
BPCE Relation Assurances	Economic Interest Group	FRANCE	100%	100%
BPCE IARD	Joint stock company	FRANCE	50%	50%
ADIR	Joint stock company	LEBANON	34%	34%
Ecureuil Vie Développement	Simplified joint-stock company	FRANCE	51%	51%

The Group's five biggest entities are:

- BPCE Vie, a mixed life insurance company that offers all types of policies and agreements with commitments linked to the length of the policyholder's life. It accounts for most of the Personal Insurance business workforce and provides other the entities of the Insurance division with the resources they need for their operations;
- BPCE Assurances, a non-life insurance company that offers a full range of property and casualty insurance products (auto insurance, multi-risk home insurance, personal accident coverage, health insurance, legal protection and business and personal protection insurance for professionals);
- Natixis Life, a Luxembourg-based life insurance company that offers life insurance and investment solutions to high net-worth customers;
- BPCE Prévoyance, a non-life insurance company whose operations include insurance coverage for accidents, illness and different forms of financial loss;
- BPCE IARD, a non-life insurance company that offers a full range of property and casualty insurance products (auto insurance, multi-risk home insurance and legal and multi-risk coverage for professionals).

In terms of location, most of the Insurance division's activity is in France via companies established in France. The Personal Insurance business line also owns a Luxembourg-based entity specialized in life insurance products for Wealth Management clients, and is a client of the BPCE networks and non-Group entities in various EU countries. It also owns an entity in Lebanon through an equity interest in a subsidiary in partnership with a local private bank.

The Insurance division was created in 2014, in line with Groupe BPCE's strategic ambition to become a fully-fledged bancassurance player primarily serving clients from the two main banking networks of Groupe BPCE: the Banque Populaire and Caisses d'Epargne savings banks. This strategic drive resulted in the following major structural transactions:

- in March 2014, Natixis Assurances acquired 60% of BPCE Assurances, a non-life insurance company created to serve customers of the Caisse d'Epargne network, and in 2017 bought the remaining 40% stake previously held by MACIF and MAIF. As a result of this transaction, Natixis Assurance became the sole shareholder of BCPE Assurances. With the renegotiation of the partnership agreement with Covéa, BPCE Assurances handles new non-life insurance business with the individual customers of the Banque Populaire banks in addition those of the Caisse d'Epargne banks;
- the renegotiation of the terms of the existing partnership between Groupe BPCE and CNP Assurances, finalized in the first quarter of 2015. Accordingly, the distribution of life insurance policies for retirement savings and personal protection insurance, handled by the Personal Insurance business line, was extended to the Caisse d'Epargne network, with effect from January 1, 2016.

Natixis' Insurance division, through its different operational entities, now offers a comprehensive range of life and non-life insurance policies, with the Banque Populaire and Caisse d'Epargne banks being the main contributors to the business.

Insurance division's operating environment

Launched at the end of 2017, the division's strategic plan, New Dimension 2018-2020, aimed to cement Natixis Assurances' position as a front-running insurer in France, by delivering a differentiated customer experience and top-flight operating performances. The new plan now spans the property & casualty arm's entire value chain with the creation of a single management platform run by Natixis Assurances to better serve the Banque Populaire banks and the Caisse d'Epargne banks (the Innove#2020 project).

Over the last few years, the Insurance division has been operating in unprecedented market conditions: macroeconomic and financial shifts have resulted in the implementation of monetary policies with significant impacts on life insurance policies for retirement savings, and, to a lesser extent, for the non-life insurance business. In particular, historically low interest rates, which are the main source of revenue for life insurance players, have led to significant changes in product and investment strategies:

- life insurance products were aimed to improve the sharing of outcomes among the various stakeholders in order to ensure balance between sustainable business competitiveness and solvency protection in the medium term. Similarly, the Personal Insurance business line has responded to the sharp decline in market interest rates by lowering the revaluations incorporated into its policies. This has allowed it to accumulate a significant profit-sharing reserve representing over two years of revalued outstandings at the end of 2020. This reserve could be used as a significant cushion to supplement "policy" revaluation over the next eight years;
- a variety of commercial initiatives targeted at end-customers and the business provider networks, aimed at increasing the share of inflows and assets invested in unit-linked products;
- the steady decline in returns from traditional fixed-rate assets has led to a number of changes in asset management policy:
  - the diversification of fixed-income investments towards private debt,
  - the gradual reallocation of the equity bucket towards recurring-dividend shares,
  - development of a bucket for unlisted investments in Private Equity and real assets.

In addition, the insurance business is monitored via prudential and regulatory oversight, a process that has seen significant changes:

- since 2016, the Solvency II Directive has led to a change in the organization, operating methods and the minimum solvency assessment system required by the activities developed. In the current environment of historically low interest rates, this change constitutes a major challenge. The division prepared for this challenge by modifying its governance and risk management processes;
- similarly, regulations have come into force in the insurance sector (PRIIPS, IDD, GDPR, easier termination of payment protection insurance), all of which are likely to lead to changes to products and operating procedures;
- forthermore, the coming into force of IFRS 9 and IFRS 17 will require the Insurance division to adapt its financial and technical oversight; Natixis Assurances is continuing its preparatory work for the application of these standards expected as of January 1, 2023.

Lastly, the rapid development of digital technology and its application in the development of new methods of distribution and customer interaction is a source of opportunities that the Insurance division is closely monitoring. Accordingly, it has pursued a policy aimed at:

- digitize its management processes: the business intends to continue the digitization and automation of low value-added processes, in order to position itself among the most efficient players in terms of management costs in relation to outstandings. In life and health insurance, a multi-site, multi-brand customer relationship model was rolled out in 2018, with identical organization, tools and customer relationship processes for Banque Populaire and Caisse d'Epargne. A platform for managing estates was also created;
- adapting subscription processes to incorporate new digital tools and customer behaviors. A significant share of non-life subscriptions is already carried out and formalized remotely using an electronic signature. Steps have been taken to preempt rapid development in these approaches;
- continuing to scale down administrative management activities in favor of in-branch transactions using applications installed on workstations and customer-initiated transactions through the self-care options gradually being rolled out for many products and management operations;
- continue to adapt information systems with a view to operational efficiency and enhanced quality of service: the transformation and digitization process for claims management at BPCE Assurances (Purple#Care project) resulted in the completion of the rollout of the new claims management IS at the end of June 2020. Finally, plans to modernize Natixis Life's IT system, with a view to speeding up growth in the business line, increasing profitability and operating performance through process digitization and automation, and improving risk control, were put into action in 2018 and rolled out in 2020;
- outsourcing low-value-added operations to address variations in business activity or to process specific operations for which adequate in-house skills or expertise is not immediately available;
- implementing a single operating model for non-life insurance across all Groupe BPCE networks. Project #Pop'Timiz, aimed at pooling non-life middle- and back-office activities for the Banque Populaire and Caisse d'Epargne banks, was successfully finalized. The #INNOVE2020 program, in which BPCE Assurance is to become the sole non-life insurance platform for Banque Populaire and Caisse d'Epargne retail customers and the BPCE IARD the dedicated platform for professionals of both the Caisse d'Epargne and Banque Populaire networks, was successfully rolled out in 2020 with positive production momentum for the new Auto and HRM offerings in Banque Populaire banks and the new HRM offering in Caisses d'Epargne banks. Now all Banque Populaire and Caisse d'Epargne banks benefit from the work carried out under the program: newly-designed experiences, new offerings, new information system.

Natixis Assurances' strategy for these two business lines is therefore to develop a sustainable level of business activity, by maintaining the right balance between price competitiveness and the preservation of fundamental technical parameters.

Personal insurance

Revenue (direct sales) amounted to €9.2 billion, down 17%. The health crisis, with agencies closed during the first lockdown, resulted in a sharp decline in activity in the first half of the year, particularly in Savings; activity recovered from June with levels close to those of 2019. Assets under management were up 6% to €72.7 billion. Revenue from personal protection insurance and payment protection insurance improved 6% to €1,053 million in 2020.

Non-life insurance

Non-life insurance revenues continued to show growth: premium income from property and casualty insurance totaled €1,654 million, up 5%. Growth was driven by auto (+5%) and multi-risk home insurance (+7%). The contract portfolio grew 5% to 6.4 million policies by end-2020, on the back of strong sales performances in both networks.

1.2.4 Payments

Natixis Payments is a payment services player backed by Groupe BPCE. It offers all economic players a complete range of payment solutions and related services.

Through its various entities, including Natixis Payments Solutions for payment processing solutions, Natixis Intertitres, Dalenys, PayPlug, Comitéo, Titres Cadeaux, Le Pot Commun, S-money and Joinly, Natixis Payments works across the entire value chain, from issuance to acquisition, online payments, e-wallets, prepaid cards, and everything in between. Natixis Payments therefore provides comprehensive management of domestic and international payment instruments.

It draws on its robust technological grounding, its fintechs and teams of experts to develop a complete range of innovative solutions with carefully selected partners.

Built around three new business units reorganized in 2020, the division's organizational structure reflects all the solutions proposed by the division:

- the Processing BU (Natixis Payments Solutions), in charge of the Electronic Banking and Cash Flow processing activities, mainly on behalf of the Banques Populaires and Caisses d'Epargne networks;
- the Digital Payments BU (Dalenys, Payplug, Smoney, Joinly) which markets omnichannel e-commerce solutions (Dalenys/PayPlug) and issuance, payment method management (Smoney) and online contributions for non-profit organizations (Joinly). The Dalenys and PayPlug e-commerce offers are aimed at large remitters and small and medium-sized businesses, respectively. Through its Xpollens platform, Smoney ensures the issuance and management of means of payment, in partnership with Visa;
- the Benefits BU (NIT, Comitéo, Vouchers Gifts, Lakooz) which offers a wide range of services to employees (restaurant vouchers, gift cards, ticketing, online prize pools) while capitalizing on its digital offering.

Natixis Payments covers all market segments with tailored, user-oriented solutions in the retail, major corporate, SME, government, fintech, non-profit, financial institution and individual markets in Europe.

In 2020, Natixis Payments continued to support its customers during the health crisis, focusing in particular on guaranteeing the same standard of service in all areas (issuance, acquisition, payment processing, fraud prevention). In addition, it has mobilized to rapidly implement solutions to support the economic activity of its customers, in particular during the implementation of the new €50 limit on contactless payment, the increase in the limit of meal vouchers and e-commerce solutions for the retail sector.

The division has also kept the recruitment momentum going, hiring 150 new employees to expand its range of expertise and contribute new essential skills for its development (data, IT build, growth hacking, pricing).

1.2.5 Financial investments

Coface

A global expert in trade risk prevention and guarantees for corporate clients

75 years of experience and a dense geographic network have made Coface a benchmark in credit insurance, risk management and the global economy. The experts at Coface, which aims to become the most agile credit insurance partner in its industry, operate in the heart of the global economy. They help their 50,000 customers build successful, dynamic and growth-oriented companies by protecting them from the risk of financial default by their clients. Coface's services and solutions protect companies and help them make the necessary credit-related decisions to strengthen their ability to sell their products on both domestic and export markets.

Coface launches its new strategic plan for 2023, "Build to Lead"

At its "investor day" held on February 25 2020 in Paris, Coface presented its new strategic plan for 2023, "Build To Lead". This plan aims to extend and deepen the transformation initiated by "Fit to Win".

Change in shareholding

On February 25 2020, Natixis announced the sale of 29.5% of Coface's share capital to Arch Capital Group Ltd and declared its intention to no longer sit on Coface's Board of Directors as from the final completion of the transaction. Natixis also clarified that its agreement with Arch provides that, on that date, the Board will be composed of ten members, four of whom are to be appointed by Arch and six of whom are to be independent (including the five current independent Directors).

Coface cooperates with many countries to guarantee the availability of credit insurance

In 2020, many governments quickly recognized the crucial role of credit insurance in maintaining inter-company credit, the primary source of financing for many companies. In order to guarantee the availability of credit insurance at a time when risk is not necessarily insurable, many states have set up guarantee mechanisms, the form and scope of which vary. Coface had thus finalized 13 agreements in countries that account for 64% of exposures at December 31, 2020.

Rating agencies recognize Coface's good performance

Rating agencies quickly analyzed the potential consequences of the crisis for the various economic sectors. In the insurance sector, and particularly in credit insurance, the first reaction was the anticipation of a reduction in the credit rating. As of December 31, 2020, Coface's ratings are as follows: Moody's: A2/negative outlook; Fitch: AA-/negative outlook & AM Best: 'A' (Excellent)/"stable" outlook.

Acquisition of GIEK Kredittforsikring AS (Norway)

On July 1, Coface announced the completion of the acquisition of GIEK Kredittforsikring AS, a company established in 2001 that brings together the short-term export credit insurance activities previously underwritten by the Norwegian export credit agency GIEK. This activity is now operated under the Coface GK brand.

Appointments to the Board of Directors

The Board of Directors of Coface S.A. met on September 9 and appointed Nicolas Namias, Chief Executive Officer of Natixis, as Chairman of the Board of Directors. He succeeds François Riahi, who is leaving the Board of Directors of Coface S.A. following his departure from Natixis.

On February 10, 2021, Natixis and Arch Capital Group Ltd. announced the completion of the sale by Natixis of a 29.5% stake in Coface to Arch Financial Holdings Europe IV Limited. Natixis is no longer represented on the Board of Directors of Coface, as Arch occupies four of the Natixis seats. Natixis will hold its residual stake of 12.7% in Coface as a financial investment.

Results for 2020

The consolidated revenue of €1,450 million was down 0.6% (on comparable scope and exchange rates) on 2019. The net combined ratio amounted to 79.8%, i.e., up 2.1 points on 2019 (77.7%). This is made up of a loss ratio up by 2.7 points to 47.7%, and a cost ratio down by 0.6 points to 32.1% compared to 2019. The Group ended the year with a net profit attributable to owners of the parent down by 43%, to €82.9 million (compared to €146.7 million in 2019) and a return on equity of 4.8%. The estimated solvency ratio at December 31, 2020 was 204.7%[(1)] 8 (and 191% excluding the effect of government plans), above the upper bound of the target zone of 155% to 175%. Coface will propose to shareholders a dividend distribution[(2)] of €0.55 per share, bringing the total distribution rate to 100%.

Outlook

The start of 2021 was marked by renewed uncertainties in terms of health. As the global vaccination campaign began, new, often more contagious, variants of the virus emerged. They demand stricter measures to curb the spread, further delaying economic recovery. At this stage they still appear to be sensitive to the vaccine.

Areas that are little affected by the pandemic (Asia in particular) continue to grow. There are, therefore, major disparities between countries and between economic sectors, as the current crisis has accelerated a number of major trends: increased digitization of the economy, the proliferation of zombie companies and an economic environment similar to the situation in Japan.

In this uncertain context, Coface's strategy, based on excellence in credit insurance, the development of adjacent activities and agility, is thus particularly pertinent. In addition, Coface is continuing its cooperation with States that have set up dedicated credit insurance plans in order to maintain supplier credit as much as possible. Where appropriate, Coface has signed extensions to plans launched in 2020.

(1) This estimated solvency ratio is a preliminary calculation based on Coface's interpretation of the Solvency II regulations and using the Partial Internal Model. The result of the final calculation could be different from this preliminary calculation. The estimated Solvency Ratio is not audited.

(2) The proposed distribution is subject to approval by the General Shareholders' Meeting of May 12, 2021.

1.3 2021 investor relations calendar

May 6, 2021 After market close (subject to change)	2021 First Quarter Results
May 28, 2021	General Shareholders' Meeting (to approve the 2020 financial statements)
August 3, 2021 After market close (subject to change)	2021 Second Quarter Results
November 4, 2021 After market close (subject to change)	2021 Third Quarter Results

1.4 Contacts

See Investor Relations section at *www.natixis.com*

Investor Relations Department

Telephone: +33 (0)1 58 32 06 94

Institutional Investors team

Telephone: +33 (0)1 58 32 06 94

Email: investorelations@natixis.com

Individual shareholders team

Telephone: 0 800 41 41 41 (French toll-free number)

Email: actionnaires@natixis.com

2

CORPORATE GOVERNANCE

This chapter partially corresponds to the Board of Directors' report on corporate governance as required by the Article L.225-37 of the French Commercial Code (refer to the cross-reference table for the annual financial report and the management report in Chapter [9] of this universal registration document) and includes information on the composition of the Board and the conditions under which its work is prepared and organized, how its governance is structured, and its policy for compensating corporate officers.

2.1 Governance of Natixis at December 31, 2020

This report is prepared in accordance with Article L.225-37 of the French Commercial Code and includes the following information in accordance with Articles L.225-37-4 and L.22-10-10 of the French Commercial Code:

- list of all offices and functions held in all companies by each of these corporate officers during the fiscal year;
- the composition and the conditions for preparing and organizing the work of the Board;
- a description of the diversity policy applied to the members of the Board of Directors and information relating to the results in terms of gender balance within the Senior Management Committee and more generally within the top 10% of positions with the highest responsibility;
- agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights in a company and, on the other hand, another company controlled by the former within the meaning of Article L.233-3 of the French Commercial Code, with the exception of agreements relating to ongoing transactions and entered into under normal conditions;
- table summarizing current authorizations granted by the General Shareholders' Meeting in respect of capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, and showing how these authorizations were used during the fiscal year *(see section 7.4.1 of Chapter 7 of this universal registration document)*;
- the Senior Management procedures as provided for in Article L.225-51-1 of the French Commercial Code;
- any potential limitations that the Board of Directors places on the powers of the Chief Executive Officer;
- the Corporate Governance Code to which Natixis refers, as well as a summary table of provisions whose application has been rejected;
- the specific conditions governing the participation of shareholders in the General Shareholders' Meeting or the provisions of the Articles of Association that provide for these terms and conditions *(see section 8.1 of Chapter 8 of this universal registration document)*;
- a description of the procedure for the regular evaluation of agreements relating to ongoing transactions and entered into under normal conditions implemented by the Company pursuant to Article L.22-10-12 of the French Commercial Code;
- factors likely to have an impact in the event of a public tender offer or exchange offer *(see section 7.5 of Chapter 7 of this universal registration document)*.

The information in this section takes into account in particular Appendices 1 and 2 of Commission Delegated Regulation (EU) No. 2019/980 of March 14, 2019, AMF Recommendation No. 2012-02 as amended on December 3, 2019, consolidating the recommendations published since 2009 by the Autorité des Marchés Financiers (AMF), the guide to compiling universal registration documents published by the AMF on January 8, 2021, and lastly the Afep-Medef Corporate Governance Code for listed companies as amended in January 2020 ("Afep-Medef Code").

2.1.1 Specific governance

A Board of Directors with a separation of duties of the Chairman's Board of Directors and the Chief Executive Officer

At the Combined General Shareholders' Meeting of April 30, 2009, Natixis changed its form of governance from a French société anonyme (a public limited company) with a Supervisory Board and a Management Board to a French société anonyme with a Board of Directors. The Company has opted for this mode of governance with the aim of creating a single custodian of Natixis' best interests and value creation. It permits unity of action, which is an essential requirement in terms of control, responsiveness and foresight in Company management.

At its meeting of April 30, 2009, Natixis' Board of Directors opted **to separate the positions of Chairman of the Board and Chief Executive Officer.** This decision was a result of the Company's desire to comply with best practices in corporate governance and to make a clear distinction between the strategic direction, decision-making and control functions that come under the Board of Directors' responsibilities, and the operational and executive functions that fall to the Chief Executive Officer. This decision complies with the obligations applicable to credit institutions since 2014 by the French law transposing the CRD 4 Directive.

Majority and equal representation of the Banques Populaires and Caisses d'Epargne networks

To ensure that the governance of Natixis faithfully reflects its shareholding structure, since 2006, in accordance with the governance procedures registered with the Autorité des Marchés Financiers (AMF – French Financial Markets Authority) when Natixis was formed, the Banque Populaire and Caisse d'Epargne networks (BPCE) have majority and equal representation on Natixis' Board of Directors, and, more specifically, there is a balanced representation of the executive and non-executive officers of the two networks, in order to accurately reflect its shareholder structure.

The composition of the Board reflects the Group's architecture, which includes the Banques Populaires and Caisses d'Epargne networks.

Majority shareholder represented on the Board

Following the merger of Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE) that resulted in the creation of BPCE, Natixis has been majority-owned by BPCE since August 1, 2009, with its shareholding standing at 70.57% as of December 31, 2020.

One third of independent directors on the Board

Given the Group's structure and the presence of a majority shareholder, BPCE, the proportion of independent directors is equal to one-third, in strict compliance with Afep-Medef Code's recommendations set out in the internal regulations of the Board of Directors of Natixis.

This governance, specific to Natixis, is illustrated by the composition of its Board of Directors at December 31, 2020 *(see section 2.1.2 below)* and explains the specific cases of derogation from the Afep-Medef Code *(see section 2.1.3 below)*.

2.1.2 Summary table of the Board of Directors at December 31, 2020

	Personal information				Directorship information					Committees					
First name/Last name	Gender	Age	Nationality	Number of shares	First appointed	Date term of office expires	Length of service	Overall attendance rate on the Board and Committees in 2020 (a)	Number of mandates in other listed companies	RISK COMMITTEE	AUDIT COMMITTEE	COMPENSATION COMMITTEE	APPOINTMENT COMMITTEE	STRATEGIC COMMITTEE	CSR COMMITTEE
Directors from BPCE															
Laurent Mignon (Chairman)	M	57	French	255,771	01/06/2018	2023 AGM	2	100%	2					●	
BPCE Represented by Catherine Halberstadt *(since 01/01/2018)*	F	62	French	2,227,221,174 (e)	25/08/2009	2023 AGM	11	72%	0	●	●			●	
Independent directors															
Diane de Saint Victor	F	65	French	1,000	04/04/2019	2023 AGM	1	100%	1			●	★	●	
Nicolas de Tavernost	M	70	French	1,000	31/07/2013	2021 AGM	7	100%	1			★	●	●	
Anne Lalou	F	57	French	1,000	18/02/2015	2022 AGM	5	100%	2			●	●	★	★
Catherine Pariset	F	67	French	1,000	14/12/2016	2023 AGM	4	98%	0	●	★			●	
Bernard Oppetit	M	64	French	1,000	12/11/2009	2022 AGM	11	100%	1	★	●			●	●
Directors from Banque Populaire banks															
Alain Condaminas	M	63	French	1,000	29/05/2012	2024 AGM	8	100%	0			●		●	
Sylvie Garcelon	F	55	French	1,000	10/02/2016	2024 AGM	4	100%	0		●			●	●
Philippe Hourdain *(since 23/06/2020)*	M	64	French	1,000	23/06/2020	2022 AGM	0	100% (b)	0				●	●	
Catherine Leblanc *(since 23/06/2020)*	F	65	French	1,000	23/06/2020	2023 AGM	0	95%	0			●		●	
Thierry Cahn (c) *(until 23/06/2020)*	M	64	French	1,000	28/01/2013	after the AGM on 20/05/2020		92%							
Bernard Dupouy (c) *(until 23/06/2020)*	M	65	French	1,000	01/08/2017	after the AGM on 20/05/2020		100%							
Directors from Caisses d'Epargne															
Dominique Duband *(since 06/02/2022)*	M	62	French	1,616	06/02/2020	2022 AGM	0	100%	0					●	●
Nicole Etchegoïnberry	F	64	French	1,112	20/12/2018	2024 AGM	2	100%	0	●			●	●	
Daniel de Beaurepaire	M	70	French	1,000	28/05/2019	2023 AGM	1	96%	0		●		●	●	
Christophe Pinault	M	59	French	1,093	20/12/2018	2023 AGM	2	95 %	0	●		●		●	
Françoise Lemalle (c) *(until 06/02/2020)*	F	55	French	1,000	30/07/2015	Board of 06/02/2020		100%							
NUMBER OF MEETINGS IN 2020										8	5	4	6	3	(d)
AVERAGE ATTENDANCE RATE										88%	92%	97%	97%	100%	(d)

★ *Chairman* ● *Member*

(a) *Attendance rate by body detailed in the sheet of each director.*

(b) *After canceling a meeting of the Strategic Committee organized within a very short period of time a few days after the appointment of Philippe Houdain as director, which he could not attend.*

(c) *Directors whose terms of office ended during the financial year 2020.*

(d) *Committee created on December 17, 2020.*

(e) *The shares are held by BPCE.*

2.1.3 Monitoring table of compliance with the recommendations of the Afep-Medef Code

The Company refers to the Afep-Medef Corporate Governance Code, which is available on the Natixis website: ***www.natixis.com***.

In accordance with the "apply or explain" rule provided for in Article L.22-10-10 (4) of the French Commercial Code and addressed in Article 27.1 of the Afep-Medef Code, Natixis believes that its practices comply with the recommendations of the Afep-Medef code. However, certain recommendations in view of the specific nature of its governance mentioned above *(see section 2.1.1 of this chapter)* were excluded for the reasons set out in the following table:

Audit Committee (Article 16.1 of the Code) "The proportion of independent directors on the Audit Committee should be at least equal to two thirds..."	Independent members do not make up two thirds of the Natixis Audit Committee, as recommended by the Afep-Medef Code, in order to represent the different components of the Company's main shareholder (members from the Caisse d'Epargne and the Banque Populaire banks, in addition to a BPCE Group representative). Strictly following the Afep-Medef Code recommendations on the composition of the Audit Committee would require Natixis' independent directors to sit on more than three Special Committees, at the risk of negatively affecting the quality of those Committees' work, in light of the resulting increased workload. That is why Natixis promotes a balance of directors within the Committees, which are, additionally, always chaired by an independent director. It should be noted that the opinions and recommendations of the Audit Committee are only adopted if the majority of members present, including the Chairman, voted for them.
Appointment Committee (Article 17.1 of the Code) "It […] must mostly consist of independent directors."	The number of independent directors on Natixis' Appointment 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 the Committee is chaired by an independent director. Like the Audit Committee, strictly following the Afep-Medef Code recommendations on the composition of the Appointment Committee would require Natixis' independent directors to sit on more than three Special Committees, at the risk of negatively affecting the quality of that Committee's work, in light of the resulting increased workload. That is why Natixis promotes a balance of directors within the Committee, which is, additionally, always chaired by an independent director. It should be noted that the opinions and recommendations of the Compensation Committee are only adopted if the majority of members present, including the Chairman, voted for them.
Compensation Committee (Article 18.1 of the Code) "It […] must mostly consist of independent directors."	The number of independent directors on the Compensation Committee is not greater than half the total number of members, despite the recommendation by the Afep-Medef Corporate Governance Code. It has a balanced composition (50% independent, 50% non-independent), and the Committee is chaired by an independent director. Like the Audit Committee and the Appointment Committee, strictly following the Afep-Medef Code recommendations on the composition of the Compensation Committee would require Natixis' independent directors to sit on more than three Special Committees, at the risk of negatively affecting the quality of that Committee's work, in light of the resulting increased workload. That is why Natixis promotes a balance of directors within the Committee, which is, additionally, always chaired by an independent director. It should be noted that the opinions and recommendations of the Appointment Committee are only adopted if the majority of members present, including the Chairman, voted for them.
Session of the Board of Directors held without the executive officers (Article 11.3 of the Code) "It is recommended that at least one meeting not attended by the executive corporate officers should be organized each year."	It must be noted that Natixis does not have an executive director. Nicolas Namias is the Chief Executive Officer of Natixis but not a director. Natixis' Board of Directors does not have a formal arrangement to hold a session without the executive officer present. However, the Chief Executive Officer was not present at the part of the Board Meeting dated February 6, 2020 during which his performance has been evaluated and his compensation has been determined.

2.1.4 Positions and functions held by the corporate officers during the fiscal year

Laurent Mignon

Chairman of the BPCE Management Board

Born 28/12/1963

Nationality: French

Natixis shares held: 255,771

Address: 50 avenue Pierre Mendès-France, 75201 Paris Cedex 13

Chairman of the Board of Directors

First appointed: co-opted by the Board of Directors and appointed Chairman of the Board by the Board on 01/06/2018 and ratified at the AGM of 28/05/2019

Term expires: 2023 AGM [a]

Member– Strategic Committee

First appointed: Board Meeting of June 1, 2018

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Strategic Committee
	100%	100%

A graduate of the HEC business school and Stanford Executive Program, Laurent Mignon worked in several divisions of Banque Indosuez over more than 10 years, including positions on the trading floor and in investment banking. In 1996 he joined Schroders in London, then AGF in 1997 as Chief Financial Officer. He was appointed to the AGF Executive Committee in 1998, then became Deputy CEO in charge of Banque AGF, AGF Asset Management and AGF Immobilier in 2002. He became CEO in charge of the Life Insurance and Financial Services and Credit Insurance divisions in 2003, before his appointment as Chief Executive Officer and Chairman of the Executive Committee in 2006. From September 2007 to May 2009 he was managing partner at Oddo et Cie alongside Philippe Oddo.

From May 2009 to May 2018, Laurent Mignon was Chief Executive Officer of Natixis. He has been a member of the BPCE Management Board since August 6, 2013. **Laurent Mignon has been Chairman of the Management Board of BPCE since June 1, 2018.**

Other offices held in 2020:

Within BPCE Group:

- Member of the Management Board *(since 06/08/2013)* and Chairman of the Management Board *(since 01/06/2018)* by BPCE
- Member of the Board of CE Holding Participations *(since 06/06/2018)*
- Director of Sopassure *(from 18/06/2018 to 02/02/2020)*

Outside BPCE Group:

- Member of the Executive Committee of the Fédération Bancaire Française (French Banking Federation) *(01/09/2019)*
- Member of the Board of Arkema [1] *(since 27/10/2009)*, AROP (Association pour le Rayonnement de l'Opéra National de Paris) *(since 10/12/2015)*, CNP Assurances [1] *(since 01/06/2018)*
- Non-voting member of ODDO BHF SCA *(since 29/03/2019)* and FIMALAC *(since 16/04/2019)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
■ Director of Lazard Ltd [1] [2] *(from 28/07/2009 to 19/04/2016)*			
■ Chief Executive Officer of Natixis *(since May 2009)*		▸ (until 31/05/2018)	
■ Chairman of the Board of Directors of: Natixis Investment Managers *(since 01/09/2010)*		▸ (until 01/06/2018)	
Coface S.A. [1] *(since 22/11/2012)*		▸ (until 15/06/2018)	
■ Director of Peter J. Solomon Company LP *(since 08/06/2016)*		▸ (until 30/05/2018)	
	■ Director of Peter J. Solomon GP, LLC *(since 15/12/2017)*	▸ (until 30/05/2018)	
	■ Chairman of the Board of Directors of Natixis Assurances *(since 23/03/2017)*	▸ (until 07/06/2018)	
		■ Vice-Chairman of the Fédération Bancaire Française (French Banking Federation) *(from 01/06/2018 to 31/08/2018)*	
		■ Chairman of the French Banking Federation *(since 01/09/2018)*	▸ (until 31/08/2019)
		■ Chairman of the Board of Directors of Crédit Foncier de France *(since 17/05/2018)*	▸ (until 31/07/2019)
		■ Chairman of the Association Française des Établissements de Crédit et des Entreprises d'Investissement *(since 01/09/2018)*	▸ (until 31/08/2019)

(a) 2023 AGM called to approve the financial statements for the year ended 31/12/2022.
(1) Listed company.
(2) Non-Group company.

Nicolas Namias

(since August 3, 2020)
Chief Executive Officer of Natixis

Born 25/03/1976
Nationality: French
Natixis shares held:
12,780
Address:
30 avenue Pierre Mendès France
75013 Paris

First appointed: Board Meeting of 03/08/2020
Term expires: 2024 AGM [(a)]

KEY ADVISORY SKILLS
- Mastery of issues related to finance, corporate strategy, business development, insurance

An alumnus of the elite École Nationale d'Administration (ENA) with degrees from Stanford Graduate School of Business (Executive Program), ESSEC and Institut d'Études Politiques de Paris, Nicolas Namias began his career in 2004 in the Treasury Department of the French Ministry of Economy and Finance. He was first tasked with preparing for the international financial summits of the G8 and G20, before being named as the Government's Substitute Commissioner to the Autorité des Marchés Financiers (AMF). In 2008, he joined the Finance division of BPCE Group, then became Head of Planning for Commercial Banking and Insurance. In 2012, he was named Technical Advisor to the Prime Minister for the funding of the economy, businesses, and international economic affairs.

Nicolas Namias returned to BPCE Group in 2014 as Head of Strategic Planning at Natixis and a member of the Executive Committee. In this role, he has coordinated all acquisitions carried out by Natixis since 2014. In September 2017, he was appointed Chief Financial Officer and Head of Strategic Planning, and as a member of the Natixis Executive Management Committee.

In June 2018, Nicolas Namias was appointed as a member of the BPCE Management Board member in charge of Finance, Strategy, Legal Affairs and the Secretary's Office of the Supervisory Board. From November 2018 to August 2020, he has been a BPCE Management Board Member in charge of Finance and Group Strategy.

Since August 3, 2020, Nicolas Namias has been Chief Executive Officer of Natixis. He also retains his office as a member of the BPCE Management Board.

Other offices held in 2020:

Within BPCE Group

- Member of the BPCE Management Board *(since 01/06/2018)* and member of the Management Board of BPCE in charge of Finance and Strategy *(from 01/06/2018 to 03/08/2020)*
- Permanent representative of BPCE, Director of CE Holding Participations *(from 01/06/2018 to 01/12/2020)*
- Deputy Chief Executive Officer of CE Holding Participations *(from 06/06/2018 to 01/12/2020)*
- Chairman of the Board of Directors: GIE BPCE Financial Services *(from 18/04/2019 to 15/10/2020)*, Crédit Foncier de France *(from 01/08/2019 to 02/10/2020)*, Natixis Investment Managers *(since 28/08/2020)*, Natixis Payment Solutions *(since 10/09/2020)*, Natixis Assurances *(since 21/09/2020)*, Coface S.A. [(1)] *(from 09/09/2020 to 10/02/2021)*
- Director of: Natixis Coficiné *(from 30/11/2018 to 05/05/2020)*, PJ Solomon GP LLC *(since 14/09/2020)*, GIE BPCE Services Financiers *(from 01/03/2019 to 15/10/2020)*
- Permanent representative of Natixis, Member of the Board of IFCIC (Institut pour le Financement du Cinéma et des Industries Culturelles) *(from 16/12/2016 to 16/06/2020)*

Outside BPCE Group

- Manager of SCI Nantucket *(since July 2018)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Chairman of the Board of Directors of HCP NA LLC *(from 30/10/2014 to 31/03/2016)*			
Member of the Board of Natixis Partners *(since 13/05/2015)*		(until 10/07/2018)	
Member of the Board of Natixis Partners Espana *(since 29/01/2016)*		(until 17/01/2018)	
Permanent representative of Natixis HCP, Member of the Board of Ellisphère *(since 30/09/2014)*	(until 13/04/2017)		
Chief Executive Officer of Natixis HCP *(since 30/09/2014)*	(until 27/06/2017)		
Vice-Chairman and Member of the Supervisory Board of Seventure Partners *(since 24/07/2015)*	(until 18/10/2017)		
Member of the Executive Committee, Head of Strategy of Natixis [(1)] *(since July 2014)*	(until September 2017)		
	Member of the Senior Management Committee, Finance and Strategy Director of Natixis[(1)] *(since 19/09/2017)*	(until 31/05/2018)	
	Member of the Board of Natixis Assurances *(since 26/10/2017)*	(until 19/06/2018)	
	Permanent representative of Natixis, Director of Natixis Investment Managers *(since 11/12/2017)*	(until 06/09/2018)	

Offices held in previous fiscal years			
2016	**2017**	**2018**	**2019**
	■ Permanent representative of Natixis, Director of Compagnie Française d'Assurance pour le Commerce Extérieur *(since 11/12/2017)*	▸ (until 06/09/2018) ■ Permanent representative of Natixis, Director of Natixis Coficiné *(from 07/02/2018 to 08/11/2018)* ■ Permanent representative of BPCE, Director: Crédit Foncier de France *(since 01/06/2018)* ■ Member of the Management Board of BPCE in charge of Finance, Strategy, Legal Affairs and Secretariat of the Supervisory Board *(from June 2018 to October 2018)*	▸ (until 31/07/2019)

(a) 2024 AGM called to approve the financial statements for the year ended 31/12/2023.
(1) Listed company.

BPCE – Permanent representative Catherine Halberstadt

Member of the BPCE Group Management Board in charge of Human Resources

BPCE:

Natixis shares held: 2,227,221,174

Address: 50 avenue Pierre Mendès-France, 75201 Paris Cedex 13

Catherine Halberstadt

Born 09/10/1958

Nationality: French

Natixis shares held: 1,097

Address: 50 avenue Pierre Mendès-France, 75201 Paris Cedex 13

Director

First appointed: co-opted by the Board of Directors on 25/08/2009 and ratified at the AGM of 27/05/2010

Term expires: 2023 AGM [(a)]

Member – Audit Committee

First appointed: Board Meeting of 21/12/2017

Member – Risk Committee

First appointed: Board Meeting of 21/12/2017

Member – Strategic Committee

First appointed: Board Meeting of 21/12/2017

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Audit Committee	Risk Committee	Strategic Committee
	80%	60%	50%	100%

Catherine Halberstadt holds a postgraduate degree in Accounting and another in Business, Administration and Finance from the École Supérieure de Commerce de Clermont-Ferrand. In 1982 she joined Banque Populaire du Massif Central, where she was successively appointed Head of Human Resources, Chief Financial Officer, Chief Operations Officer and, from 2000, Deputy Chief Executive Officer. Catherine Halberstadt became Chief Executive Officer of Natixis Factor in 2008

Catherine Halberstadt was Chief Executive Officer of Banque Populaire du Massif Central from September 1, 2010, to March 25, 2016.

From January 1, 2016 to October 31, 2018, she served as the BPCE Management Board Member in charge of Human Resources, Internal Communications and the Corporate Secretary's Office of BPCE. **Since November 1, 2018, Catherine Halberstadt has occupied the roles of Member of the BPCE Management Board in charge of Human Resources.**

Other offices held in 2020:

Within BPCE Group:

- Member of the BPCE Management Board in charge of Human Resources *(since 01/01/2016)*
- Director of: Crédit Foncier *(from 10/05/2012 to 02/12/2020)*

Outside BPCE Group:

- Member of the Board of Bpifrance Financement *(since 12/07/2013)*, Chairwoman of the Appointment Committee and the Compensation Committee, Chairwoman of the Audit Committee and the Risk Committee of Bpifrance Financement *(since 24/09/2015)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
■ Chief Executive Officer of Banque Populaire du Massif Central (BPMC) *(from 01/09/2010 to 25/03/2016)* ■ Permanent representative of BPMC, Chairwoman of SAS Sociétariat BPMC *(from 2011 to 25/03/2016)* ■ Permanent representative of BPMC, Member of the Board of I-BP, Association des Banques Populaires pour la Création d'Entreprise *(from 01/09/2010 to 25/03/2016)* ■ Permanent Representative of BPMC, Member of the Committee of Banques d'Auvergne[(1)] *(from 2010 to 25/03/2016)*			

(a) 2023 AGM called to approve the financial statements for the year ended 31/12/2022.

(1) Non-Group Company.

Daniel de Beaurepaire

Chairman of the Steering and Supervisory Board of Caisse d'Epargne Île-de-France

Born 23/09/1950
Nationality: French
Natixis Shares held: 1,000
Address:
26-28 rue Neuve Tolbiac,
75013 Paris

Director
First appointed: AGM of 28/05/2019
Term expires: 2023 AGM [(a)]

Member – Appointment Committee
First appointed:
Board Meeting of 28/05/2019

Member – Audit Committee
First appointed:
Board Meeting of 06/02/2020

Member – Strategic Committee
First appointed:
Board Meeting of 28/05/2019

KEY ADVISORY SKILLS
- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Audit Committee	Strategic Committee
	100%	83%	100%	100%

A graduate of ESC Rouen and a certified chartered accountant and auditor, Daniel de Beaurepaire began his career in 1978 at audit firm Deloitte, where he was appointed partner in 1985 until his departure in 1995.

From 1996, he worked at the firm International Audit Company, becoming its Chairman in 2005, then joined accounting firm GEA Conseil where he became Co-Manager in the same year.

He was appointed Co-Manager of audit firm GEA Finances in 2010 until June 2018.

From 2009 to 2012 Daniel de Beaurepaire was Chairman of Société Locale d'Epargne PME Professionnels, then Director at Locale Épargne Économie Sociale et d'Entreprise from 2013 to 2014.

In 2015 he was appointed Chairman of Société Locale d'Épargne Paris Ouest.

He became member of the Caisse d'Epargne Île-de-France Steering and Supervisory Board in April 2015 which he has chaired since April 2017.

Other offices held in 2020:

Within BPCE Group:

- Member of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur *(since 29/04/2015)* then Chairman *(since 26/04/2017)*
- Member of the Board of S.A. Compagnie Européenne de Garanties et Cautions *(from 10/07/2018 to 09/07/2020)*
- Member of the Board *(since 16/01/2015)* then Chairman of the Paris Ouest local savings company *(since 26/04/2017)*

Outside BPCE Group:

- Manager of GEA Conseils *(from January 2005 to 25/03/2020)*
- Chairman of SAS International Audit Company *(from January 2005 to 25/03/2020)*
- Member of the Board and Treasurer of Association Société des Amis de Versailles *(since 11/06/2019)*
- Fédération française des sociétés d'amis de musées *(since 27/11/2020)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Manager of GEA Conseils [(1)] *(since 2010)*		(until 28/06/2018)	

(a) *2023 AGM called to approve the financial statements for the year ended 31/12/2022.*
(1) *Non-Group company.*

Alain Condaminas

Chief Executive Officer of Banque Populaire Occitane

Born 06/04/1957
Nationality: French
Natixis Shares held: 1,000
Address:
33-43 avenue Georges Pompidou,
31135 Balma Cedex

Director
First appointed: AGM of 29/05/2012
Term expires: 2024 AGM [(a)]
Member – Compensation Committee
First appointed: Board Meeting of 29/05/2012
Member – Strategic Committee
First appointed: Board Meeting of 29/05/2012

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Compensation Committee	Strategic Committee
	100%	100%	100%

Alain Condaminas has a Master's Degree in Economics and a postgraduate degree in Finance and Banking Techniques. He joined Groupe Banque Populaire in 1984. In 1992, he began working at Banque Populaire Toulouse-Pyrénées as Head of Production, supervising the Human Resources Department, and subsequently as Head of Operations. In 2001 he became Chief Executive Officer of Banque Populaire Quercy-Agenais. In 2003 he oversaw a merger with Banque Populaire du Tarn et de l'Aveyron, then a second merger in 2006 with Banque Populaire Toulouse-Pyrénées to create today's Banque Populaire Occitane.

Alain Condaminas has been Chief Executive Officer of Banque Populaire Occitane since 2006.

Other offices held in 2020:

Within BPCE Group:

- Chief Executive Officer of Banque Populaire Occitane *(since October 2006)*
- Chairman and Board Member of Fondation d'Entreprise BP Occitane *(since 20/06/2011)*
- Director of: Ostrum Asset Management *(from 28/09/2018 to 26/10/2020)*, Caisse Autonome des Retraites des Banques Populaires (CAR-BP) *(since 03/06/2016)*, Institution de Prévoyance des Banques Populaires (IPBP) *(since 03/06/2016)*, Retraite Supplémentaire des Banques Populaires (RSBP) *(since June 2019)*
- Permanent Representative of BP Occitane, Member of the Board of i-BP *(since 2001)*, BP Développement *(since 19/06/2018)*
- Permanent Representative of BP Occitane, Member of the Investment Committee of Multicroissance *(since 01/11/2006)*
- Permanent Representative of BP Occitane, Member of the Investment Committee of Sudcroisaance *(since 26/11/2019)*

Outside BPCE Group:

- Permanent Representative of BP Occitane, Member of the Board of IRDI *(since 2006)*
- Permanent Representative of BP Occitane, Member of the Supervisory Board of: SOTEL *(since 2001)*, IRDI Gestion *(since 19/06/2015)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Member of the Supervisory Board and Risk Committee of BPCE *(since 16/12/2015)*		(until 31/12/2018)	
Permanent Representative of BP Occitane, Manager of SNC Immocarso *(since 2007)*		(until 29/10/2018)	
Member of the Board of Natixis Investment Managers International *(since 15/03/2007)*		(until 28/09/2018)	

(a) 2024 AGM called to approve the financial statements for the year ended 31/12/2023.

Dominique Duband

(since February 6, 2020)
Chairman of the Steering and Supervisory Board of Caisse d'Epargne and Prévoyance Grand Est Europe

Born 10/03/1958

Nationality: French

Natixis shares held: 1,616

Address:
50 rue de Laxou,
54000 Nancy

Director

First appointed:
co-opted by the Board of Directors on 06/02/2020 and ratified at the AGM of 20/05/2020

Term expires: 2022 AGM [(a)]

Member – Strategic Committee

First appointed: Board Meeting of 06/02/2020

Member – CSR Committee

First appointed: Board meeting of 17/12/2020 (with effect as of 01/01/2021)

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Strategic Committee
	100%	100%

A graduate of the National School of Public Works of the State (ENTPE) and holding a postgraduate degree in Corporate Administration, Dominique Duband began his career as an engineer in the departmental infrastructure directorate, then the general council of the Meurthe-et-Moselle department in France, before joining urban planning semi-public corporation Solorem in 1989.

In 1991 he joined the Batigère group as a new building operations Manager. After five years in charge of rental management, he became Director of Batigère Nancy in 1997. In 2001, he was appointed to the Management Board, then Chairman of the Management Board of Batigère in 2002, until 2014. From June 2014 to June 2018 he was Chairman of the Supervisory Board of Batigère.

In 2016 he was appointed Director of the Société Locale d'Épargne Meurthe-et-Moselle.

In 2018 he became member of the Supervisory Board of Banque BCP Luxembourg, and has been Chairman of the Steering and Supervisory Board at Caisse d'Epargne Grand Est Europe since May 28, 2018.

Other offices held in 2020:

Within BPCE Group:

- Chairman of the Steering and Supervisory Board, Member of the Risk Committee, Chairman of the Compensation Committee and Appointment Committee of Caisse d'Epargne et de Prévoyance Grand Est Europe CEGEE *(since 28/05/2018)*
- Member of the Board of Société Locale d'Épargne Meurthe-et-Moselle *(since 15/02/2016)*
- Member of the Supervisory Board of: Banque BCP Luxembourg *(since 03/07/2018)*

Outside BPCE Group:

- Director of: Presence Habitat *(since 18/06/2009)*, Batigère Rhône-Alpes *(from 19/06/2008 to 17/09/2020)*, Batigère Groupe *(since 20/07/2017)*, Livie *(since 27/06/2018)*, AMLI (association) *(since 18/06/2008)*, Fédération Nationale des S.A et Fondations d'HLM *(since 16/06/2016)*, Avec Batigère (association) *(since 29/06/2017)*, Fondation d'Entreprise Batigère *(since 22/05/2017)*, Coallia Habitat *(since 26/06/2019)*, Coallia (association) *(since 26/06/2019)*
- Chairman of the Board of Directors of: Interpart *(since 28/06/2018)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Chairman of the Supervisory Board of Batigère-Sarel [(1)] *(since June 2014)*	(until June 2017)		
Chairman of the Supervisory Board of Batigère [(1)] *(since 29/06/2014)*		(until 18/06/2018)	
Permanent representative of Interpart [(1)], Director of Soval [(1)] *(since 18/06/2015)*		(until 19/06/2018)	
Permanent representative of Batigère Île-de-France [(1)], Director of Novigère [(1)] *(since 30/06/2014)*		(until 20/06/2018)	
Permanent representative of Batigère Sarel [(1)], Director of CILGERE Entreprises Habitat Constructions [(1)] *(from 07/03/2014 to 20/05/2016)*			
Director of AORIF [(1)] (association) *(from 03/12/2014 to 10/11/2016)*			
Member of the Steering and Supervisory Board of Caisse d'Epargne of Lorraine Champagne Ardenne CELCA *(since 2016)*		(until 2018)	

Offices held in previous fiscal years			
2016	**2017**	**2018**	**2019**
■ Director of Érigère [1] (since 29/06/29)	■ Director of GIE Batigère Développement Grand Paris [1] *(since 27/06/2017)* ■ Chairman of the Supervisory Board of Batigère [1] *(since 29/06/2017)*	▸ (until 14/06/2019) ▸ (until 15/05/2019) ▸ (until 25/03/2019) ■ Permanent representative of the Batigère group, Member of the Supervisory Board of Batigère Île-de-France *(since 26/06/2018)*	▸ (until 31/10/2019)

(a) 2022 AGM called to approve the financial statements for the year ended 31/12/2021.
(1) Non-Group company.

Nicole Etchegoïnberry

Chairwoman of the Management Board of Caisse d'Epargne Loire-Centre

Born 17/12/1956

Nationality: French

Natixis shares held: 1,112

Address:
12 rue de Maison-Rouge,
CS 10620,
45146 Saint-Jean-de-la-Ruelle

Director

First appointed:
co-opted by the Board of Directors on 20/12/2018 and ratified at the AGM of 28/05/2019

Term expires: 2024 AGM [(a)]

Member – Risk Committee

First appointed: Board Meeting of 20/12/2018

Member – Appointment Committee

First appointed: Board Meeting of 20/12/2018

Member – Strategic Committee

First appointed: Board Meeting of 20/12/2018

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Risk Committee	Strategic Committee
	100%	100%	100%	100%

Nicole Etchegoïnberry has a PhD in Information Technology and began her career in information systems at Banque Courtois, followed by a stint at Fédération du Crédit Mutuel Midi Atlantique. She then joined the Caisse Régionale du Crédit Agricole Mutuel de Toulouse, where she held senior positions in development and markets. In 2001 Nicole joined Caisse d'Epargne de Midi Pyrénées where she oversaw the bank's IT migration and banking operations.

From 2005 to 2008 Nicole Etchegoïnberry was Chief Executive Officer of the former Caisse d'Epargne subsidiary Gestitres, specialized in securities account management and custody of financial instruments. In 2008 she became Chairwoman of the Management Board of GIE GCE Business Services, which handles the Caisse d'Epargne group's IT project management.

Nicole Etchegoïnberry has been Chairwoman of the Management Board of Caisse d'Epargne Loire-Centre since August 1, 2009.

Other offices held in 2020:

Within BPCE Group:

- Chairwoman of the Management Board of Caisse d'Epargne Loire-Centre (CELC) *(since 01/08/2009)*
- Chairwoman of the Board of Directors of the "Les Elles du Groupe BPCE" Association *(since 01/10/2012)*
- Director *(from October 2009 to 24/07/2020)*, member of the Risk Committee and the Audit Committee, Chair of the Audit Committee *(from September 2019 to 24/07/2020)* of Crédit Foncier de France
- Member of the Board of BPCE International et Outre-Mer *(from 05/08/2013 to 08/10/2020)*, Association Parcours Confiance Loire-Centre *(since 07/07/2009)*
- Vice-Chairwoman of the Board of Directors of Touraine Logement ESH *(since 29/06/2017)*, Member of the Board *(since 2009)*
- Permanent Representative of CELC, Member of the Board of: FNCE *(since 01/08/2009)*, GIE IT-CE *(since 21/04/2011)*, ALBIANT-IT S.A. *(since 11/12/2015)*, GIE BPCE IT *(since 24/07/2015)*, Fondation d'entreprise Caisse d'Epargne Loire-Centre *(since 18/12/2015)*, Association Habitat en Région *(since 08/12/2010)*

Outside BPCE Group:

- Member of the Board of Financi'Elles *(since 24/03/2011)*
- Permanent Representative of CELC, Member of the Board of the CANCER@WORK association *(since 12/04/2018)*
- Chairwoman of the Conseil de Développement Métropolitain de Orléans Métropole *(from 13/04/2018 to 27/02/2020)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Chairman of the Board of Directors of GIE BPCE Services Financiers *(since 17/12/2013)*			(until 18/04/2019)
Permanent representative of CELC, Chairman of the Board of Directors of BPCE Solutions Credit (formerly Ecureuil Crédit) *(since September 2008)*			(until 13/12/2019)
	Permanent representative of CELC, Chairman of the Board of Directors of BPCE Trade *(since 30/06/2017)*		(until 14/11/2019)

(a) *2024 AGM called to approve the financial statements for the year ended 31/12/2023.*

Sylvie Garcelon

Chief Executive Officer of CASDEN Banque Populaire

Born 14/04/1965

Nationality: French

Natixis Shares held: 1,000

Address:
1 bis rue Jean Wiener,
Champs-sur-Marne,
77474 Marne-La-Vallée
Cedex 2

Director

First appointed:
co-opted by the Board of Directors on 10/02/2016
and ratified at the AGM of 24/05/2016

Term expires: 2024 AGM [(a)]

Member – Audit Committee

First appointed: Board Meeting of 10/02/2016

Member – Strategic Committee

First appointed: Board Meeting of 10/02/2016

Member – CSR Committee

First appointed: Board Meeting of 17/12/2020
with effect as of 01/01/2021

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Audit Committee	Strategic Committee
	100%	100%	100%

A graduate of the Sup de Co Nice, Sylvie Garcelon joined the Internal Audit Department of Banque Populaire group in 1987. In 1994 she became Corporate Secretary at SBE before joining the Finance Department of BRED in 2000. In 2003 she joined Natixis where she held positions first in Third-Party Asset Management and then at the Information Systems and Logistics Department. In 2006, she was appointed Managing Director of M.A. Bank, then Chairman of the Management Board in 2010. Sylvie Garcelon joined CASDEN Banque Populaire in April 2013 as Deputy CEO in charge of Finance, Risk and Subsidiaries.

Sylvie Garcelon has been Chief Executive Officer of CASDEN Banque Populaire since May 2015.

Other offices held in 2020:

Within BPCE Group:

- Chief Executive Officer of CASDEN Banque Populaire *(since May 2015)*
- Member of the Board of Fondation d'Entreprise Banque Populaire *(since 14/06/2016)*
- Member of the Board of Banque Palatine, Member of the Audit Committee and Risk Committee *(from 05/10/2016 to 27/05/2020)*
- Treasurer of the Fédération Nationale des Banques Populaires *(since 04/04/2017)*
- Non-voting Member of BPCE *(since 20/12/2018)*

Outside BPCE Group:

- Member of the Board of CNRS *(since 24/11/2017)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
▪ Chief Executive Officer of Bureau du Management Financier (absorbed by CASDEN in 2017) *(since April 2013)*	▸ (until November 2017)		

(a) *2024 AGM called to approve the financial statements for the year ended 31/12/2023.*

Philippe Hourdain

(since June 23, 2020)
Chairman of the Board of Directors of Banque Populaire du Nord

Born 19/06/1956
Nationality: French
Natixis shares held: 1,000
Address:
847 avenue de la République
59700 Marcq-en-Barœul

Director
First appointed: Board Meeting of 23/06/2020
Term expires: 2022 AGM [(a)]
Member – Appointment Committee
First appointed: Board Meeting of 23/06/2020
Member – Strategic Committee
First appointed: Board Meeting of 23/06/2020

KEY ADVISORY SKILLS
- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Strategic Committee
	100%	100%	100% [(b)]

With a postgraduate degree from the IAE business school in Lille, Philippe Hourdain began his career in 1979 in sales at France Rail Publicité before taking over as regional head for the company.

In 1983, he joined advertising publishing agency Epure as sales Director, and in 1986, he was appointed special advisor at the French Ministry for Industry, seconded to the State Secretary for Tourism. From 1988 to 1994, he held the position of sales Director of printing group Techniphoto. He then chaired SAS Investissements et Actions from 1994 to 2018.

Within BPCE Group, Philippe Hourdain has been **Chairman of the Board of Directors of Banque Populaire du Nord since October 16, 2016**. He has also been a Director at BPCE Financement since 2018.

Other offices held in 2020:

Within BPCE Group
- Chairman of the Board of Directors of Banque Populaire du Nord *(since 16/10/2016)*
- Member of the Board of BPCE Financement *(since 27/11/2018)*

Outside BPCE Group
- Chairman of CCI Région Hauts de France *(since 23/06/2016)*
- Member of the Board of SAS CCIWEBSTORE *(since 26/09/2018)*
- Chairman of GIE CMDU *(from 20/04/2012 to 30/09/2020)*
- Non-associate Manager of SCI Templemars 4 *(since 17/08/2018)*
- Manager of SCI Lille II *(since 19/01/2005)*
- Chairman of Ports de Lille *(from February 2010 to April 2020)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
▪ Vice-Chairman *(from 19/10/2012 to 15/10/2016)*, Chairman of the Compensation Committee *(from 28/09/2012 to 15/10/2016)*, Member of the Audit Committee and the Risk Committee *(from 05/05/2011 to 2016)* of Banque Populaire du Nord	▪ Chairman of the Norlink Ports association *(from 25/01/2017)*		▸ (until December 2019)
▪ Chairman of CCI Grand Lille [(1)] *(from February 2010 to June 2016)*			▪ Director of the Groupement des Acteurs Régionaux Ports (GARP) [(1)] *(from 26/11/2019 to 31/12/2019)*
▪ Chairman of SAS Investissements et Action [(1)] *(since 1994)*		▸ (until 2018)	

(a) 2022 AGM called to approve the financial statements for the year ended 31/12/2021.
(b) After canceling a meeting of the Strategic Committee organized within a very short timeframe a few days after the appointment of Philippe Hourdain as a Director, which he did not attend.
(1) Non-Group company.

Anne Lalou

Dean of the Web School Factory, Chairwoman of the Innovation Factory

Born 06/12/1963

Nationality: French

Natixis Shares held: 1,000

Address:
59 rue Nationale,
75013 Paris

Independent director

First appointed:
co-opted by the Board of Directors on 18/02/2015 and ratified at the AGM of 19/05/2015

Term expires: 2022 AGM [(a)]

Chairwoman – Strategic Committee

First appointed: Board Meeting of 18/02/2015

Member – Compensation Committee

First appointed: Board Meeting of 18/02/2015

Member – Appointment Committee

First appointed: Board Meeting of 18/02/2015

Chairwoman – CSR Committee

First appointed: Board Meeting of 17/12/2020 with effect as of 01/01/2021

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Compensation Committee	Strategic Committee
	100%	100%	100%	100%

A graduate of the ESSEC Business School, Anne Lalou began her career as a Manager and then Assistant Director in the M&A Department at Lazard in London then Paris. She was then made Head of Outlook and Development at Havas in Paris. She was Chairwoman and Chief Executive Officer of Havas Édition Électronique before joining Rothschild & Cie as Managing Director.

Anne Lalou joined Nexity in 2002 where she served as Secretary General and Director of Development, before her appointment as Chief Executive Officer of Nexity-Franchises in 2006, then Deputy Chief Executive Officer of the Distribution division until 2011.

Anne Lalou has been Dean of the Web School Factory since 2012, and Chairwoman of the Innovation Factory since 2013.

Other offices held in 2020:

- Dean of the Web School Factory *(since April 2012)*
- Chairwoman of the Innovation Factory *(since February 2013)*
- Member of the Supervisory Board *(since 07/05/2010)*, Chair of the CSR Committee *(since 2014)* and member of the Finance Committee *(since 2012)* of Eurazeo [(1)]
- Director *(since 18/03/2014)*, member *(since 22/06/2017)* and chairwoman *(from 22/06/2017 to October 2020)* of the Ethics, Quality and CSR Committee, Chairwoman of the Compensation and Appointment Committee *(since October 2020)* of Korian [(1)]

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

Offices held in previous fiscal years

2016	2017	2018	2019
■ Member of the Supervisory Committee of Foncia Holding [(2)] *(from September 2011 to September 2016)* ■ Member of the Supervisory Board of Foncia Groupe [(2)] *(from February 2012 to 07/09/2016)* ■ Chairwoman of the Compensation and Appointment Committee of Korian Medica S.A. [(1)(2)] *(since 18/03/2014)*	▸ (until 22/06/2017)		

(a) 2022 AGM called to approve the financial statements for the year ended 12/31/2021.

(1) Listed company.

(2) Non-Group company.

Catherine Leblanc

(Since June 23, 2020)
Chairwoman of the Board of Directors of Banque Populaire Grand Ouest

Born 11/02/1955
Nationality: French
Natixis shares held:
1,000
Address:
15 boulevard de la Boutière,
35768 Saint-Grégoire cedex

Director
First appointed: Board Meeting of 23/06/2020
Term expires: 2023 AGM [(a)]
Member – Compensation Committee
First appointed: Board Meeting of 23/06/2020
Member – Strategic Committee
First appointed: Board Meeting of 23/06/2020

KEY ADVISORY SKILLS
- See the mapping of expertise in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Compensation Committee	Strategic Committee
	86%	100%	100%

A graduate of Université Paris XI and holder of a PhD in law, Catherine Leblanc began her career in 1980 as legal counsel at the Fédération Nationale de la Mutualité Française, and then as senior advisor for the Centre National sur les Droits de la Femme in 1982.

In 1983, she joined the Paris Chamber of Commerce and Industry. She held various positions including Director of Finance and Human Resources (from 1990 to 1999) and Director of Development (from 1999 to 2000).

In 2001, she joined the ESSCA School of Management as Academic and Research Director. She was then appointed Deputy Dean of ESSCA in 2006, before becoming Dean in 2007 until November 2018.

Within BPCE Group, Catherine Leblanc has been Chairwoman of the Board of Directors of Banque Populaire Grand Ouest since May 21, 2019. She has also been a Director at BPCE Factor since 2016.

Other offices held in 2020:

Within BPCE Group

- Chairwoman of the Board of Directors of Banque Populaire Grand Ouest *(since 21/05/2019)*
- Director of BPCE Factor *(from 02/12/2016 to 03/12/2020)*

Outside BPCE Group

- Member of the Board of Association Saint Yves Université Catholique de l'Ouest *(since 15/06/2019)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Manager of SCI Boudou Bleu [(1)] *(since 2002)*			(until 2019)
Member of the Board of Banque Populaire Atlantique *(since 27/04/2010)*	(until 06/12/2017)		
Member of the International Advisory Board of the Antwerp Management School [(1)] *(since January 2016)*			(until December 2019)
Member of the International Advisory Board of Deakin University [(1)] *(since March 2016)*			(until December 2019)
	Vice-Chairman of Banque Populaire Grand Ouest *(since 07/12/2017)*		(until 21/05/2019)

(a) *2023 AGM called to approve the financial statements for the year ended 31/12/2022.The GM of May 28, 2021, will be asked to reappoint Catherine Leblanc as a director, following her resignation to come at the end of the Board meeting preceding the GM (in order to avoid a group renewal of directors in 2023).*
(1) *Non-Group company.*

Bernard Oppetit

Chairman of Centaurus Capital Limited

Born 05/08/1956

Nationality: French

Natixis Shares held: 1,000

Address:
53 Davies Street
London W1K5JH
England

Independent Director

First appointed:
co-opted by the Board of Directors on 12/11/2009 and ratified at the AGM of 27/05/2010

Term expires: 2022 AGM [(a)]

Chairman – Risk Committee

First appointed: Board Meeting of 17/12/2014

Member – Audit Committee

First appointed: Board Meeting of 17/12/2009

Member – Strategic Committee

First appointed: Board Meeting of 11/05/2011

Member – CSR Committee

First appointed: Board Meeting of 17/12/2020 with effect as of 01/01/2021

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Audit Committee	Risk Committee	Strategic Committee
	100%	100%	100%	100%

With a degree from the École Polytechnique, Bernard Oppetit forged his career with the Paribas group from 1979 to 2000, first in Paris, then in New York, and finally London.

As Deputy Director of the Financial Management division (1980-1987), Bernard Oppetit joined Paribas North America first as a Risk Arbitrage Trader (1987-1990), and then as Global Head of Risk Arbitrage (1990-1995). In 1995, while still heading up Risk Arbitrage, he moved to London to become Global Head of Equity Derivatives (1995-2000).

In 2000 Bernard Oppetit founded Centaurus Capital, a hedge fund investment management company. Having sold its global investment business, Centaurus Capital is a holding company of which Bernard Oppetit remains Chairman.

Other offices held in 2020:

Within Centaurus Capital group

- Chairman of Centaurus Capital Limited *(since 2000)*
- Director of Centaurus Capital Holdings Limited *(from August 2000 to 30/09/2020)*, Centaurus Global Holding Limited, Centaurus Management Company Limited *(from August 2000 to 30/09/2020)*, Centaurus Capital group *(since August 2000)*

Outside Centaurus Capital

- Member of the Board and Chairman of Cnova [(1)] Audit Committee *(since 20/11/2014)*
- Trustee of The Academy of St Martin-in-the-Fields *(since June 2016)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Trustee of École Polytechnique Charitable Trust *(since 2015)*	(until 01/11/2017)		

(a) *2022 AGM called to approve the financial statements for the year ended 31/12/2021.*
(1) *Listed company.*

Catherine Pariset

Born 22/08/1953

Nationality: French

Natixis Shares held: 1,000

Independent Director

First appointed:
co-opted by the Board of Directors on 14/12/2016, and ratified at the AGM of 23/05/2017

Term expires: 2023 AGM [(a)]

Chairwoman – Audit Committee

First appointed: Board Meeting of 14/12/2016

Member – Risk Committee

First appointed: Board Meeting of 14/12/2016

Member – Strategic Committee

First appointed: Board Meeting of 14/12/2016

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Audit Committee	Risk Committee	Strategic Committee
	93%	100%	100%	100%

With a master's degree in management from the University of Paris IX Dauphine, Catherine Pariset spent thirty-five years in audit and consulting, and was a partner at PricewaterhouseCoopers (PwC) from 1990 to 2015. Catherine Pariset was the partner in charge of the global audit of AXA, Sanofi, Crédit Agricole, Caisse des Dépôts, Compagnie des Alpes and Generali France. She also served as a member of the PwC Board for seven years, and was partner overseeing the insurance and banking sectors.

Other offices held in 2020:

- Director, Chairwoman of the Appointment and Compensation Committee, Member of the Audit Committee and of the Risk Committee of Banque PSA Finance *(since 22/02/2019)*
- Director and member of the specialized Committees of Generali Vie and Generali IA *(since 11/03/2020)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Member of the Supervisory Board of Eurodisney SCA [(1)] *(since 17/02/2016)*	(until 13/09/2017)		
Member of the Supervisory Board of Eurodisney Associés SCA *(since 17/02/2016)*	(until 13/09/2017)		
Member of the Audit Committee of Eurodisney *(since 09/11/2016)*	(until 13/09/2017)		

(a) *2023 AGM called to approve the financial statements for the year ended 31/12/2022.*

(1) *Listed company.*

Christophe Pinault

Chairman of the Management Board of Caisse d'Epargne and Prévoyance Bretagne Pays de Loire

Born 26/11/1961

Nationality: French

Natixis shares held: 1,093

Address:
15, avenue de la Jeunesse,
CS30327,
44703 Orvault Cedex

Director

First appointed:
co-opted by the Board of Directors on 20/12/2018
and ratified at the AGM of 28/05/2019

Term expires: 2023 AGM [(a)]

Member – Risk Committee

First appointed: Board Meeting of 20/12/2018

Member – Compensation Committee

First appointed: Board Meeting of 20/12/2018

Member – Strategic Committee

First appointed: Board Meeting of 20/12/2018

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Risk Committee	Compensation Committee	Strategic Committee
	93%	88%	100%	100%

A graduate of ISC Paris Business School, ITB (Institut Technique Bancaire) and ICG IFG (Institut Français de Gestion), Christophe Pinault began his career in 1984 at Banque Populaire Anjou-Vendée before moving to Crédit Agricole Mayenne and Crédit Mutuel Anjou.

In 2002 he joined Caisse d'Epargne des Pays de la Loire as Head of the Network and then Member of the Management Board in charge of Development. He then joined Crédit Foncier in 2007 as Deputy Managing Director in charge of Development. In 2013 he was appointed Chairman of the Management Board of Caisse d'Epargne Côte d'Azur.

He has been Chairman of the Management Board of Caisse d'Epargne Bretagne and Prévoyance Pays de Loire since April 24, 2018.

Other offices held in 2020:

Within BPCE Group:

- Chairman of the Management Board of Caisse d'Epargne Bretagne Pays de Loire CEBPL *(since 24/04/2018)*
- Chairman of the Supervisory Board of: Batiroc Bretagne-Pays de Loire *(since 04/05/2018)*, Sodero Gestion SAS *(since 04/05/2018)*, CE Développement SAS *(from 13/12/2016 to 03/12/2020)*
- Chairman of the Board of Directors of Sodero Participations SAS *(since 04/05/2018)*
- Permanent Representative of CEBPL, Member of the Board of GIE IT-CE *(since 14/05/2018)*
- Director of: FNCE *(since 27/04/2018)*, BPCE Assurances *(from 12/06/2007 to 02/07/2020)* and member of the Audit and Risk Committee *(from 05/12/2017 to 02/07/2020)*, Natixis Investment Managers *(from 21/05/2013 to 09/12/2020)* and member of the Audit and Accounts Committee *(from 12/12/2017 to 09/12/2020)* then Chairman of the Audit and Accounts Committee *(from 11/09/2018 to 09/12/2020)*, Turbo *(since 18/07/2019)*
- Member of the Board and Treasurer of the Belem Foundation *(since 02/07/2015)*
- Member of the Supervisory Board of: Seventure Partners *(from 25/07/2016 to 16/12/2020)*, Alliance Entreprendre SAS *(from 29/09/2016 to 17/11/2020)*, Caisse d'Epargne Capital *(from 08/11/2016 to 15/12/2020)* then President *(from 14/06/2017 to 15/12/2020)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
Member of the Board of Natixis Payment Solutions *(from 24/09/2013 to 29/09/2016)*			
Chairman of the Management Board of Caisse d'Epargne et de Prévoyance Côte d'Azur CECAZ *(since 01/07/2013)*		(until 26/04/2018)	
Permanent Representative of CECAZ, Member of the Board of ERILIA *(since 03/06/2016)*		(until 26/04/2018)	
Member of the Board of GIE Caisse d'Epargne Syndication Risque *(since 22/05/2014)*		(until 26/04/2018)	
		Member of the Board of IXION *(from 29/03/2018 to 12/11/2018)*	
		Permanent Representative of CEBPL, Non-Voting Member of ERILIA *(from 14/05/2018 to 12/11/2018)*	

(a) 2023 AGM called to approve the financial statements for the year ended 31/12/2022. The GM of May 28, 2021, will be asked to reappoint Christophe Pinault as a director, following his resignation to come at the end of the Board meeting preceding the GM (in order to avoid a group renewal of directors in 2023).

Diane de Saint Victor

Member of the Board of Directors of Transocean

Born 20/02/1955

Nationality: French

Natixis Shares held: 1,000

Independent Director

First appointed:
co-opted by the Board of Directors on 04/04/2019
and ratified at the AGM of 28/05/2019

Term expires: 2023 AGM [a]

Chairwoman – Appointment Committee

First appointed: Board Meeting of 04/04/2019

Member – Compensation Committee

First appointed: Board Meeting of 04/04/2019

Member – Strategic Committee

First appointed: Board Meeting of 04/04/2019

KEY ADVISORY SKILLS

- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Compensation Committee	Strategic Committee
	100%	100%	100%	100%

A lawyer by training with an advanced degree in corporate law and another in international law, Diane de Saint Victor started her career as a lawyer in 1977 before joining Thales in 1987 as a legal consultant. From 1988 to 1993 she was a legal consultant at General Electric in the Healthcare division, and then internationally in France and the United States.

In 1993 she joined Honeywell International where for 10 years she served as Vice-Chairwoman & Chief Legal Officer in various departments in both France and Belgium.

From 2004 to 2006 she was Senior Vice-Chairwoman and Chief Legal Officer of EADS (Airbus) in France.

From 2007 to November 2020, she was General Secretary and General Counsel of ABB and then General Secretary of ABB until the end of March 2020.

Since May 2020, she has been a member of the Board of Directors of Transocean.

Other offices held in 2020:

Within ABB group [1]

- ABB General Secretary *(from 2007 to 31/03/2020)*
- Member of the Board of Directors, member of the Audit Committee, the Stakeholders Relations Committee and the Corporate Social Responsibility Committee of ABB India Ltd [1] *(from 13/11/2019 to 31/07/2020)*

Outside ABB group

- Member of the Board of Directors, Chairwoman of the Compensation Committee and member of the Audit Committee of Altran Technologies *(from 15/05/2019 to 21/04/2020)*
- Member of the Board of Directors, member of the Audit Committee and the Health, Safety, Environmental & Sustainability Committee *(since 07/05/2020)* of Transocean [1]

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

Offices held in previous fiscal years

2016	2017	2018	2019
Director at Barclays Bank PLC & Barclays Bank PLC [2] *(since 2013)*	(until March 2017)		
General Counsel and member of the Executive Committee of ABB Ltd [1] *(since 2007)*			(until 11/12/2019)
Vice Chairwoman of the Board of Directors of ABB Asea Brown Boveri Ltd *(since 2007)*			(until 31/10/2019)
	Member of the Board of Directors of the US Chamber of Commerce in France *(since 2017)*		(until 31/12/2019)

(a) 2023 AGM called to approve the financial statements for the year ended 31/12/2022. The GM of May 28, 2021, will be asked to reappoint Diane de Saint Victor as a director, following her resignation to come at the end of the Board meeting preceding the GM (in order to avoid a group renewal of directors in 2023).

(1) Listed company.

(2) Non-Group company.

Nicolas de Tavernost

Chairman of the Groupe M6 Management Board

Born 22/08/1950
Nationality: French
Natixis Shares held: 1,000
Address:
89 Avenue Charles de Gaulle,
92575 Neuilly sur Seine Cedex

Independent Director
First appointed: AGM of 31/07/2013
Term expires: 2021 AGM [(a)]
Chairman – Compensation Committee
First appointed: Board Meeting of 06/08/2013
Member – Appointment Committee
First appointed: Board Meeting of 17/12/2014
Member – Strategic Committee
First appointed: Board Meeting of 06/08/2013

KEY ADVISORY SKILLS
- See the skills map in section 2.2.1.1. C

Attendance rate in 2020	Board of Directors	Appointment Committee	Compensation Committee	Strategic Committee
	100%	100%	100%	100%

A graduate of Sciences Po Bordeaux and holding a post-graduate degree (DES) in public law, Nicolas de Tavernost began his career in 1975 with the cabinet of Norbert Ségard, Secretary of State for Foreign Trade, and then continued with French Postal Services and Telecommunications. In 1986, he took over as Head of Audiovisual Operations at Lyonnaise des Eaux, during which time he oversaw plans to create M6.

In 1987 he was appointed Deputy CEO of Métropole Télévision M6, where he has served as Chairman of the Management Board since 2000.

Other offices held in 2020:

Within RTL group

- Chairman of the Groupe M6 Management Board [(1)] *(since May 2000)*
- Chairman and Member of the Board of Société Nouvelle de Distribution *(since June 2019)*
- Member of the Board of Groupe M6 Fondation d'Entreprise *(since 2018)*
- Member of the Supervisory Board of Salto Gestion *(since 16/09/2019)*
- Permanent Representative of M6 Publicité, Member of the Board of Directors of Home Shopping Service S.A. *(since 2013)*, M6 Diffusion S.A. *(since 2013)*, M6 Editions S.A., M6 Événements S.A. *(since 15/03/2012)*
- Permanent Representative of Métropole Télévision, Member of the Board of Extension TV SAS, C. Productions S.A. *(since 21/10/2012)*, Société d'Exploitation Radio Chic – SERC S.A. *(since 02/10/2017)*, Société de Développement de Radio diffusion – SODERA S.A. *(since 02/10/2017)*, Médiamétrie *(since 22/11/2017)*
- Permanent representative of Métropole Télévision, Chairwoman of: M6 Publicité S.A. *(since 2001)*, Immobilière M6 SAS *(since 2001)*, M6 Bordeaux SAS *(from 2001 to 31/12/2020)*, M6 Interactions SAS *(since 2001)*, M6 Foot SAS *(since 2001)*, M6 Distribution Digitale SAS *(since 2019)*
- Permanent Representative of C. Productions S.A., Member of the Board of M6 Films S.A. *(since 01/01/2015)*
- Permanent Representative of Métropole Télévision, Managing Partner of SCI 107 avenue Charles de Gaulle *(since 2001)*
- Representative of RTL group, Member of the Supervisory Board and Vice-Chairman of the Compensation Committee of Atresmedia 1 *(since 29/10/2003)*

Outside RTL group

- Member of the Board of GL Events S.A. *(since May 2008)*
- Volunteer member of the Board of the RAISE endowment fund *(since 22/11/2013)*, Polygone S.A. *(since 02/03/2013)*
- Chairman of SPILE, an association under French law 1901 that helps ex-offenders find work, and Chairman of the Groupe M6 Management Board *(since April 2013)*
- Chairman of the Association des Chaînes Privées *(since December 2020)*

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

Offices held in previous fiscal years			
2016	**2017**	**2018**	**2019**
▪ Permanent Representative of Métropole Télévision [2], Chairman of TCM DA SAS *(since 27/06/2013)*	▸ (until 20/11/2017)		
▪ Chairman of the Groupe M6 Fondation d'Entreprise *(from 2011 to 12/07/2016)*			
▪ Member of the Board of the Football Club des Girondins de Bordeaux *(since 2001)*		▸ (until 06/11/2018)	
▪ Permanent Representative of Métropole Télévision, Member of the Board of SASP Football Club des Girondins de Bordeaux *(since 2012)*		▸ (until 06/11/2018)	
▪ Permanent representative of Métropole Télévision, Director of Société Nouvelle de Distribution S.A. *(since June 2011)*			▸ (until 27/06/2019)
▪ Permanent representative of Métropole Télévision, Chairwoman of M6 Digital Services *(since June 2011)*			▸ (until 01/02/2019)
▪ Permanent representative of Métropole Télévision, Chairwoman of SNC Catalogue MC SAS *(since 22/07/2016)*			▸ (until 20/06/2019)
▪ Member *(since 18/12/2002)*	▪ then Chairman of the Supervisory Board (*since 02/10/2017*) of Ediradio S.A. (RTL/RTL2/FUN RADIO)	▸ (until 30/04/2018)	
	▪ Member of the Board of Directors of RTL France Radio *(since 02/10/2017)*	▸ (until 28/06/2018)	
	▪ Permanent representative of Métropole Télévision, Director of IP France S.A. *(since 02/10/2017)*	▸ (until 31/05/2018)	
	▪ Permanent representative of Métropole Télévision, Director of IP Régions S.A. *(since 02/10/2017)*	▸ (until 31/05/2018)	
	▪ Permanent representative of Métropole Télévision, Chairman of SNC Audiovisuel FF SAS *(since 20/07/2017)*		▸ (until 20/06/2019)
		▪ Permanent representative of Métropole Télévision, Chairman of M6 Hosting *(since 09/07/2018)*	▸ (until 01/02/2019)

(a) 2021 AGM called to approve the financial statements for the year ended 31/12/2020.
(1) Listed company.
(2) Non-Group company.

Henri Proglio

Chairman of Henri Proglio Consulting SAS

Born 26/06/1949

Nationality: French

Natixis Shares held: 1,000

Address:
9 avenue Mercier,
75008 Paris

Non-Voting Member

First appointed: Board Meeting of 04/04/2019 and ratified at the AGM of 28/05/2019

Term expires: 2023 AGM [(a)]

Member – Compensation Committee

First appointed (as non-voting member): Board Meeting of 04/04/2019

Member – Strategic Committee

First appointed (as non-voting member): Board Meeting of 04/04/2019

KEY ADVISORY SKILLS

- A nationally and internationally recognized industrialist
- Expertise in managing large corporations
- Extensive knowledge of strategic issues

Attendance rate in 2020	Board of Directors	Compensation Committee	Strategic Committee
	73%	75%	100%

A graduate of HEC Paris, Henri Proglio began his career in 1972 at Générale des Eaux group (now Veolia Environnement), where he held various positions in Senior Management. In 1990 he was appointed Chairman and CEO of CGEA, a subsidiary specializing in waste management and transport. In 2000 he became Chairman of Vivendi Environnement (Veolia Environnement), and in 2003 Chairman and Chief Executive Officer.

In 2005 he was also appointed Chairman of the School Council of his Alma Mater, HEC.

From 2009 to November 22, 2014, Henri Proglio was Chairman and Chief Executive Officer of EDF. Since 2015, he has been Honorary Chairman of EDF.

Other offices held in 2020:

- Chairman of Henri Proglio Consulting SAS *(since 09/01/2015)*
- Honorary Chairman of EDF [(1)] *(since 2015)*
- Member of the Board of: Dassault Aviation [(1)] *(since 2008)*, ABR Management Russia *(since 2014)*, Akkuyu Nuclear JSC (Turkey) *(since 2015)*, Atalian *(since 01/09/2017)*, FCC *(since 27/02/2015)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
None			

(a) 2023 AGM called to approve the financial statements for the year ended 31/12/2022.

(1) Listed company.

Exiting director in 2020

Thierry Cahn

(until May 20, 2020)
Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne

Born 25/09/1956

Nationality: French

Natixis Shares held: 1,000

Address:
Immeuble Le W
1A place de Haguenau
CS10401,
67001 Strasbourg Cedex

Director

First appointed:
co-opted by the Board of Directors on 28/01/2013 and ratified at the AGM of 21/05/2013

Date term of office expires:
after the GM of 20/05/2020

Member – Appointment Committee

First appointed: Board Meeting of 09/02/2017

Date term of office expires:
after the GM of 20/05/2020

Member – Strategic Committee

First appointed: Board Meeting of 28/01/2013

Date term of office expires:
after the GM of 20/05/2020

KEY ADVISORY SKILLS

- Expertise in legal matters, particularly in business law

Attendance rate in 2020	Board of Directors	Appointment Committee	Strategic Committee
	75%	100%	100%

Thierry Cahn holds a Professional Lawyers' Certificate (CAPA) and joined the firm Cahn et Associés in 1981. In 1984 he joined the General Council of the Colmar Bar (Conseil de l'Ordre des Avocats de Colmar) of which he is still a member. In 1986 he was named Secretary General to the National Lawyers' Association (Confédération Nationale des Avocats), which he chaired from 1995 to 1996, before becoming Chairman of the Colmar Bar Association from 1998 to 1999. Since 1985 he has also been Head Tutor at the Institut Universitaire de Technologie (IUT) de Haute Alsace and the CRFPA d'Alsace.

Thierry Cahn has been Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne since September 30, 2003.

Other offices held in 2020:

Within BPCE Group:

- Chairman of the Board of Directors of Banque Populaire Alsace Lorraine Champagne *(since 30/09/2003)*
- Member *(since July 2009)* then Vice-Chairman of the Supervisory Board *(since 24/05/2019)*, Member of the Cooperative and CSR Committee *(since 24/05/2019)* of BPCE
- Member of the Supervisory Board of Banque BCP to Luxembourg *(since 03/07/2018)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
■ Member of the BPCE Audit Committee *(since July 2009)*			▸ (until 24/05/2019)

Exiting director in 2020

Bernard Dupouy

(until May 20, 2020)
Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique (BPACA)

Born 19/09/1955

Nationality: French

Natixis Shares held: 1,000

Address:
10 quai des Queyries,
33072 Bordeaux Cedex

Director

First appointed:
co-opted by the Board Meeting of 01/08/2017 and ratified at the AGM of 23/05/2018

Date term of office expires:
after the GM of 20/05/2020

Member – Compensation Committee

First appointed: Board Meeting of 28/05/2019

Date term of office expires:
after the GM of 20/05/2020

Member – Strategic Committee

First appointed: Board Meeting of 01/08/2017

Date term of office expires:
after the GM of 20/05/2020

KEY ADVISORY SKILLS

- Expertise in business administration
- In-depth knowledge of retail banking, the regional economy and the economy of the French overseas territories

Attendance rate in 2020	Board of Directors	Compensation Committee	Strategic Committee
	100%	100%	100%

A graduate of the École Supérieure de Commerce, administration et des Entreprises de Bordeaux, Bernard Dupouy became a Member of the Board of Banque Populaire du Sud-Ouest (BPSO) in 1996. He was appointed Secretary in 2006, then Vice-Chairman in 2009. In November 2011, BPSO became Banque Populaire Aquitaine Center Atlantique (BPACA). **Bernard Dupouy became Executive Vice-Chairman and then Chairman of the Board of Directors in January 2015.**

He was also Chairman of the Board of Directors of BPSO subsidiary Crédit Commercial du Sud-Ouest from 2008 to 2011. From 2011 to 2015, he was a Member of the Board and Chairman of the Audit Committee and Risk Committee.

Bernard Dupouy also served as a Member of the Board of Crédit Maritime Mutuel du Littoral Sud-Ouest from 2012 to 2015, then became a Permanent Representative of BPACA, Member of the Board of Crédit Maritime, and Chairman of the Audit, Risk and Accounting Committee from 2012 to June 4, 2018, when that entity was merged into BPACA.

A well-known entrepreneur in the Aquitaine region, Bernard Dupouy is the Chief Executive Officer of DUPOUY S.A., a company specialized in exports and distribution in French overseas territories.

Other offices held in 2020:

Within BPCE Group:

- Chairman of the Board of Directors of Banque Populaire Aquitaine Centre Atlantique (BPACA) *(since 27/01/2015)* Member of the Appointment Committee *(since 19/12/2019)*
- Member of the Supervisory Board and the Compensation Committee *(since 02/08/2018)* and the Audit Committee of BPCE *(since 24/05/2019)*
- Member of the Board *(since May 2015)* and Vice-Chairman of the Board of Directors *(since 06/06/2018)* of the National Federation of Banques Populaires
- Permanent Representative of BPACA, Member of the Board of Société Centrale des Caisses de Crédit Maritime Mutuel *(since 05/06/2018)*

Outside BPCE Group:

- Chairman and Chief Executive Officer of Groupe Dupouy S.A. *(since 22/07/1993)*
- Chairman and Chief Executive Officer of ETS DUPOUY SBCC *(since 01/02/2004)*
- Director of Union Maritime du Port de Bordeaux *(since 2008)*
- Manager of SCI Badimo *(since 26/01/2000)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
■ Elected member of the Bordeaux Chamber of Commerce and Industry [(1)] *(from 2006 to 23/11/2016)*			
■ Director of Congrès et Expositions de Bordeaux SAS [(1)] *(since 2008)*			▸ (until 03/18/2019)
■ Permanent representative of BPACA, Director of Bordeaux Grands Events [(1)] *(since 2013)*			▸ (until 25/04/2019)
■ Permanent Representative of BPACA, Member of the Board of Crédit Maritime Mutuel du Littoral Sud-Ouest *(since 29/01/2015)*		▸ (until 04/06/2018)	
■ Chairman of the Audit, Risk and Accounts Committee of Crédit Maritime Mutuel *(since 2012)*		▸ (until 04/06/2018)	
■ Member of the Board of: Natixis Interépargne *(since 30/11/2016)*		▸ (until 03/08/2018)	
■ Chairman of Madikera Management 2M SAS [(1)] *(since 12/07/2016)*		▸ (liquidated on 31/12/2018)	

Offices held in previous fiscal years			
2016	**2017**	**2018**	**2019**
	▪ Member of the Board of BPCE Vie *(since 03/08/2017)*	▸ (until 03/08/2018)	
	▪ Permanent representative of BPACA, director of Bordeaux Fondation Université *(since 29/11/2017)*		▸ (until 14/05/2019)
		▪ Member of the BPCE Appointments Committee *(since 08/01/2018)*	▸ (until 24/05/2019)

(1) Non-Group Company.

Exiting director in 2020

Françoise Lemalle

(until February 6, 2020)
Chairwoman of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur (CECAZ)

Born 15/01/1965

Nationality: French

Natixis Shares held: 1,000

Address:
455 Promenade des Anglais,
BP 3297,
06205 Nice Cedex 03

Director

First appointed:
co-opted by the Board of Directors on 30/07/2015 and ratified at the AGM of 24/05/2016

Date term of office expires:
Board Meeting of 06/02/2020

Member – Audit Committee

First appointed: Board Meeting of 09/02/2017

Date term of office expires:
Board Meeting of 06/02/2020

Member – Strategic Committee

First appointed: Board Meeting of 30/07/2015

Date term of office expires:
Board Meeting of 06/02/2020

KEY ADVISORY SKILLS

- Entrepreneurial experience
- Extensive knowledge in accounting and finance
- Auditing

Attendance rate in 2020	Board of Directors	Audit Committee	Strategic Committee
	100%	100%	100%

Françoise Lemalle earned her Chartered Accountant designation in 1991, becoming the youngest Chartered Accountant in the PACA region that year, then registered with the Compagnie des Commissaires aux Comptes in 1993. She runs an accounting and auditing firm of 20 people, located in Mougins. She regularly hosts training sessions for small retailers, craftspeople and self-employed professionals, mostly at management centers.

In 1999 she became a founding Director of local savings company SLE de Cannes, before being elected as its Chairwoman in 2009. She sat on the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur as a Non-Voting Member, then from 2009 as Chairwoman of the LSC, joining the Audit Committee at the same time. **Françoise Lemalle was appointed Steering and Supervisory Board Chairwoman on April 23, 2015.**

In addition, she has been a Member of the Board of IMF Créasol [1] and a member of the association's Audit Committee since 2013.

Françoise Lemalle has also been a member of the BPCE Supervisory Board since May 22, 2015.

Other offices held in 2020:

Within BPCE Group:

- Member of the Steering and Supervisory Board of Caisse d'Epargne Côte d'Azur *(since 2003)*, then Chairwoman *(since April 2015)*
- Member of the Supervisory Board and Risk Committee of BPCE *(since 22/05/2015)*
- Chairwoman of the Board of Directors of SLE CECAZ (SLE Ouest des Alpes-Maritimes) *(since 1999)*
- Member of the Board of CE Holding Participations *(since 09/09/2015)*, Fondation BELEM *(since 30/06/2020)*
- Permanent Representative of Caisse d'Epargne Côte d'Azur, Member of the Board of FNCE *(since April 2015)*
- Treasurer of the Benjamin Delessert Association *(since 2015)*

Outside BPCE Group:

- Chief Executive Officer of Lemalle Ares X-Pert *(since 1991)*
- Member of the Board and Member of the Audit Committee: IMF Créa-Sol *(since July 2013)*

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

Offices held in previous fiscal years

2016	2017	2018	2019
▪ Director of Fondation Caisses d'Epargne pour la Solidarité *(from October 2015 to October 2016)*			

(1) *Non-Group Company.*

2.2 Management and oversight of corporate governance

2.2.1 Board of Directors

2.2.1.1 Composition and organization of the Board of Directors

Natixis' Board of Directors had 15 members at December 31, 2020. It is composed as follows:

- two members from BPCE, namely Laurent Mignon and BPCE itself, represented by Catherine Halberstadt;
- four members from the Banque Populaire banks, namely Alain Condaminas, Sylvie Garcelon, Philippe Hourdain and Catherine Leblanc;
- four members from the Caisse d'Epargne banks, namely Daniel de Beaurepaire, Dominique Duband, Nicole Etchegoïnberry and Christophe Pinault; and
- five independent members, namely Anne Lalou, Bernard Oppetit, Catherine Pariset, Diane de Saint Victor and Nicolas de Tavernost.

Pursuant to Articles L.22-10-5 and L.225-27-1 and L.22-10-7 of the French Commercial Code, Natixis' Board of Directors does not have any employee directors, or any employee shareholder directors. However, two representatives of the Social and Economic Committee attend every Board of Directors' Meeting in an advisory capacity.

In accordance with Article 9 of the Natixis bylaws, each director must own at least one hundred and forty (140) company shares during their term of office. Furthermore, in accordance with the recommendations of the Afep-Medef Code and the provisions of Article 3 of the Code of Ethics for members of the Board of Directors *(see section 2.2.1.2 B of this chapter)*, directors are invited to hold at least one thousand (1,000) company shares within 18 months of joining the Board (refer to each director's sheets for more details on their number of shares).

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. Two Natixis directors are over the age of 70 as of December 31, 2020 *(please refer to the summary table of the Board of Directors in section 2.1.2 of this chapter for more details on their number of shares)*.

In addition, in accordance with Article 14.1 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 made to the Board of Directors in FY 2020 that are likely to have a material impact on the Company's governance are as follows:

- on February 6, 2020, the Natixis Board of Directors:
  - co-opted with immediate effect Dominique Duband as Director to replace Françoise Lemalle, who resigned, for the remainder of her term of office, terminating at the end of the Natixis General Shareholders' Meeting convened in 2022 to approve the financial statements for the year ending December 31, 2021. Dominique Duband is also a ex-officio member of the Strategic committee;
- on May 20, 2020, the General Shareholders' Meeting of Natixis:
  - ratified the co-opting of Dominique Duband, which took place during the meeting of the Board on February 6, 2020, to replace Françoise Lemalle, who resigned, to serve out the remainder of his predecessor's term of office, terminating at the end of the General Shareholders' Meeting convened in 2022 to approve the financial statements for the year ending December 31, 2021,
  - reappointed Alain Condaminas as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting convened in 2024 to approve the financial statements for the year ending December 31, 2023,
  - reappointed Nicole Etchegoïnberry as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting convened in 2024 to approve the financial statements for the year ending December 31, 2023,
  - reappointed Sylvie Garcelon as Director for a term of four (4) years, terminating at the end of the General Shareholders' Meeting convened in 2024 to approve the financial statements for the year ending December 31, 2023;
- on June 23, 2020, the Natixis Board of Directors:
  - co-opted with immediate effect Philippe Hourdain as a Director to replace Thierry Cahn, who resigned, for the remainder of his term of office, terminating at the end of the Natixis General Shareholders' Meeting convened in 2022 to approve the financial statements for the year ending December 31, 2021, and appointed his successor as member of the Appointment Committee. Philippe Hourdain is also a ex-officio member of the Strategic committee,
  - co-opted with immediate effect Catherine Leblanc as a Director to replace Bernard Dupouy, who resigned, for the remainder of his term of office, terminating at the end of the Natixis General Shareholders' Meeting convened in 2023 to approve the financial statements for the year ending December 31, 2022, and appointed his successor as member of the Compensation Committee. Catherine Leblanc is also a ex-officio member of the Strategic committee.

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:

2021 AGM	Nicolas de Tavernost
2022 AGM	Dominique Duband, Philippe Hourdain, Anne Lalou, Bernard Oppetit
2023 AGM	Laurent Mignon, BPCE (represented by Catherine Halberstadt), Daniel de Beaurepaire, Catherine Leblanc, Catherine Pariset, Christophe Pinault, Diane de Saint Victor (and the non-voting member, Henri Proglio)
2024 AGM	Alain Condaminas, Nicole Etchegoïnberry, Sylvie Garcelon

Subject to the approval by the General Shareholders' Meeting of the corresponding resolutions, the staggering of the terms of office above will be modified in order to avoid the renewal of seven terms en bloc in 2023 and to spread them more harmoniously over time (for more details, see the report of the Board of Directors to the General Shareholders' Meeting).

C – Diversity policy of the Board of Directors

Convinced that the quality of the Board of Directors should be assessed in the light of the complementarity of the profiles and ethics of its members, Natixis has implemented a diversity policy pursuant to Articles L.22-10-10 of the French Commercial Code and 7.2 of the Afep-Medef Code. The initial version of this policy was approved by the Board of Directors at its meeting of February 12, 2019 and updated on December 17, 2020. This diversity policy highlights the specific characteristics of Natixis' governance as well as the skills that the Board of Directors must bring together, with the appropriateness of the directors' profile being assessed with regard to the collective and balanced representation of skills, as illustrated by the skills map detailed below.

Diversity policy statement

The objective of the Natixis Board of Directors' diversity policy is to ensure that members of the Board are able, at all times, to make informed, judicious and objective decisions by taking into consideration Natixis' business model, its risk appetite, its strategy and the markets in which Natixis operates, and secondly, to challenge and monitor the decisions taken by Senior Management.

In addition to the rules governing the composition of the Natixis Board of Directors, this policy describes the criteria used to ensure the diversity of the Board, in particular:

- **the knowledge and qualifications needed to perform the duties of a Board member** in particular in relation to Natixis' specific activities (solid understanding of the banking and financial sector, financial management and accounting principles applicable to credit institutions, corporate management, risk management and internal control, corporate strategy, technologies and digital transformation, Human Resources, international development, regulatory environment and governance, social and environmental responsibility);
- **a balanced representation of women and men** within the Board (with a long-term gender balance of 40%) and as regards the Chairmanship of its specialized Committees;
- **a balance in terms of directors' seniority** with, on the one hand, the term of office of director set at four years and, on the other hand, the rule for determining independence (for independent directors, not having been a director for more than 12 years when reappointed); and
- **international outreach** with regard to Natixis' activities and geographical deployment.

This policy will be applied when a new director is appointed and when the Appointment Committee and the Board perform their annual review of the Board's composition.

Accordingly, whenever a director is appointed, a "fit and proper" report outlining the candidate's experience and skills, as well as their status with respect to other offices held simultaneously, availability, integrity and conflicts of interest, accompanied by their résumé, is sent to the members of the Appointment Committee for review. The Committee then provides the Board with its opinion.

It is specified that the Appointment Committee favors the complementarity of skills and the diversity of cultures and experiences in order to have sufficiently rich and varied profiles.

Implementation and monitoring of the diversity policy

The Board of Directors (and its Appointment Committee) regularly examines the best way to balance its membership and that of its Committees. To this end, the Appointment Committee periodically assesses, at least once a year, the structure, size, membership and effectiveness of the Board with regard to the missions assigned to it and submits any useful recommendations to the Board.

Skills and expertise of the members of the Board of Directors

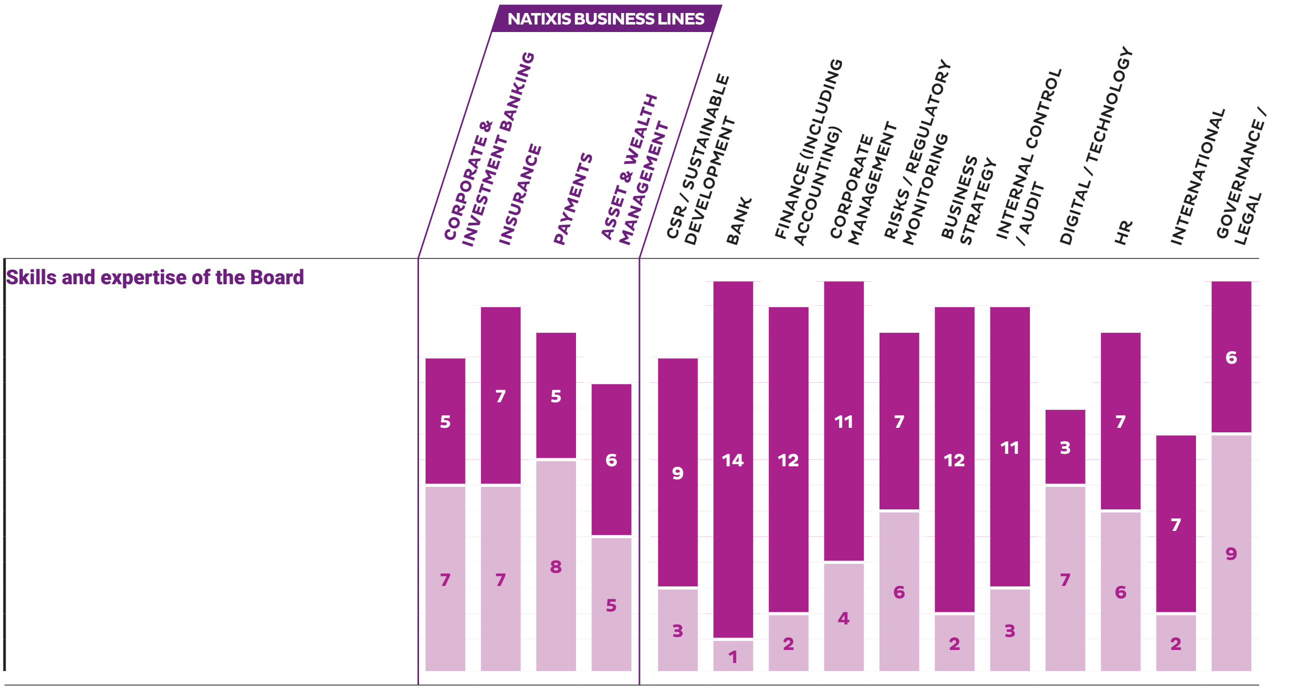
As part of the review of the Board's diversity, at its meeting of December 11, 2020, the Appointment Committee examined an updated mapping of the skills and expertise of Board members to assess the level of knowledge and expertise of Board members and the expertise of each director for each area of expertise considered (including the four Natixis business lines and eleven other areas of expertise).

Analysis of this mapping revealed a great diversity and complementarity in terms of the directors' knowledge, skills and experience. In accordance with the opinion of the Appointment Committee, the Board of Directors, at its meeting of December 17, 2020:

- noted that the evaluation of the balance and diversity of knowledge, skills and experience that the Board members have, both individually and collectively, had provided satisfactory results; and
- determined the qualifications deemed necessary for the duties to be performed within the Board of Directors as presented to it for fiscal year 2021.

Overall summary of the breakdown of skills of the members of the Board of Directors

Mapping of Natixis Board skills as of December 31, 2020



Skills and expertise by director

	Corporate & Investment Banking	Insurance	Payments	Asset & Wealth Management	CSR / Sustainable Development	Bank	Finance (including Accounting)	Corporate Management	Risks / Regulatory Monitoring	Business Strategy	Internal Control / Audit	Digital / Technology	HR	International	Governance / Legal
L. Mignon	●	●	●	●	●	●	●	●	●	●	●	○	●	●	○
C. Halberstadt	●	●	●	○	○	●	●	●	●	●	●	○	●		○
D. de Beaurepaire	○	○	○			●	●	○		○	●			●	●
A. Condaminas	○	●	●	●		●	●	●	○	●	●		●		○
D. Duband		○	○		●	●	○	●	○	○	○		●		○
N. Etchegoinberry	○	●	●	○	●	●	●	●	●	●	●	●	○	○	○
S. Garcelon	○	●	○	○	●	●	●	●	●	●	●	○	○		○
P. Hourdain		○	○		●	●		○	○	●	○	●			●
A. Lalou	●			●	●	●	●	●	○	●	●	●	○	●	○
C. Leblanc		○	○		○	●	●	●		●			●	○	●
B. Oppetit	●	○		●	○	●	●	○	●	●	●	○	○	●	●
C. Pariset	●	●	○	●		●	●	○	●		●		○	●	●
C. Pinault	○	●	●	●	●	●	●	●	●	●	●	○	○		○
D. de Saint Victor	○	○	○	○	●	●	○	●	○	●	●	○	●	●	●
N. de Tavernost	○	○	○	○	●	○	●	●	○	●	○	○	●	●	○

● *Expertise*
○ *Knowledge*

Independents directors

Therefore, one-third of the members of the Board of Directors is independent, in accordance with the Afep-Medef Code. As of December 31, 2020, the five independent directors of Natixis are Anne Lalou (Dean of the Web School Factory and Chairwoman of Innovation Factory), Bernard Oppetit (Chairman of the Centaurus Capital Limited fund that he created), Catherine Pariset (today released from her professional obligations), Diane de Saint Victor (Director of Transocean) and Nicolas de Tavernost (Chairman of the Management Board of the M6 group).

As is the case every year, at its meeting of December 17, 2020, and following the report submitted by the Appointment Committee, Natixis' Board of Directors examined each independent director's expertise, judgment and freedom of thought and expression, specifically with respect to the independence criteria recommended by the Afep-Medef Code, and the criteria in the Board's Internal Rules *(see section 2.2.1.2 A of this chapter)*.

The Board of Directors took care to appraise whether the companies in which the independent directors hold corporate office have a significant business relationship with Natixis or its corporate Group.

Natixis applies the concept of a “reference banker”, i.e. “a banker essential to all requirements of the Company”, to assess the importance of business relationships, identify any situation of dependency on Natixis, and finally gauge whether these relationships are likely to affect the independence of the director’s judgment.

To this end, the Board of Directors analyzes a range of indices, criteria and parameters including the duration, extent and nature of the banking, trade or consulting relationships, the volume of commitments and the weight of Natixis compared to total indebtedness, and the Company’s liquidity requirements.

Based on this review, it determined that Natixis is not the “reference banker” for companies in which its independent directors exercise their executive corporate officer duties or their professional activity, in particular as regards the Web School Factory, Centaurus Capital Limited and the M6 group.

Natixis has few or no business relations with any of these companies.

Furthermore, to date, the independent directors are not in a position of conflict of interest in respect of the non-executive corporate offices they hold in other companies, in accordance with the Compliance Charter applicable to all Board of Directors’ members under which they undertake to inform the Company of any conflict of interest in which they will be involved and to comply with the process related to the handling of the said conflict of interest.

Natixis’ Board of Directors therefore determined that Anne Lalou, Bernard Oppetit, Catherine Pariset, Diane de Saint Victor and Nicolas de Tavernost meet the necessary independence criteria.

Criteria for appraisal [(a)]	Diane de Saint Victor	Anne Lalou	Bernard Oppetit	Catherine Pariset	Nicolas de Tavernost
Cannot be or have been during the last five years: ▪ an employee or executive corporate officer of Natixis; ▪ an employee, executive corporate officer or director of a company consolidated by Natixis; ▪ an employee, executive corporate officer or director of BPCE or of a company consolidated by BPCE.	OK	OK	OK	OK	OK
Is not an executive corporate officer of a company in which Natixis directly or indirectly holds a Directorship, or in which an employee of Natixis or an executive corporate officer of Natixis (currently or within the last five years) holds a Directorship.	OK	OK	OK	OK	OK
Is not a major customer, supplier, or corporate or investment banker or advisor (or linked directly or indirectly to these persons) to the Company or the group; does not derive a significant portion of business from the Company or its Group.	OK	OK	OK	OK	OK
Has no close family ties with a corporate officer	OK	OK	OK	OK	OK
Has not been an auditor of the Company in the previous five years.		OK	OK	OK	OK
Has not been a Board member of the Company for more than 12 years (independent director status is lost once a Board member has served for 12 years).	OK	OK	OK	OK	OK
Is not a Board member representing a major shareholder of Natixis or BPCE.	OK	OK	OK	OK	OK
Does not receive variable compensation in cash or in shares, or any performance-linked compensation from Natixis or the Group.	OK	OK	OK	OK	OK

(a) See section 2.2.1.2. B of this chapter.

Gender balance

As of December 31, 2020, the Board of Directors consisted of seven women and eight men.

Natixis went from being a Board of Directors composed of 33% women five years ago (five women and ten men) to a Board composed of 47% women (seven women and eight men).

Four of the six Board Committees are also chaired by a woman.

Balance in terms of seniority

The average length of service of the members of the Board of Directors was four years at December 31, 2020. No independent director has been a member of the Board for more than twelve years.

International outreach

Nine directors have international experience, either because they have held a position outside France or exercised an activity in an international group as part of their professional career, or because they hold or have held one or more mandates in foreign companies *(see skills map above)*.

D – Director selection policy

As a follow-up to the updating of the Board member diversity policy approved by the Board of Directors at its meeting of December 17, 2020, on the proposal of the Appointments Committee, the Board adopted a policy for selecting future members of the Board of Directors of Natixis, drawn up in accordance with:

- guidelines and recommendations from the regulatory authorities aimed at improving the formalization of director selection processes;
- of the Afep-Medef Code, which requires the Appointment Committee to organize a procedure to select future independent directors.

The aim is to ensure that the members of the Board of Directors are collectively able to:

i. make informed, judicious and objective decisions taking into consideration Natixis' business model, its risk appetite, its strategy and the markets in which it operates;

ii. challenge and monitor the decisions taken by Senior Management.

This selection policy for future directors, the content of which is described in the **diagram below** concerns both Group Board members and independent directors.

PROCESS FOR SELECTING A NEW DIRECTOR

	Profile		Applications	Selection	Designation
INDEPENDENT DIRECTORS	**Definition by the Appointments Committee in conjunction with the Chairman of the Board of Directors of the profile sought with regard to:** ▪ requirements in terms of skills and experience (mapping of skills and expertise); ▪ highly sought-after values and qualities; ▪ gender balance; ▪ criteria to be met in accordance with the diversity policy.	*The range of skills, knowledge and experience of the Board must be sufficiently broad and diverse in accordance with the diversity policy for directors.*	> Selection of a recruitment firm. > Shortlist of candidates drawn up by the Chairman of the Appointments Committee, in conjunction with the General Secretariat.	> Chairman of the Appointments Committee, the Chairman of the Board of Directors, the Chief Executive Officer and the General Secretary discuss candidate profiles. > Shortlisted candidates interviewed by the Appointments Committee, which makes its recommendation to the Board of Directors.	Proposal made to shareholders at the General Shareholders' Meeting to appoint the chosen candidate *(approval of the appointment or ratification if a temporary appointment has been made).*
INTERNAL DIRECTORS FROM THE GROUP	**OBJECTIVE** Guarantee the consulting ability to: ▪ make informed decisions; ▪ ensure the smooth running of the company; ▪ challenge and monitor decisions made by senior management.	*The profile of the candidate must enable the Board to have a majority and for the two networks Banque Populaire and Caisse d'Epargne to be equally represented (and more specifically for the representation of the executive and non-executive officers of the two networks to be balanced).*	> List drawn up of potential candidates likely to be approached as directors in the short- and medium-term. > List of potential candidates together with background information shared by the Chairman of the Board with the Appointments Committee.	> Discussions between the Chairman of the Appointments Committee (in conjunction with the General Secretary) and the Chairman of the Board of Directors on shortlisted profiles. > Review of the candidate(s) by the Appointments Committee and selection of the candidate by the Board on the recommendation of the Appointments Committee.	Proposal made to shareholders at the General Shareholders' Meeting to appoint the chosen candidate *(approval of the appointment or ratification if a temporary appointment has been made).*

2.2.1.2 Role and powers of the Board of Directors

A – Legal and statutory requirements, and Internal Rules of the Board of Directors

The duties of the Board of Directors are defined by the law and the bylaws.

The current version of the Internal Rules, adopted on December 17, 2020, completes the legal and statutory dispositions by stipulating the rules governing the Board of Directors' operation and setting out the rights and duties of its members. **These rules are available in full on the Natixis website *(www.natixis.com)*.**

The Board of Directors, assisted by the specialized Committees, is involved in the following matters:

- **Strategic orientations**

  The Board of Directors determines the orientations of the Company's activity and sees to the implementation thereof, in accordance with its corporate interest, taking into account the social and environmental issues associated with its activity. Within the limits of the company's corporate purpose and the powers expressly granted by law or its bylaws to the General Shareholders' Meetings, the Board concerns itself with all matters affecting the Company's performance and governs by virtue of its deliberations. The Board of Directors performs the controls and checks it deems appropriate.

  A number of transactions are subject to prior authorization by the Board of Directors:

  - the extension of Natixis' activities to include new core businesses not currently exercised by the Company;
  - any acquisition or increase in shareholdings, as well as any investments, divestments or the formation of joint ventures by Natixis or any of its main subsidiaries, involving an amount in excess of €100 million, in the event that the Group's structure is modified;
  - any asset transfers, mergers or spin-offs in which Natixis is involved.

- **Financial statements**

  - The Board of Directors approves the management report.
  - It reviews the draft budget for the following year.
  - It reviews and approves the parent company and consolidated financial statements of the Company, ensuring their accuracy and fairness;
  - The Board of Directors verifies the publishing and disclosure process, as well as the quality and reliability of the information that Natixis intends to publish and disclose.

- **Internal control/Risk management/Compliance**

  - The Board of Directors verifies that the executive managers have properly implemented the supervisory mechanisms, especially in terms of the separation of duties and the prevention of conflicts of interest, that ensure the Company is effectively and prudently managed.
  - The Board of Directors reviews the governance framework as set out in Article L.511-55 of the French Monetary and Financial Code, periodically assesses its effectiveness, and ensures that corrective measures have been taken to remedy any shortcomings.
  - The Board of Directors approves and regularly reviews the policies and strategies governing the taking, management, monitoring and mitigation of the risks to which Natixis is or could be exposed, including the risks generated by the economic environment, social risks and environmental risks.
  - The Board of Directors is informed of any resignation/appointment of the Company's Chief Risk Officer.

- **Governance**

  - In accordance with the law and the bylaws, the Chairman convenes and chairs the Board and organizes and guides its work. He chairs General Shareholders' Meetings. The Chairman of the Board or the Chief Executive Officer are required to provide each director with all the documents and information needed to carry out their duties. As a reminder, the Board of Directors of a credit institution may not be chaired by the Chief Executive Officer.
  - Under the conditions defined in Article 15 of the Company bylaws, the Board of Directors may appoint a Chief Executive Officer from among the directors or otherwise, whom it may dismiss at any time. The Chief Executive Officer may delegate his powers to any corporate officer of his choosing, with or without the option of substituting one for another.
  - The Board of Directors appoints the effective managers (within the meaning of Article L.511-13 of the French Monetary and Financial Code) and convenes the General Shareholders' Meeting, sets the agenda and implements its decisions.
  - It may, at the proposal of the Chairman, set up its own Committees to deliberate on those issues submitted for examination by the Board itself or its Chairman. It determines the structure and powers of these Committees, which conduct their activities under its responsibility.

In light of Natixis' corporate purpose and in accordance with the provisions of the French Commercial Code (Article L.823-19) and the French Monetary and Financial Code (Article L.511-89), the Board of Directors must draw on an Audit Committee, a Risk Committee, a Compensation Committee and an Appointment Committee.

- With respect to the assessment of the Board of Directors' work, the Internal Rules specify that, at least once a year, an agenda item will be devoted to evaluating the Board's and its Special Committees' operation, an account of which will be included in Natixis' annual report *(for 2020, see section 2.2.1.4 "Assessment of the Board of Directors' work in 2020")*.
- It approves the report on corporate governance.
- Minutes of Board Meetings are drawn up in accordance with legal and regulatory provisions in force.

- **Compensation policy**
  - The Board of Directors adopts and reviews the general principles of the Company's compensation policy and monitors their implementation.
  - It determines the level and terms of compensation of the Chairman of the Board of Directors, the Chief Executive Officer and of the Deputy Chief Executive Officer(s) after consultation with the Compensation Committee.
  - It issues an opinion on how well Natixis' compensation policy complies with current regulation, particularly regarding the Company's regulated staff.
  - It sets the rules for the distribution of compensation allocated to the directors by the General Shareholders' Meeting.

B – Compliance Charter for members of the Board of Directors

To reaffirm its commitment to good governance, the Board of Directors has adopted a Compliance Charter for its members (appended to the Internal Rules). The purpose of this charter is to promote the application of corporate governance principles and best practices by the directors of Natixis.

Before assuming office, every one of Natixis' directors must ensure that they are familiar with the general or specific obligations incumbent upon them, such as those resulting from laws or regulations, bylaws, Internal Rules and this charter, as well as any other binding texts.

The members of Natixis' Board of Directors agree to comply with the guidelines contained in this charter, which are reproduced below.

Article 1: Attendance

All directors must devote sufficient time and attention to the performance of their duties and regularly attend the meetings of the Board and Committees of which they are a member, as well as the General Shareholders' Meeting. Consequently, they must ensure that the number and commitment level of their directorships permit them to be available when required, especially if they also hold executive positions.

Article 2: Directorship and Corporate Interest

Each director represents all the shareholders and endeavors to act in the corporate interest of Natixis at all times. They undertake to defend and promote the values of Natixis.

Article 3: Shareholding and Transparency

It is recommended that each director hold at least 1,000 Natixis shares. They have six months to acquire the 140 shares stipulated by the bylaws and another 12 months to bring their holding to 1,000 shares.

In keeping with the laws in force, each director must enter the shares they hold in registered form.

Article 4: Professionalism and Efficiency

Directors contribute to the collegiality and efficiency of the work of the Board and Special Committees. They make recommendations that they feel will improve the Board's operating procedures, specifically during the Board's periodic evaluation.

Together with the other members of the Board, they see to it that the guidance and control duties are accomplished in accordance with the laws and regulations in force.

They ensure that the positions taken by the Board are formally decided on, properly reasoned and entered into the minutes of its meetings.

Article 5: Confidentiality

Members of the Board of Directors and of the Committees, as well as any individual attending the meetings of the Board and the Committees, are bound by a general confidentiality obligation on their deliberations.

Article 6: Prevention of Insider Trading – Inside Information

In accordance with Regulation 596/2014 of the European Parliament and Council (together with the delegated and enforcement regulations, the Market Abuse Regulation – MAR):

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

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

- performing or attempting to perform any insider trades (the term "insider trades" refers to (i) the use of inside information by a person in possession of such information to buy or sell, for themselves or for a third party, directly or indirectly, financial instruments related to this information, and (ii) the use of the recommendations or inducements of a person in possession of inside information if the person using the recommendation or inducement knows, or ought to know, that it is based upon inside information);
- recommending to another person or inducing them to perform any insider trades; or
- unlawfully disclosing inside information.

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

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

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

Members of the Board of Directors are advised of the risks posed by transactions executed on Natixis stock by persons closely associated with them, especially:

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

The sanctions for such actions are administrative and criminal.

a) Permanent insiders

- As per the MAR Regulation, Natixis places the names of directors and non-voting members on the list of permanent insiders provided to the AMF. A permanent insider is any individual or legal entity that, on account of the nature of their functions or position in an issuing entity, has continuous access to inside information held by that issuing entity. Directors are individually informed that they are on this list by a letter from the Head of Compliance with acknowledgement of receipt.
- A person's omission from this list does not mean they are exempted in any way from complying with the laws and regulations and in no way does it prejudice their potential insider status.
- Directors and non-voting members undertake to strictly observe and comply with the provisions of the Natixis S.A. Compliance Manual regarding any transactions relating to Natixis shares or debt securities, as well as any other related derivatives or financial instruments.
- In particular, the director and the non-voting member agree not to perform any transaction during shutdown periods, also known as "negative windows," which begin 30 calendar days before the publication dates of the quarterly, half-year and annual results and end on the publication date of these financial statements.

b) Reporting obligations

- Each director and non-voting member must declare any trading in Company shares to Natixis and the AMF within the three business days following the date of the transaction and in accordance with the conditions set out by the MAR Regulation.
- This reporting obligation also applies to closely associated persons as defined by the MAR Regulation.
- Directors and non-voting members must also inform Natixis of the number of shares they hold on December 31 of each year and any financial transactions carried out, so that this information may be disclosed by the Company.
- Natixis may also ask each director and non-voting member to provide any information in relation to the trading of listed companies' securities necessary for it to fulfill its reporting obligations to all authorities such as stock market authorities, both in France and abroad.

Article 7: Independence and Conflicts of Interest

The Appointment Committee examines the situation of each director and non-voting member with regard to potential conflict of interest when they are first appointed and when their mandate is renewed. All directors and non-voting members endeavor to prevent, for the entire duration of their mandate, any conflict that could arise between their own interests and the interests of Natixis. As such, directors and non-voting members strive to preserve their independence in judgment, decision and action in all circumstances. They refuse to be influenced by any element that is not aligned with the corporate interest of Natixis, which it is their remit to defend.

A conflict of interest is any situation that risks compromising the ability of a director or non-voting member to make decisions in the best interests of Natixis and to exercise their duties independently of:

- their financial interests;
- their personal or professional relationships with holders of qualifying equity investments within Natixis;
- their personal or professional relationships with Natixis employees;
- any other current or past positions held;
- their personal or professional relationships with external stakeholders.

In the event that a director or non-voting member cannot avoid being in one of these situations, they must immediately inform the Chairman of the Board of Directors, or Natixis' Corporate Secretary if applicable, of any conflict of interest in which they may be involved. The director or non-voting member must specify if they are directly or indirectly connected and in what capacity, and they must contribute to documenting the conflict of interest.

The Chairman of the Board of Directors, or the Corporate Secretary if applicable, shall conclude whether a conflict of interest exists and ensure compliance with the Related Party Agreements Procedure.

If a director or non-voting member finds themselves in a conflict of interest, they must abstain from participating in any discussion within the Board of Directors, or the Special Committee if applicable, connected to the area of their conflict of interest; in such instances, they must abstain from the Board's deliberations and votes, and the section of the minutes related to the area of their conflict of interest are not submitted to their approval.

Article 8: Information/Training

All directors have a duty to learn and to ask, within the appropriate time frame, the Chairman of the Board of Directors, and/or the Special Committees of which they are a member, to provide the information needed for the Board or the Special Committees to take useful action on the matters on its agenda.

In addition, all directors must receive training by attending, where necessary, the training modules provided by the Company.

Article 9: Application of the charter

Should a member of Natixis' Board of Directors no longer be in a position to perform their duties in compliance with the charter, either for their own reasons or for any other reason including those specific to Natixis' rules, they must notify the Chairman of the Board of Directors, seek measures to remedy the situation, and, if none are found, suffer the personal consequences with respect to the performance of their duties.

Natixis' Chief Compliance Officer is available to each Board member for any questions about the Code of Conduct.

C – Integrity of directors and conflicts of interest

In accordance with regulations, a list of the functions performed by the corporate officers of Natixis is included in section 2.1.4 of this chapter.

Disclosure of conviction

To the best of Natixis' knowledge, none of the members of the Board of Directors or Senior Management has been convicted of fraud, filed for bankruptcy, liquidation or receivership, convicted and/or punished by official or regulatory bodies, disqualified from acting as a member of administrative, management or supervisory bodies of an issuer, or from participating in the management or conduct of the business of an issuer within at least the previous five years.

Conflicts of interest

Members of the Natixis Board of Directors include BPCE (Natixis' main shareholder) and employees or individuals holding other jobs within BPCE Group, particularly in the Caisse d'Epargne and the Banque Populaire banks. Natixis and its subsidiaries maintain business relations with BPCE and the entities of BPCE Group.

Furthermore, members of the Natixis Board of Directors include independent directors belonging to third-party groups that can maintain banking or business relations with Natixis or its subsidiaries.

To the best of Natixis' knowledge, these situations do not affect those directors' independence of judgment, decision, and action. When needed, the Internal Rules of the Board of Directors and the Compliance Charter set out a conflict-of-interest resolution system for all members of the Board of Directors. They also require Board members to notify the Chairman of the Board (or the Corporate Secretary of Natixis) of any conflict of interest and to abstain from participating in the part of the Board or Special Committee Meeting addressing the conflict of interest, and from voting on the corresponding resolution.

In addition, there is no potential conflict of interest between the duties of the members of the Board of Directors towards Natixis and their private interests and/or other duties towards third parties.

To the best of Natixis' knowledge, there are no service agreements binding members of the Board of Directors or Senior Management to Natixis that could confer benefits according to the terms of such an agreement and that might by their nature compromise the independence of members or interfere with their decision-making.

Summary of NATIXIS' share transactions disclosed to the AMF by persons discharging managerial responsibilities and by persons closely associated with them

Summary of transactions in the Company's shares by executives during fiscal year 2020, reported to the AMF in accordance with Article L.621-18-2 of the French Monetary and Financial Code and Articles 223-22 to 223-26 of the AMF General Regulations.

Name	Date	Transaction	Number of shares	Transaction value *(in euros)*
Anne LEBEL	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	6,902	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	5,272	NA
Jean-François LEQUOY	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	21,436	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	10,148	NA
	28/07/2020	Vesting of free shares (PAGA 2016) [(a)]	9,492	NA
Laurent MIGNON	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	35,894	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	28,258	NA
	28/07/2020	Vesting of free shares (PAGA 2016) [(a)]	37,970	NA
André-Jean OLIVIER	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	8,763	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	5,046	NA
	28/07/2020	Vesting of free shares (PAGA 2016) [(a)]	8,305	NA
Jean RABY	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	188,457	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	27,126	NA
François RIAHI	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	37,656	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	18,525	NA
Pierre Antoine VACHERON	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	8,030	NA
Marc VINCENT	02/03/2020	Vesting of free shares (PAGA 2017) [(b)]	39,195	NA
	02/03/2020	Vesting of free shares (PAGA 2018) [(c)]	18,525	NA
	28/07/2020	Vesting of free shares (PAGA 2016) [(a)]	11,272	NA

(a) Bonus share allocation plan approved at the Board of Directors Meeting of 28/07/2016 (PAGA 2016).
(b) Bonus share allocation plan approved at the Board of Directors Meeting of 10/04/2017 (PAGA 2017).
(c) Bonus share allocation plan approved at the Board of Directors Meeting of 13/04/2018 (PAGA 2018).

Employment contract and/or services agreement

It is specified that, pursuant to Article R.22-10-14(II)(5) of the French Commercial Code, no director is bound by an employment contract and/or a services agreement with the Company.

D – "Regulated" agreements and valuation procedure for current agreements

Internal charter

At its meeting of February 17, 2013, the Board of Directors of Natixis drew up an internal charter on "related party agreements" in accordance with AMF recommendation No. 2012-05, updated on December 17, 2014 to include the changes made by Order No. 2014-863 of July 31, 2014.

This charter defines the criteria for establishing "related-party agreements" in accordance with the provisions of Article L.225-38 of the French Commercial Code.

In particular, it sets out the procedure to be followed, from the notification of the Board of Directors to approval by the General Shareholders' Meeting, in light of the Statutory Auditors' special report.

An update of the charter was presented and submitted to the Board of Directors for approval on February 11, 2021. This update follows in particular from Law No. 2019-486 of May 22, 2019 on business growth and transformation of companies known as "PACTE". As such, it includes a procedure for evaluating agreements relating to ongoing transactions entered into under normal conditions.

Regulated agreements authorized and declassified in fiscal year 2020

During fiscal year 2020, the Board of Directors authorized **two new regulated agreements**:

- at its meeting of December 17, 2020, pursuant to Article L. 225-38 of the French Commercial Code, **the outsourcing service agreement between Natixis** (acting on its own behalf and that of the subsidiaries of Natixis) and **BPCE IT/ALBIANT IT on the other hand**. The purpose of this agreement is to combine the Infrastructure, Production and Security activities of Natixis ("IPS") and BPCE IT in order to optimize and improve the quality of IT production services provided to Natixis. This agreement thus organizes the contractual aspects of the transfer of "IPS" activity (transfer of personnel, assumption of social security liabilities) and defines the terms and conditions of the supply by BPCE IT/ALBIANT IT to Natixis of outsourcing services necessary to the operation of the activity transferred. The services provided by BPCE IT and Albiant IT are provided under standard financial terms and are part of BPCE IT (GIE)'s usual invoicing system for its members (including Natixis). As Natixis, BPCE IT and ALBIAN IT have a common manager, Nicole Etchegoïnberry, this agreement constitutes a regulated agreement within the meaning of Article L.225-38 of the French Commercial Code;

- at its meeting of 23 June 2020, **the agreement (memorandum of understanding) aimed at formalizing a partnership to create a leading European player in asset management** by combining, within Ostrum Asset Management (subsidiary of Natixis Investment Managers), the euro rate and credit management activities and expertise, as well as the insurance management of Ostrum Asset Management and LBP Asset Management.

  The common officers who did not take part in the deliberations or take part in the vote in accordance with Article L.225-40 of the French Commercial Code were:

  - Laurent Mignon, Chairman of the Management Board of BPCE (BPCE is also a Director of Natixis Investment Managers and Ostrum Asset Management) and Chairman of the Board of Directors of Natixis,
  - Catherine Halberstadt, member of the BPCE Management Board (BPCE is also a Director of Natixis Investment Managers and Ostrum Asset Management) and permanent representative of BPCE on the Board of Directors of Natixis,
  - Alain Condaminas, Director of Natixis and Ostrum Asset Management,
  - Christophe Pinault, Director of Natixis and Natixis Investments Managers,
  - François Riahi, member of the Management Board of BPCE, Chief Executive Officer of Natixis and Chairman of the Board of Directors of Natixis Investment Managers.

The Board of Directors considers that the transaction is justified in view of the Company's corporate interest in that it aims to implement the overall project between Natixis and La Banque Postale to create a major player in the sector. insurance management in France and in Europe through the grouping of some of their asset management activities within a joint venture. The agreement was signed on June 28, 2020.

In addition, in accordance with Article L.225-40-1 of the French Commercial Code, at its meeting of December 17, 2020, **the Board of Directors examined agreements entered into and authorized during previous financial years that were still being executed in the past fiscal year**.

At the end of this review, the Board:

- approved the downgrading of four agreements related to the Smith disposal agreement authorized by Natixis' Board of Directors on February 12, 2019 (TSA/SLA, Reverse TSA, TSA/SLA IT and expired mandate agreement); and
- duly noted the lapse, termination and expiry of three other regulated agreements (agreements made in favor of François Riahi upon his appointment as Chief Executive Officer, Natixis' adherence to the insurance policy taken out by BPCE with Arial CNP Assurances and authorization of an underwriting agreement).

This information on regulated agreements is included in the Statutory Auditors' special report presented to the General Shareholders' Meeting. *(see section 8.2.4 of Chapter 8 of this universal registration document).*

E – Agreements entered into between an officer or a significant shareholder and a controlled company

The memorandum of understanding as authorized by the Board of Directors on June 23, 2020 as a regulated agreement *(see details above)* is also an agreement identified under Article L.225-37-4 (2) of the French Commercial Code. This agreement, to which Natixis Investment Managers, a wholly-owned subsidiary of Natixis, Natixis and Ostrum Asset Management, a subsidiary of Natixis Investment Managers with a stake of 57%, are parties, was signed by BPCE, a shareholder of Natixis with a stake of 70.57%.

2.2.1.3 Work of the Board of Directors in 2020

The Board of Directors held a total of 15 meetings in 2020. The attendance rate was 96% for the year as a whole (versus 91% in 2019).

Each director's individual attendance rate for Board of Directors' Meetings is provided in section 2.1.4 of this chapter *(see directors' individual fact sheets)*.

All documents relating to the agenda are attached to the convening notice or are sent or handed to the directors within a reasonable timeframe, prior to the meeting via a secure digital platform. Exceptionally, they may be provided at a meeting.

The Chief Executive Officer attended all meetings, except for the meeting during which his compensation was discussed, so that the Board members could hear his opinion on important issues and ask him any questions that they deemed relevant.

The Chief Financial Officer, the Corporate Secretary and, as and when required, one or more business line heads have been invited to provide further information on subjects raised in meetings. Finally, the representatives of the Social and Economic Committee were invited to every Board of Directors Meeting.

The year 2020 was marked by an exceptional health crisis that justified the organization of an increased number of meetings compared to previous years. In particular, the Board monitored the crisis management system put in place from January 21, 2020, in coordination with BPCE, with a dual objective: ensuring the continuation of its critical activities and protecting its employees.

The main topics addressed by the Board of Directors in 2020 were as follows:

Financial position and monitoring of Natixis activity	▪ Review of the quarterly and half-yearly financial statements and approval of the annual financial statements (parent company and consolidated) ▪ Approval of the change in the allocation of income in the context of the health crisis ▪ Approval of the individual financial statements of Natixis S.A. at December 31, 2019 under IFRS ▪ Review and approval of the budgets for 2020 and 2021 ▪ Economic and benchmark reviews/Business market review, sustainable finance review and Life of the stock ▪ Review and approval of press releases ▪ Approval of the Board's management report including the corporate governance report and the report on the use of authorizations to increase the Company's share capital ▪ Feedback on the work of the Audit Committee

Internal control Risk management Compliance	■ Approval and update of the Risk Appetite Framework (RAF) ■ Approval of the annual review of indicators and alert thresholds defined in the Order of November 3, 2014 ■ Analysis and projection of cost of risk ■ Presentation of internal stress tests ■ Approval of liquidity risk tolerance ■ Approval of strategies, policies, procedures, systems, tools and limits with regard to liquidity risk and underlying assumptions ■ Approval of contingency plans, particularly in light of the results of the alternative scenarios regarding liquidity positions and risk mitigation factors ■ Approval of the audit program for 2021 ■ Approval of the ALM standards ■ Update on derivatives (impact of changes in dividends linked to the health crisis) ■ Follow-up on the H2O file ■ Brexit update ■ Approval of the Coporate & Investment Banking Booking Model policy ■ Review of the activity and results of compliance control ■ Updating the Compliance Charter ■ Approval of AML/CFT control reports and asset freeze ■ Feedback on the work of the Risk Committee and the US Risk Committee
Corporate governance	■ Approval of the Board of Directors' report on corporate governance (included in the management report) ■ Approval of the amendment to the documentation of the Combined General Shareholders' Meeting of May 20, 2020 and the organizational arrangements for the General Shareholders' Meeting in the context of the health crisis ■ Approval of responses to written questions from shareholders ■ Update on dividend distribution ■ Updating the diversity policy for Board members ■ Development of the selection policy for future directors *(see section 2.2.1.1. C and D of this chapter)* ■ Renewal of the terms of office of three directors ■ Co-option of three new directors ■ Composition of Special Committees ■ Creation of a CSR Committee, a new specialized Board Committee *(see section 2.2.2.6 of this chapter)* ■ Appointment of a new Chief Executive Officer ■ Appointment of a new executive manager ■ Review of independent member status ■ Expected reappointment of the Statutory *Auditors (see section 2.2.2.1. C of this chapter)* ■ Review of the results of the assessment of the work of the Board of Directors and its specialized Committees for fiscal year 2019 ■ Launch of the assessment of the work of the Board of Directors and its specialized Committees for fiscal year 2020 ■ Convening of the General Shareholders' Meeting and the Annual Meeting for holders of participating securities ■ Review of the related party agreements and guarantees authorized during previous fiscal years ■ Authorization to sign regulatory guarantees and agreements ■ Report on the work of the Appointment Committee relating in particular to changes in the composition of the Board and Committees as well as the CEO succession policy *(see section 2.2.2.4. D of this chapter)* and the succession policy for effective managers
Compensation	■ Compensation of the Chairman of the Board of Directors for fiscal year 2019 and principles of compensation for fiscal year 2020 ■ Compensation of the Chief Executive Officer for fiscal year 2019 and principles of compensation for fiscal year 2020 ■ Principles of compensation of the Chief Executive Officer appointed during fiscal year 2020 ■ Severance payments and non-compete compensation for the outgoing Chief Executive Officer ■ Approval of the compensation policy for directors for fiscal year 2020 ■ Approval of the deferral policy (definition of performance conditions for CRD IV regulated staff in fiscal year 2020) ■ Review of the Risk and Compliance targets for compensation of CRD IV regulated staff (2019 summary and 2020 targets) ■ Approval of variable compensation for fiscal year 2019 ■ Approval of variable compensation allocated to control functions and to CRD IV regulated staff in fiscal year 2019 ■ Annual report on the compensation awarded and paid to CRD IV regulated staff in respect of 2019 ■ Renewal of the Long-Term Incentive in 2020 and allocation of free performance shares to members of the Senior Management Committee ■ Validation of the performance conditions for the acquisition of free shares for fiscal year 2020 in favor of CRD IV regulated staff ■ Approval of the rules for determining the maximum amount of variable compensation for Corporate & Investment Banking employees for fiscal year 2020 ■ Allocation of free shares under deferred variable compensation schemes in favor of employees (corresponding to the deferred portion of variable compensation awarded in respect of 2019). ■ Information on the report on compensation policies and practices in fiscal year 2020. ■ Feedback on the work of the Compensation Committee

Financial transactions and/or strategy	■ Renewal of the Natixis liquidity contract ■ Information on the capital increase following the bonus share allocations of the 2017 and 2018 plans ■ Examination and authorization of strategic projects ■ Opinion of the Social and Economic Committee on the Company's financial and economic position in accordance with Article L.2312-22 (2) of the French Labor Code ■ Renewal of bond and warrant issue authorizations for fiscal year 2021 ■ Reversal of issuance decision and delegation of powers in relation to issuance of US Commercial Paper (USCP)
Health crisis	■ Regular updates on the impact of the health crisis
Other	■ Approval of the declaration related to the Modern Slavery Act ■ Closing and opening of branches and representative offices abroad ■ Total transfers of assets and liabilities (TUP) from Natixis subsidiaries to Natixis

2.2.1.4 Assessment of the work of the Board of Directors in 2020

As in previous years, Natixis assessed the work of its Board of Directors and Special Committees, in accordance with recommendations set out in the Afep-Medef Code regarding the correct governance of listed companies.

Every three years (2010, 2013, 2016, 2019), Natixis enlists the services of an independent outside firm to assess the work of its Board and Special Committees. Natixis conducts its own internal assessment for the other years. As such, for 2020, Natixis conducted an internal assessment to review the structure and operation of the Board of Directors and its Special Committees and evaluate their overall performance.

With regard to the follow-up given at the previous assessment, the Board of Directors decided at its meeting of December 17, 2020, to create an ESR Committee, whose first meeting was held in January 2021.

The assessment for the fiscal year 2020 focused on the following themes:

- the makeup and size of the Board of Directors;
- director integration and development, including training;
- organization of Board meetings;
- how the separation of functions works;
- the quality of the information;
- the decision-making and information process, particularly in the context of a crisis;
- board performance monitoring;
- contribution to financial communications;
- monitoring of risk management;
- contributions to strategy;
- the composition and functioning of the specialized committees.

Each director as well as the non-voting director and the Chairman of the Board of Directors answered the questionnaire in an individual interview. An interview was also conducted with a representative of the SEC (Social and Economic Commitee).

In addition, in accordance with the recommendations of the Afep-Medef Code, as part of the assessment of the actual contribution of each director to the work of the Board of Directors, each of them was invited to assess and express their views on the individual skills of the Board members.

The results of the interviews were collated in a detailed evaluation report, a summary of which was presented at the meeting of the Board of Directors held on February 11, 2021.

The report shows that the directors have a very positive view of the Board of Directors, and consider that the directors are involved, diligent and constructive. The directors believe that the performance of the Board of Directors is good and that it was involved and in a position to react quickly in the context of the health crisis.

With regard to the composition of the Board of Directors, the directors consider that it is balanced in terms of profiles and experience as illustrated by the skills mapping updated in 2020.

The directors emphasized the role and involvement of the Chairman of the Board of Directors in the organization and facilitation of Board meetings. They noted more specifically that the latter promotes debates, encourages discussions and ensures that responses are provided. The separation of duties between the Chairman of the Board of Directors and the Chief Executive Officer is considered functional.

The directors believe that Board meetings are conducted in a courteous and constructive environment, with open debates where participants are free to speak their minds. They suggest making greater use of executive summaries in order to optimize the management of meetings with heavy schedules and to ensure a more detailed follow-up of certain decisions, particularly in terms of external growth. The directors also believe that the Board devotes a significant portion of its time to regulatory matters and would like the time devoted to strategy and business to be increased at Board meetings, given that these topics are discussed elsewhere during meetings of the Strategy Committee.

The directors also believe that the Board's cohesion could be improved, in particular by organizing informal opportunities for discussion. As for the training of directors, the training program is considered to be of excellent quality. Lastly, as regards the committees, the directors consider that the work carried out is of good quality and, like the Board, suggest using more executive summaries, particularly for the meetings of the Risk Committee, whose agendas are also dense.

2.2.1.5 Board members training program

In 2020, Natixis renewed the training program for Board members. The training program implemented is in line with the existing one for the members of the BPCE Supervisory Board.

The program covers three areas:

- "fundamentals" training for new Board members and others interested in participating. It comprises modules to give Board members a useful understanding of the issues discussed at Board Meetings;
- "expertise" training on technical or complex issues so that Board members can properly understand, monitor and validate technical or complex matters discussed at Board Meetings. The modules are spread over the course of the year and cover areas such as accounting and financial matters, risk management, director liability (civil, criminal and regulatory), capital Markets activities, compliance principles, cyber security, and so forth;
- "ad hoc" training, provided as and when needed, to give Board members the necessary knowledge and skills to perform their duties. The aim is to deeply examine issues related to the business lines or other topical issues, and memos from the members' secure website that address economic, accounting, regulatory, compliance, legal and other matters.

The training is provided by internal, and occasionally external, trainers.

Twelve training sessions on 13 different topics were held in 2020. The 2020 training sessions were opened to members of the BPCE Supervisory Board and members of the Social and Economic Committee. Directors were also invited to attend sessions held by BPCE for Supervisory Board members.

The training provided by Natixis in 2020 covered the following topics:

- cybersecurity;
- digital technology: challenges and review;
- Natixis' businesses;
- the risk management system;
- capital and financial market activities: rules, operation, controls (with a focus on complex market products and associated risks);
- the new IFRS 17 accounting standard on insurance contracts;
- valuation systems: fair value, observability and leveling;
- capital planning in the context of the SREP;
- the Risk Appetite Framework;
- risk model management;
- the US risk management system;
- compensation mechanisms;
- main principles of compliance and current trends in regulation.

Three training sessions initially planned in the 2020 training program could not be held due to the health crisis and were postponed to fiscal year 2021. They covered the following topics:

- the business lines, activities and operations of an asset management company;
- prudential regulations: solvency and liquidity;
- director's liability (civil, criminal, and regulatory);

2.2.1.6 Non-voting member

First name/ Last name	Age (at 31/12/2020)	Attendance rate at Board Meetings and Committees in 2020	Nationality	First appointed	Date term of office expires
Non-Voting Member					
Henri Proglio	71	BoD: 73% Comp. Com: 75% SC: 100%	French	04/04/2019	2023 AGM

As of April 4, 2019, Natixis' Board of Directors includes a non-voting member, Henri Proglio. He was an independent director until November 17, 2018, the term of his twelve years' mandate as member of the Supervisory Board and then as Board member of Natixis.

His knowledge of the Group dating back to 2006, his recognized expertise in financial matters, and his experience in managing large corporations and tackling strategic challenges make for a useful and effective contribution to the Board of Directors. Henri Proglio attends Board Meetings in an advisory capacity. He also contributes to the work of the Compensation Committee and the Strategic Committee.

In accordance with Article 3.6 of the Internal Rules and the deliberation of the Board of Directors on February 12, 2019, the non-voting Board member received compensation totaling €24,000 in 2020 (same amount as the Board of Directors' compensation for fiscal year 2019), which is deducted from the directors' compensation.

2.2.2 Special Committees: offshoots of the Board of Directors

To assist it in its review process, prepare some of its deliberations and comply with the French Monetary and Financial Code, Natixis' Board of Directors has five Special Committees: an Audit Committee, a Risk Committee, a Compensation Committee, an Appointment Committee and a Strategic Committee, each chaired by an independent director.

At its meeting of December 17, 2020, the Natixis Board of Directors decided to set up a Corporate Social Responsibility Committee ("CSR Committee") as from January 1, 2021 (see section 2.2.2.6 below).

2.2.2.1 The Audit Committee

A – Organization

The Audit Committee has five members. As of December 31, 2020, it was composed as follows:

Catherine Pariset	Chairman
BPCE, represented by Catherine Halberstadt	Member
Daniel de Beaurepaire *(position previously held by Françoise Lemalle until 06/02/2020)*	Member
Sylvie Garcelon	Member
Bernard Oppetit	Member

The Audit Committee's Chairwoman and members have extensive accounting and financial expertise gained over the course of their professional careers. Catherine Pariset has an auditing career spanning 35 years. Catherine Halberstadt was Chief Executive Officer of Banque Populaire du Massif Central for several years and has in-depth knowledge of retail banking and corporate financing. Sylvie Garcelon is Chief Executive Officer of CASDEN Banque Populaire, and as such has vast financial experience. Daniel de Beaurepaire has extensive knowledge in accountancy, finance and internal control and auditing. Bernard Oppetit is a financial market specialist and has extensive experience in complex financial products and alternative investment companies.

Two of the five members are independent members (Catherine Pariset and Bernard Oppetit).

Catherine Pariset chaired the Audit Committee for the entire period.

Independent members do not make up two thirds of the Natixis Audit Committee, as recommended by the Afep-Medef Code, in order to represent the different components of the Company's main shareholders (members from the Caisse d'Epargne and the Banque Populaire banks, in addition to a BPCE Group representative) (see summary table of compliance with the recommendations of the Afep-Medef Code in section 2.1.3 of this chapter). Furthermore, the opinions and recommendations of the Audit Committee are adopted if the majority of members present, including the Chairwoman, vote for them.

B – Role and powers

Natixis' Audit Committee has Internal Rules specifying its powers and its operating procedures, the latest version of which was approved by the Board of Directors on February 9, 2017.

Under the authority of the Natixis Board of Directors, the Audit Committee's primary duties are:

- checking the clarity of information published by Natixis, assessing the relevance of the accounting methods adopted for the preparation of Natixis' individual and consolidated financial statements, monitoring the process of preparing financial information (preparing the financial statements, the management report, etc.) and making recommendations to guarantee the integrity of this information;
- monitoring the statutory audit of the quarterly, half-yearly and annual consolidated financial statements and annual individual financial statements, as well as Natixis' draft budgets and material off-balance sheet commitments, far enough in advance to allow their presentation to Natixis' Board of Directors; and the half-yearly and annual management reports;
- monitoring the effectiveness of the internal control and risk management systems with regard to the procedures for preparing and processing accounting and financial information;
- ensuring the Statutory Auditors' adherence to the independence conditions by which they are bound; accordingly, the Committee must:
  - ensure that the fee amount paid by Natixis, or the percentage of the net sales of the firms and networks represented by that fee, does not, by its nature, undermine the independence of the Statutory Auditors,
  - establish the rules governing the services that the Statutory Auditors may provide and governing the authorization of services other than the certification of the financial statements;
- monitoring the Statutory Auditors' performance of their duties;
- submitting a recommendation to Natixis' Board of Directors for the appointment of Statutory Auditors or auditing firms;
- reviewing the Statutory Auditors' work schedule, the results of their audits and recommendations, and any follow-up action thereof;
- issuing its opinion on the report presented to it on an annual basis with regard to commercial relations between Natixis or one or more of its subsidiaries, and all or some of the entities forming BPCE Group;
- reporting regularly to the Board of Directors on the performance of its duties. It also reports on the results of the certification of the financial statements, the way in which this duty contributed to the integrity of the financial information and the role it played in this process. Any difficulty encountered is reported without delay.

The Company's Chief Executive Officer provides the Audit Committee with any documents and information it needs to perform its duties. The following list is not exhaustive:

- parent and consolidated financial, accounting, and regulatory documents prepared periodically by the Company;
- summary reports by the Company's Statutory Auditors;
- any audit reports concerning the Company;
- accounting policies and methods applied within the Company;

- consolidated budgets, as well as any related documents provided to the Board of Directors or, if applicable, the Audit Committee of the principal subsidiaries.

The Audit Committee may submit to the Board of Directors any proposals to conduct an audit, especially concerning the financial statements of the Company and its subsidiaries.

The Committee may also, if it deems it appropriate, call on the skills of outside experts or consultants for the purpose of explaining any topic that falls under its remit.

The Audit Committee meets at least once a quarter. Minutes of the Audit Committee Meetings are prepared by the secretary of the Board of Directors. These minutes are shared with the Audit Committee members and approved at the following session. The Board of Directors is made aware of the Audit Committee's work so that it can make fully informed decisions.

C – Work of the Audit Committee in 2020

The Audit Committee met five times in fiscal year 2020. The attendance rate was 92% for the year as a whole.

Each director's individual attendance rate at Audit Committee Meetings is provided in section 2.1.4 of this chapter *(see directors' individual fact sheets)*.

Within a reasonable amount of time before a Committee Meeting, a file containing the items on the agenda is sent to each director via a secure digital platform for review and analysis in preparation for the meeting.

For each matter submitted for review and analysis, the Audit Committee had the opportunity to hear from relevant Natixis personnel as well as to familiarize itself with reports on these matters.

The Audit Committee monitored the statutory audit of Natixis' yearly, half-yearly and quarterly, parent company and consolidated financial statements, as well as its draft budgets, before they were presented to Natixis' Board of Directors.

Depending on the agenda, various Audit Committee Meetings were also attended by Natixis' Chief Financial Officer, the Chief Risk Officer, the Corporate Secretary as well as the Head of Accounting and Ratios and the Natixis and BPCE Heads of Inspection Générale.

For the purposes of performing the audit the financial statements, the Audit Committee heard the presentations of the Finance Department and the comments of the Statutory Auditors at the closing of the annual financial statements and at the review of the half-year and quarterly financial statements.

In 2020, the Audit Committee's duties focused on the following items in particular:

Financial position	▪ Review of the quarterly, half-yearly and annual parent company and consolidated financial statements ▪ Natixis individual balance sheet at December 31, 2019 prepared on the basis of IFRS ▪ Review of the 2021 budget, including an update on the financial framework of the strategic plan ▪ Statutory Auditors' observations ▪ Review of the results of the sharing arrangements for the US affiliates of Natixis Investment Managers and DNCA
Other items	▪ Presentation of the valuation system and its governance ▪ Presentation and results of the work relating to the renewal of the Statutory Auditors' term of office ▪ Statutory Auditors' audit plan for 2020, budget allocated for audits, and follow-up on completed/ongoing audits ▪ Follow-up on Statutory Auditors' fees for 2020 (certification and other assignments) ▪ Information on prior authorizations given by the leader of the Audit Committee for the completion of the Statutory Auditors' services ▪ Follow-up on the preparation of the 2020 Statutory Auditors' reports on the annual and consolidated financial statements

Information on the tender procedure in connection with the renewal of the Statutory Auditors' term of office

In anticipation of the expiry of the terms of office of the Statutory Auditors PwC and Deloitte at the end of fiscal year ended on December 31, 2021, it was decided, in accordance with Regulation (EU) No. 537/2014, to submit all mandates to be renewed to a call for tenders carried out jointly by BPCE and Natixis.

The main deadlines for the call for tenders were as follows: launch of the call for tenders in April 2020, choice of firms by BPCE and Natixis in November 2020 and appointment of the Statutory Auditors at the Natixis General Shareholders' Meeting in 2022.

In accordance with the rules defined by BPCE, it is recommended that each BPCE Group institution has at least one statutory auditor chosen from among the networks of Statutory Auditors certifying BPCE's financial statements and one chosen from among the list of firms referenced by BPCE. This approach aims to optimize the legal audit process within BPCE Group and harmonize the services of the Statutory Auditors appointed within the Group.

After reviewing the responses to the call for tenders, the Audit Committee made its recommendation to the Board of Directors at its meeting of November 5, 2020. The Board decided, in accordance with the recommendation of the Audit Committee, to submit to the Natixis General Shareholders' Meeting scheduled to approve the financial statements at December 31, 2021, the renewal of the term of office of PwC and the appointment of Mazars (replacing Deloitte, which has reached the limit of cumulative terms of office), for a period of six years. This choice is in line with the decision adopted by BPCE's Supervisory Board following the recommendation of its Audit Committee.

2.2.2.2 Risk Committee

A – Organization

The Risk Committee is composed of five members. At December 31, 2020, the Risk Committee was composed as follows:

Bernard Oppetit	Chairman
BPCE, represented by Catherine Halberstadt	Member
Nicole Etchegoïnberry	Member
Catherine Pariset	Member
Christophe Pinault	Member

Two of the five members are independent members (Catherine Pariset and Bernard Oppetit). Note that the opinions and recommendations of the Risk Committee are adopted if the majority of members present, including the Chairman, vote for them.

The Chairman and the members of the Risk Committee have an enhanced understanding of Natixis' risk management and internal control as a result of their extensive expertise gained over the course of their professional careers.

The Risk Committee has been chaired by Bernard Oppetit since December 17, 2014.

B – Role and powers

Natixis' Risk Committee has Internal Rules specifying its powers and its operating procedures, the latest version of which was approved by the Board of Directors on November 7, 2017.

Under the authority of the Natixis Board of Directors, the Risk Committee's primary duties are in particular:

- advising the Board of Directors on the bank's overall strategy and risk appetite, both current and future;
- assisting the Board of Directors when it checks the implementation of that strategy by the executive managers and by the Head of Risk Management;
- issuing an opinion on the procedures established by Natixis that are used to ensure compliance with regulations as well as risk monitoring and control; to that end, it receives the reports of Natixis' Risk Committees and those of its subsidiaries, as well as the reports on risks, specifically operational, market or counterparty risks, prepared at the behest of the Company's Chief Executive Officer;
- monitoring the effectiveness of the internal control and risk management systems;
- assisting the Board of Directors in determining guidelines and verifying that the executive managers have properly implemented the supervisory mechanisms, especially in terms of the separation of duties and the prevention of conflicts of interest, that ensure the Company is effectively and prudently managed;
- reviewing, pursuant to its remit, whether the prices of products and services proposed to clients are compatible with Natixis' risk strategy. If these prices do not correctly reflect the risks, the Committee presents the Board of Directors with an action plan to remedy the situation;
- reviewing, without prejudice to the responsibilities of the Compensation Committee, whether the incentives set out by Natixis' compensation policy and practices are compatible with this latter's situation with regard to the risks to which it is exposed, its capital, its liquidity and the probability and scheduling of the expected benefits;
- assisting the Board of Directors in reviewing the aforementioned governance mechanism, assessing its effectiveness and ensuring that corrective measures have been taken to remedy any shortcomings;
- regularly examining the strategies and policies governing the taking, management, monitoring and reduction of the risks to which Natixis is or could be exposed, including risks created by the economic environment. To that end, at least once a year the Risk Committee analyzes the documents used to define and monitor Natixis' risk appetite, namely the Risk Appetite Statement and the Risk Appetite Framework. The Risk Committee studies all limit changes that took place between two annual reviews, including changes to industry-based limits;
- examining compliance risk monitoring-related items at least once a year, pursuant to Article 253 of the French Ministerial Order of November 3, 2014 on internal control of banking sector businesses, payment services, and investment services;
- giving its opinion on the appointment or dismissal of the Head of General Inspection at Natixis;
- ensuring that the findings of assignments carried out by the General Inspection Department and by regulatory and supervisory authorities (specifically the Autorité de Contrôle Prudentiel et de Résolution, ACPR – French Prudential Supervisory Authority) are followed up on; to that end, a summary of General Inspection Department reports on Natixis and its subsidiaries is prepared for the Risk Committee, which also receives all reports from the regulatory and supervisory authorities (specifically the ACPR) on Natixis and its subsidiaries;
- addressing Natixis' annual General Inspection program, including audits of subsidiaries, with this program being presented to the Committee at least one week prior to its approval.

At the proposal of the Chairman, the Risk Committee may, if deemed appropriate by the Committee and after consulting the Chairman of the Board of Directors, invite to its meetings any Natixis manager (including managers of one of the main subsidiaries or the Chairman of its Risk Committee) who is able to shed light on issues handled by the Risk Committee. It can also invite the Chief Financial Officer, the Chief Risk Officer, the Corporate Secretary, the Natixis Head of General Inspection, the BPCE Head of Inspection Générale, and Natixis' Statutory Auditors. The Chief Risk Officer, the Compliance Officer, and the Natixis Head of General Inspection have permanent direct access to the Risk Committee.

C – Work of the Risk Committee in 2020

The Risk Committee met eight times in fiscal year 2020. The attendance rate was 88% for the year as a whole.

Each director's individual attendance rate at Risk Committee Meetings is provided in section 2.1.4 of this chapter *(see directors' individual fact sheets)*.

Within a reasonable amount of time before a Committee meeting, a file containing the items on the agenda is sent to each director via a secure digital platform for review and analysis in preparation for the meeting.

In 2020, the Risk Committee's duties focused on the following items:

Risk management	▪ Key points from the risk dashboard and the bank's risk environment outlook ▪ Regular updates on H2O ▪ Comments on the autocall action plan ▪ Update on the final SREP letter ▪ Summary of the main changes in risk policies ▪ Annual review of the Risk Appetite Framework (RAF) ▪ Review of materiality criteria and thresholds ▪ Review of Natixis' overall strategy and risk appetite, and control of its implementation ▪ Annual review of indicators and alert thresholds defined in the Order of November 3, 2014 ▪ Update of cost of risk projections (COVID-19 scenario) ▪ Presentation of the credit sector concentration risk framework ▪ Update on risk model management ▪ Presentation of the ICAAP (Internal Capital Adequacy Assessment Process) ▪ Update on internal stress test results ▪ Review of liquidity risk tolerance ▪ Review of strategies, policies, procedures, systems, tools and limits with regard to liquidity risk and underlying assumptions ▪ Results of alternative stress scenarios ▪ Results of reviews and analyses of changes in the liquidity situation ▪ Review of the ALM standards ▪ Annual analysis of contingency plans, particularly in light of the results of the alternative scenarios regarding liquidity positions and risk mitigation factors ▪ Check that the compensation policy is compatible with the risks
Internal control	▪ Presentation of the annual report on internal control ▪ Evaluation of the effectiveness of the internal control framework and procedures of the Risks function in place for fiscal year 2019, in accordance with the Order of November 3, 2014 (including evaluation of the performance of Risk Management and Compliance) ▪ Review of assignments conducted by Natixis General Inspection and BPCE General Inspection during the fiscal year ▪ Monitoring of the implementation of recommendations made by Natixis General Inspection and BPCE General Inspection ▪ Main risks identified during the Natixis General Inspection missions ▪ Update on the "zero delay" campaign as of December 31, 2020 as part of the system for monitoring recommendations ▪ Presentation of the proposed audit program for 2021 ▪ Presentation of the Natixis General Inspection department's budget
Compliance	▪ Review of the activity and results of compliance control ▪ Cybersecurity update and EBA guidelines on ICT risks ▪ Update on the compliance framework and annual update on MiFID II ▪ Updating the Compliance Charter
Other	▪ Update on the health crisis and impacts on Natixis activities ▪ Presentation of the CIB Booking Model Policy ▪ Update on risk and compliance management in the Insurance business lines ▪ Update on risk and compliance management of Natixis IM

US Risk Committee

The US Risk Committee is an offshoot of the Risk Committee. This Committee, created in 2016, meets an American regulatory requirement (Dodd Franck Act) applicable from July 1, 2016 to foreign banks established in the United States and meeting certain activity threshold criteria.

The US Risk Committee's membership is the same as the Risk Committee. It is tasked with monitoring the management of risks related to Combined US Operations.

During fiscal year 2020, the US Risk Committee met eight times. Its work focused on the following points:

- update of the USRC Charter;
- review and follow-up of the priorities and resources of the US Chief Risk Officer for 2020 and update of the associated action plan;
- review of the US Contingency Plan;
- review and approval of the compliance and credit risk plans for the US CIB;
- examination of the impacts of the health crisis on the activities of the US platform (in particular in terms of credit risk, liquidity risk, market risk and cost of risk);
- periodic review of changes to the business and risks of the US platform, including compliance risks;
- periodic review of the macro-economic and regulatory environment of the platforms as well as the CUSO activity and business lines;
- periodic monitoring of the conclusions of the Loan Review and the Audit;
- assessment of the conclusions of regulatory reviews and approval (when necessary) of related action plans;
- monitoring of the liquidity risk management system;
- reinforcement of the liquidity risk management system;
- reinforcement of the Culture and Conduct framework;
- examination and approval of the CUSO Risk Appetite Framework (RAF);
- review and approval of CUSO risk policies, including the risk management framework;
- monitoring the progress of work on the three lines of defense; and
- review and monitoring of specific work within the scope of Natixis IM, in particular the reorganization of the Risks & Compliance functions and the management of liquidity, investment and concentration risks.

2.2.2.3 Compensation Committee

A – Organization

The Compensation Committee has seven members. At December 31, 2020, the Compensation Committee was composed as follows:

Nicolas de Tavernost	Chairman
Alain Condaminas	Member
Diane de Saint Victor	Member
Anne Lalou	Member
Catherine Leblanc *(position held by Bernard Dupouy until 20/05/2020)*	Member
Christophe Pinault	Member
Henri Proglio	Member

Three of the members are independent (Anne Lalou, Diane de Saint Victor and Nicolas de Tavernost).

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

The number of independent directors on the Compensation 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 Compensation Committee are adopted if the majority of members present, including the Chairman, vote for them.

B – Role and powers

The role of Natixis' Compensation Committee is to prepare the decisions that Natixis' Board of Directors issues with regard to compensation, including those of Natixis employees who have a significant impact on the Company's risk. The Compensation Committee's powers and operating procedures are detailed in the Internal Rules, the latest version of which was approved on December 17, 2014 by the Board of Directors.

The Compensation Committee is responsible for submitting proposals to Natixis' Board of Directors concerning:

- the amount and terms of compensation paid to the Chairman of the Board of Directors of Natixis, including benefits in kind, pension plans and collective personal protection insurance, as well as the allocation of stock options or share purchases;
- the amount and terms of compensation paid to the CEO and, where applicable, one or more Deputy CEOs, including benefits in kind, pension plans and collective personal protection insurance, as well as the allocation of stock options or share purchases;
- rules for allocating compensation to Natixis directors and the total amount submitted to the shareholders at Natixis' General Shareholders' Meeting for a decision;
- the monitoring of the compensation of the Chief Risk Officer and the Compliance Officer;

- whether Natixis' compensation policy complies with regulations, including for the category of staff referred to in the French Ministerial Order of November 3, 2014, as well as for employees referred to in French Law No. 2013-672 on the Separation and Regulation of Banking Activities ("SRAB") and Section 619 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Volcker Rule"), or regulated categories of staff within Asset Management (AIFMD) or insurance activities (Solvency II);
- the annual review of Natixis' compensation policy, specifically those employee categories whose professional activities are likely to have a significant impact on the risk profile of Natixis or the Group.

The Compensation Committee may have cause to review and issue an opinion on the insurance taken out by Natixis to cover its executive officers' liability.

The Compensation Committee reviews proposals related to the employee savings plan, including plans for a capital increase reserved for Natixis employees, and, where applicable, plans for a stock subscription or purchase, or for an allocation of bonus shares to be submitted to the Board of Directors or the General Shareholders' Meeting for approval.

Natixis' CEO provides the Compensation Committee with any documents that may assist it in performing its duties and to ensure it is fully informed.

It confers with Natixis' Internal Control Departments or outside experts as appropriate.

C – Work of the Compensation Committee in 2020

The Compensation Committee met four times in fiscal year 2020. The attendance rate was 97% for the year as a whole.

Each director's individual attendance rate at Compensation Committee Meetings is provided in section 2.1.4 of this chapter *(see directors' individual fact sheets)*.

Within a reasonable amount of time before a Committee meeting, a digital file containing the items on the agenda is sent to each director via a secure digital platform for review and analysis in preparation for the meeting.

In 2020, the Committee focused on the following areas:

Executive corporate officers Senior Management Committee members	▪ Approval of the variable compensation factors for 2019 after assessing the degree to which the quantitative criteria and strategic objectives of the annual variable compensation of executive corporate officers were met and validation of the compensation principles for fiscal year 2020 put to a vote of the General Shareholders' Meeting on May 20, 2020 ▪ Review of the financial conditions relating to the termination of the duties of François Riahi, Chief Executive Officer of Natixis ▪ Review of the compensation policy for the new Chief Executive Officer of Natixis, Nicolas Namias ▪ Long Term Incentive Plan for Senior Management Committee members ▪ Annual analysis of the recommendations of the Afep-Medef Code in terms of corporate officers' compensation
Compensation policy and regulations	▪ Review of regulatory aspects ▪ Review of the compensation policy for members of the Board of Directors ▪ Deferred pay policy: definition of the performance conditions for the regulated staff for 2020 ▪ Review of Natixis' compensation policy, including of the deferred income rules and conditions for paying variable compensation as well as the amounts of variable compensation for each business line ▪ Review and monitoring of the achievement of performance conditions applicable to deferred variable compensation ▪ Analysis of the compensation of the heads of control functions and the regulated staff for fiscal year 2019 ▪ Review of specific Risk and Compliance targets (2019 review & presentation of 2020 targets) ▪ Analysis of compensation awarded to the 100 highest-paid employees ▪ 2019 annual report on compensation for the regulated staff under CRD IV ▪ Policy on gender equality and presentation of the Equal Pay Indexes
Employee savings and shareholding	▪ Update on employee savings plans ▪ Information on the allocation of free shares by the Board of Directors on April 10, 2020 ▪ Profit-sharing bonus for fiscal year 2019

2.2.2.4 Appointment Committee

A – Organization

The Appointment Committee has six members. As of December 31, 2020, it was composed as follows:

Diane de Saint Victor	**Chairman**
Daniel de Beaurepaire	Member
Nicole Etchegoïnberry	Member
Philippe Hourdain ***(position held by Thierry Cahn until 20/05/2020)***	Member
Anne Lalou	Member
Nicolas de Tavernost	Member

Three of the six members are independent (Anne Lalou, Diane de Saint Victor and Nicolas de Tavernost). The number of independent directors on the Appointment 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 Appointment Committee are adopted if the majority of members present, including the Chairman, vote for them.

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

The Appointment Committee has been chaired by Diane de Saint Victor since April 4, 2019.

B – Role and powers

The responsibilities assigned to Natixis' Appointment Committee are, in essence, reviewing the selection of corporate officers and members of the Board, and assessing their individual and collective expertise, as well as the effectiveness of the Board of Directors. The Appointment Committee's powers and operating procedures are described in detail in the Internal Rules of the Board of Directors, the latest version of which was approved on December 17, 2014.

The Committee's primary duties are:

- issuing an opinion and, upon request from Natixis' Board, making proposals and recommendations to the Board on the appointment of a CEO and, when appropriate, one or more Deputy Chief Executive Officers of Natixis;
- issuing an opinion and making recommendations to the Board of Directors on the selection/appointment of directors;
- evaluating the balance and diversity of knowledge, skills and experience that the Board members have, both individually and collectively;
- detailing the duties and the qualifications required for serving on Natixis' Board of Directors, and assessing the time to be spent on that service;
- deciding on a set of targets for the balanced representation of men and women on the Board of Directors. The Committee prepares a policy aimed at achieving those targets. Natixis' target and policy as well as the implementation procedures are made public;
- periodically, at least once a year, assessing the structure, size, composition and effectiveness of the Board of Directors with regard to the responsibilities that are assigned to it, and submitting any useful recommendations to the Board;
- periodically, at least once a year, assessing the knowledge, skills and experience of the Board of Directors, both individually and collectively, and presenting it with a report on this topic;
- periodically scrutinizing the policies of the Board of Directors on selecting and appointing Natixis' executive managers, Deputy Chief Executive Officers and the Chief Risk Officer and making recommendations thereon.

Qualification as an independent director is discussed by the Appointment Committee, which prepares a report for the Board. Each year, based on this report and before the publication of the annual report, the Board of Directors reviews the status of each of its members based on independence criteria set out in the Board of Directors' Internal Rules *(see section 2.2.1.2 A of this chapter)*.

C – Work of the Appointment Committee in 2020

The Appointment Committee met six times in fiscal year 2020. The attendance rate was 97%.

Each director's individual attendance rate at Appointment Committee meetings is provided in section 2.1.4 of this chapter *(see directors' individual fact sheets)*.

Within a reasonable amount of time before a Committee meeting, a file containing the items on the agenda is sent to each director via a secure digital platform for review and analysis in preparation for the meeting.

In 2020, the Committee focused on the following areas:

Independence of directors	▪ Verification of independence criteria for each director
Makeup of the Board of Directors and reorganizing governance	▪ Opinion on the appointment of a new Chief Executive Officer of Natixis ▪ Examination and review of the succession plan for the Chief Executive Officer and the Chairman of the Board of Directors ▪ Review of the update of the director diversity policy and the policy for selecting future directors ▪ Review of the policy for the selection and appointment of executive officers ("dirigeants effectifs") and the Chief Risk Officer ▪ Opinion on the co-option of three new directors ▪ Opinion on the reappointment of three directors ▪ Opinion on the appointment of a director ▪ Updating the diversity policy for Board members ▪ Examination of the qualifications of independent directors ▪ Analysis of the qualifications needed for the duties carried out on the Board of Directors ▪ Evaluation of the balance and diversity of knowledge, skills and experience that the Board members have, both individually and collectively ▪ Identification of a person or a dominant group within the Board of Directors who might be detrimental to Natixis' interests
Other items	▪ Presentation of Natixis' talent management system

D - Succession plan for executive corporate officers

As part of its work, the Appointment Committee reviewed the CEO succession plan at various meetings.

Through its work and discussions, the Committee has endeavored to design a plan that is adapted to short-, medium- and long-term situations while making diversity, in all its components, a key element. The Committee enlisted the services of a specialized consulting firm to assess and implement the plan.

The Chairman of the Board of Directors was involved in the preparation of this plan both to ensure its consistency with the practices of the Company and more broadly of BPCE Group, and to take into account the high potential internal profiles of the Group.

The Appointment Committee will conduct an annual review of the CEO succession plan. To carry out its mission, the Appointment Committee keeps the Board informed of the progress of its work and coordinates with the Compensation Committee.

2.2.2.5 Strategic Committee

A – Organization

The Strategic Committee is made up of all the directors and the non-voting member. Depending on the topics being discussed, certain members of Natixis' Senior Management Committee may be invited to participate on the Strategic Committee. External persons may also participate on the Committee.

The Strategic Committee has been chaired by Anne Lalou since February 10, 2016.

B – Role and powers

The responsibilities assigned to the Strategic Committee are to thoroughly examine the overall strategy of Natixis and its business lines, and to share Senior Management's vision for BPCE Group.

In addition, the meetings of this Committee are opportunities for the Board of Directors to get to know the management team that works with the Chief Executive Officer better and improve the Board's working method.

C – Work of the Strategic Committee in 2020

The Strategic Committee meets at least once a year. In 2020, the Strategy Committee met three times, including a day dedicated to discussing strategy.

The attendance rate was 100%.

Each director receives the documents related to the agenda within a reasonable timeframe via a secure digital platform.

The Natixis Strategy Committee met in 2020 to examine in particular the following points:

- specific strategic projects such as the planned sale by Natixis of its stake in Coface;
- update on the New Dimension strategic plan;
- overview of Natixis' financial performance compared to peers;
- the 2021 markers for each of Natixis' four business lines;
- transformation and operational efficiency projects.

During these meetings, the Committee was involved in discussions on the preparation of the next strategic plan.

2.2.2.6 Corporate social responsibility (CSR) Committee

At its meeting of December 17, 2020, the Natixis Board of Directors decided to set up a Corporate Social Responsibility Committee ("CSR Committee"). Aware of its responsibilities and convinced that Corporate social responsibility provides powerful long-term performance leverage, CSR is at the heart of Natixis' strategic ambitions, which combine economic performance and responsibility.

A – Organization

The CSR Committee has four members:

Anne Lalou	Chairman
Dominique Duband	Member
Sylvie Garcelon	Member
Bernard Oppetit	Member

Two of the members are independent members (Anne Lalou and Bernard Oppetit).

The CSR skills of the four members were recognized by the Board of Directors. In this respect, Anne Lalou, Dominique Duband, Sylvie Garcelon and Bernard Oppetit will provide the Committee with their expertise and experience in this area and Bernard Oppetit will also provide his expertise in terms of risks and will facilitate coordination with the Risk Committee.

B – Role and powers

Natixis' CSR Committee has Internal Rules specifying its powers and its operating procedures, which were approved by the Board of Directors on December 17, 2020.

In general, the CSR Committee ensures, in accordance with Article L.225-35 of the French Commercial Code, that social and environmental issues are taken into account by the Board of Directors when determining the Company's business guidelines and their implementation.

The main tasks of the Committee are:

- to review the Group's CSR strategy and commitments, particularly in relation to the green and sustainable finance strategy of all its business lines;
- to examine the results of actions taken by Natixis to reduce its own environmental footprint (control of resource consumption, waste management and mobility practices) and that of its financing and investment activities;
- to monitor employee awareness-raising measures;
- to examine, in conjunction with the Compensation Committee, the procedures for taking into account non-financial criteria in the compensation policy for executive corporate officers;
- to examine CSR risks in conjunction with the Risk Committee and the impact of environmental and societal issues in terms of investment, economic performance and reputation;
- to monitor the reporting systems, the preparation of non-financial information and, in particular, the non-financial performance statement (DPEF) and, in general, any information required by current CSR legislation;
- to review Natixis' extra-financial ratings annually.

The CSR Committee reports on its work to the Board of Directors and more specifically presents its conclusions for discussion and, where applicable, for deliberation.

2.2.3 Senior Management

As of December 31, 2020, Senior Management is structured around the Chief Executive Officer, Nicolas Namias, and the Senior Management Committee, whose activities for 2020 are detailed below *(see section 2.2.3.4 below)*.

As of December 31, 2020, the members, alongside the Chief Executive Officer, were as follows:

- Nathalie Bricker (Chief Financial Officer);
- Anne-Christine Champion (Co-Head of Corporate & Investment Banking);
- Mohamed Kallala (Co-Head of Corporate & Investment Banking);
- André-Jean Olivier (General Secretary);
- Jean Raby (Head of Asset & Wealth Management);
- Véronique Sani (Director of Technology & Transformation);
- Cécile Tricon-Bossard (Group Human Resources Director);
- Pierre-Antoine Vacheron (Head of the Payments division);
- Olivier Vigneron (Chief Risk Officer).

A new member took office on February 22, 2021: François Codet, Head of the Insurance division.

An Executive Committee (Comex), an information body whose activity is detailed below *(see section 2.2.3.5 below)*, brings together, in addition to the members of the Senior Management Committee, the heads of certain core business lines and support functions essential to the running of the Company.

2.2.3.1 Gender balance within the Senior Management Committee and the top 10% of positions with the highest responsibility

A – Gender diversity policy within the Senior Management Committee

The balanced representation of women and men on the governing bodies which, within the meaning of Article 7.2 of the Afep-Medef Code, include the Board of Directors and the Senior Management Committee, is a key issue for Natixis. The gender balance policy applied to the Board of Directors is described in section 2.2.1.1. C of this chapter.

In 2019, the Company signed the United Nations Principles for Gender Equality. By signing the seven principles for the empowerment of women, Natixis is committed to implementing gender equality governance at the highest level of the Company.

As part of the New Dimension strategic plan, Natixis has also set itself gender diversity targets, including ensuring 20% of members on the Senior Management Committee are women. The rate of representation of women on Natixis' Senior Management Committee was 40% as of December 31, 2020 (reduced to 36% following the assumption of duties of François Codet on February 22, 2021), compared to the previous 30%, a clear increase in the representation of women and exceeding the target set in the strategic plan.

Natixis has thus gone from a Senior Management Committee composed exclusively of men five years ago, to a Committee composed today of six men and four women, each holding strategic positions: the Chief Financial Officer, the director of Technology & Transformation, the director of Human Resources and the Co-Head of Corporate & Investment Banking. Natixis is determined to be exemplary both in terms of significantly increasing the representation of women and as regards the profiles of women who hold the highest positions in support activities and business lines.

This rise of women in governing bodies is the result of a specific action plan initiated several years ago structured around:

- the setting of quantified targets and monitoring in each business line;
- strong competency-based Human Resources and recruitment processes;
- succession plans that systematically include female profiles;
- blended career development programs.

With regard to the latter, in 2019 Natixis built and implemented the “Women’s Sponsorship Program” to enable the most talented female employees to benefit, for one year, from the support of a member of the Senior Management Committee or the Executive Committee. The objective is to promote these female talents, increase their visibility and thus actively prepare their access to career opportunities within Natixis.

In addition, for more than ten years, coaching programs dedicated to women such as “managing a successful female career” are offered, and these enable employees to develop their leadership skills and assert their ambitions every year.

Thanks to the actions it has undertaken, Natixis is now the **first bank in the ranking of women in SBF 120 governing bodies** produced by the State Secretariat for Gender Equality and published in July 2020.

This ranking recognizes the progress and efforts made to increase female presence in the leadership circles to which the members of the Senior Management Committee belong.

B – Gender balance in the top 10% of positions with the highest responsibility

In accordance with Article L.22-10-10 2° of the French Commercial Code, 29 % of women hold positions in the top ten positions of responsibility, which correspond to the top-ranking leadership circle, Global Leaders (equivalent to the top 100), including members of the Senior Management Committee and members of the Natixis Executive Committee.

2.2.3.2 Chief Executive Officer

The Chief Executive Officer is responsible for the Natixis' Senior Management, in accordance with the Board of Directors' decision of April 30, 2009 to separate the offices of Chairman of the Board and Chief Executive Officer.

Following the departure of François Riahi on August 3, 2020, the Board of Directors decided, following the favorable opinion of the Appointment Committee, to appoint Nicolas Namias as his replacement with immediate effect, for a period of four years ending with the adjournment of the Natixis General Shareholders' Meeting convened in 2024 to approve the financial statements for the fiscal year ending December 31, 2023.

Nicolas Namias therefore became executive officer of Natixis ("dirigeant effectif", as defined by Articles L.511-13 and L.532-2 of the French Monetary and Financial Code).

The Chief Executive Officer may delegate a portion of his powers to any corporate officer of his choosing, with or without the option of substituting one for another. In light of this fact, Natixis has a comprehensive system for assigning and monitoring delegations of power and of signing authority, which encompasses the delegation of Senior Management Authority to members of the Senior Management Committee. Furthermore, each business line and support function has defined and regularly updates its own signing authority rules, in keeping with the fundamental principles laid down by Senior Management.

On the Chief Executive Officer's recommendation, the Board of Directors may appoint one to five Deputy Chief Executive Officers from among the directors or otherwise to assist the Chief Executive Officer.

In conjunction with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred upon the Deputy Chief Executive Officers. They have the same powers with respect to third parties as the Chief Executive Officer.

Disclosure of non-conviction

The Chief Executive Officer has not been convicted of fraud, filed for bankruptcy, liquidation, receivership or companies put into administration, convicted and/or punished by official or regulatory bodies, disqualified from acting as a member of administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the business of an issuer within at least the previous five years.

Conflicts of interest

There is no potential conflict of interest between the duties of the Chief Executive Officer towards Natixis and his private interests and/or other duties towards third parties.

In addition, there are no service agreements binding the Chief Executive Officer to Natixis that could confer benefits according to the terms of such an agreement and that might call into question his independence or interfere in his decision-making.

2.2.3.3 Executive officers ("dirigeants effectifs")

Pursuant to Article L.511-13 and L.532-2 of the French Monetary and Financial Code, Natixis currently has two executive officers: Nicolas Namias, Chief Executive Officer, and Nathalie Bricker, Chief Financial Officer. Ms. Bricker was appointed by the Board of Directors on November 5, 2020 to replace Marc Vincent.

As executive officers, Nicolas Namias and Nathalie Bricker stand surety and assume full liability toward the supervisory authorities, and specifically the Autorité de Contrôle Prudentiel et de Résolution (ACPR–French Prudential Supervisory and Resolution Authority) and the European Central Bank (ECB), for the following activities:

- the bank's effective management, within the meaning of Article L.511-13 of the French Monetary and Financial Code;
- disclosure to the ACPR of any accounting or financial documents that the ACPR may request, and responses to any questions or requests for information, per Articles L.571-4 to L.571-9 of the same Code;
- the periodic evaluation and control of the effectiveness of the mechanisms and procedures set up to comply with the French Ministerial Order of November 3, 2014 on internal control of banking sector businesses;
- the determination of capital requirements.

In this context, the executive officers are authorized to request and receive all useful information from any division, department, controlled entity or subsidiary of Natixis.

In the event of the absence of the executive corporate officer, the other executive officers will ensure business continuity until the Board of Directors appoints a new Chief Executive Officer based on a recommendation by the Appointment Committee.

2.2.3.4 Activities of the Senior Management Committee

Following Natixis' conversion into a French société anonyme with a Board of Directors, a Senior Management Committee was set up in early May 2009 in order to examine and validate the Company's main decisions and steer its management.

Barring exceptions, it meets weekly, chaired by the Chief Executive Officer. It consists of the heads of Natixis' four main businesses (Asset & Wealth Management, Corporate & Investment Banking, Insurance and Payments) and heads of the main transversal support functions.

Except where circumstances prevented them from doing so, the members of the Senior Management Committee were present at all meetings in 2020. Representatives from the business lines or different support functions were invited to present projects or policies falling within their departmental remits.

2020 was the last year that the 2018-2020 New Dimension strategic plan was implemented across all Natixis business lines. New Dimension sets out three powerful initiatives to give its clients a broader range of high added-value solutions: deepening the business model transformation that it successfully began under the New Frontier plan, allocating a significant portion of its investments to digital technologies, and differentiating itself by taking the lead in the areas where Natixis' teams are recognized for their exceptional skills. The year 2020 was also marked by structuring strategic choices, announced in November 2020, focused on the creation of long-term value and making it possible to establish a solid foundation for the next strategic plan 2021-2024.

In this context, the Senior Management Committee examined external growth opportunities and supervised various projects or initiatives. As such, the Senior Management Committee studied and approved all the strategic operations carried out by Natixis, before presenting them to the Company's Board of Directors.

In terms of strategic transactions, in the Asset & Wealth Management business, the merger between Ostrum AM and Banque Postale AM has been finalized, creating a European leader in interest rate and insurance management on behalf of large companies. institutional clients and strengthening the positioning of Natixis Investment Managers as a leading player in asset management in Europe. Also noteworthy were the announcement of the changing relationship between Natixis Investment Managers and H20 AM and the beginning of discussions with a view to a gradual and orderly unwinding of their partnership.

In Corporate Banking, the equity derivatives business has been repositioned, with the most complex products discontinued and lower exposure limits on products with low and moderate risk profiles, as well as the refocusing on BPCE Group's networks and Natixis' strategic clients.

In the non-business segment, in February 2020 came the announcement of the sale of 29.5% of Coface's share capital to Arch Capital Group, leaving Natixis a residual stake of 12.2%.

Furthermore, the Senior Management Committee oversaw Natixis' adaptation to changes in the economic and regulatory environment in the banking and insurance sectors. Specifically, it regularly monitored any regulatory changes and initiatives. It launched several projects aimed at strengthening Natixis' resilience and operational efficiency and announced a new transformation plan aimed at generating cost savings of €350 million by 2024.

It also encouraged employee engagement initiatives, through a project focused on culture to define and affirm Natixis' "Purple Way" around three values (sustainable impact, entrepreneurship and joint intelligence), the creation of the Natixis Foundation, and the implementation of a new mobility pact.

The Senior Management Committee also continued to reflect on Natixis' real estate strategy and also on new working environments and methods in partnership with BPCE.

The Senior Management Committee oversaw the management and monitoring of the impacts of the COVID-19 health crisis for employees, customers and all stakeholders. In particular, it regularly monitored business continuity, risk monitoring and measures to support customers in their economic recovery.

The Senior Management Committee regularly examined the Company's business development and results during its meetings throughout the year. It studied the annual, half-yearly and quarterly financial statements, before they were presented to the Board of Directors, and was involved in defining financial communications for the Company.

After in-depth discussions with the businesses and support functions involved, the Senior Management Committee approved the main management decisions, and reviewed and approved the budget and capital trajectory, the enhanced and validated Risk Appetite Framework, internal stress tests and ICAAP report. In addition, it approved the terms and conditions governing mandatory annual negotiations and the compensation review policy, the appointment of executive officers and managers, and all significant projects or investments.

Furthermore, the Senior Management Committee monitored the management, risk management and compliance measures within Natixis, and regularly reviewed changes in the Company's risks, as well as the consequences of audits. It also paid attention to driving issues.

The Senior Management Committee also oversaw the implementation of Natixis' CSR strategy. Specifically in terms of combating climate change, it oversaw the roll-out of the Green Weighting Factor project, which led to a favorable adjustment of risk-weighted assets for transactions that have a positive impact on climate and the environment, and an unfavorable adjustment for those that have a negative impact. Oil & Gas exposure was actively reduced throughout the year and the decision to fully exit the shale gas and oil activity planned for 2022 was announced.

Finally, it continued the work of preparing the next strategic plan for 2021-2024 with several days of strategic dialogs to define the strategic orientations of the business lines for 2024 and the orientations on priority cross-cutting issues.

2.2.3.5 Activities of the Executive Committee

Natixis has an Executive Committee comprising the members of the Senior Management Committee and the heads of certain business lines and support functions essential to the Company's success.

The Executive Committee, which has over 40 members, met quarterly in 2019 at seminars during which its members were invited to provide insight and analysis on the strategies proposed by the Senior Management Committee and to incorporate managerial information for the purposes of distributing it to the teams. Some ad hoc meetings were organized to deal with the health crisis and its impact on the business lines and teams.

Executive Committee members contributed to the preparation of the 2021-2024 strategic plan as sponsors of cross-business initiatives on specific themes or contributors to working groups.

They are also regularly involved in the Company's various projects, particularly in the areas of Human Resources, finance and business lines.

2.3 Policies and rules established for determining compensation and benefits of any kind for corporate officers

As a preliminary point, it is specified that, in the context of the offer initiated by BPCE for Natixis shares, the Board of Directors will be required to review the adjustments to the terms of the instruments granted as compensation to employees and corporate officers of Natixis and its subsidiaries. The performance conditions and settlement methods of these instruments could be affected in the event of the implementation of a squeeze-out procedure following BPCE's offer. Any adjustments decided upon will be the subject of an additional communication in the documentation of the draft offer.

Natixis' compensation policy is a key component in the implementation of the Company's strategy. It is structured in a way that promotes employee engagement over the long term and increases the Company's employer appeal, while discouraging excessive risk-taking.

This section first details the principles of the compensation policy and the criteria applicable to compensation of executive corporate officers, which will be submitted for the approval of the next General Shareholders' Meeting, and then provides information on the components of compensation paid during or allocated in respect of the previous fiscal year.

Information on the members, roles and powers of the Compensation Committee are detailed in the previous section of the corporate governance chapter *(see section 2.2.2.3).*

Pursuant to Article L.22-10-34 of the French Commercial Code, payment of variable and exceptional compensation to executive corporate officers for the 2020 fiscal year is subject to approval by the General Shareholders' Meeting convened to approve the financial statements for said fiscal year.

2.3.1 Compensation policy for corporate officers

Natixis' compensation policy is key to the implementation of a sustainable company strategy. The Board of Directors ensures that it is in line with the corporate interest. It ensures that the different components of compensation are balanced and that the benefits granted are in line with the duties performed. It also ensures that compensation is structured to promote long-term employee engagement and enhance the Company's appeal, while discouraging excessive risk taking.

It reflects the individual and collective performance of its business lines and employees, and incorporates financial and qualitative performance criteria, including non-financial criteria and specifically Social and Environmental Responsibility. It also serves to align over time the interests of Natixis' various stakeholders, ensuring that it is not a source of conflicts of interest between employees and clients, while promoting behaviors that are in line with Natixis' culture and rules of good conduct.

In order to ensure that the process for setting and amending the compensation policy is independent and relevant, the Compensation Committee *(whose role is detailed in section 2.2.2.3 of this chapter)* conducts an annual analysis of the principles of the compensation policy for corporate officers and formulates proposals for the Board of Directors. Together, they ensure compliance with conflict-of-interest regulations pursuant to applicable legislation and the Board of Directors' internal rules.

The compensation policy strictly complies with regulations in Natixis' countries and sectors of operation, including the CRD, the French law on the separation and regulation of banking activities, AIFMD, UCITS, MiFID, IDD and Solvency.

Compensation of executive corporate officers follows the principles of Natixis' general compensation policy applicable to all employees, especially for employee categories whose professional activities have a significant impact on Natixis' risk profile, details of which are set out in the annual report on compensation policies and practices published each year before the General Shareholders' Meeting.

After consulting with the Compensation Committee and before pay packages are approved by the General Shareholders' Meeting, the Board of Directors determines the various pay components of Natixis' executive corporate officers based on the principles of competitiveness with market practices for similar roles and the way said components relate to performance.

COMPETITIVENESS
COMPARISON WITH MARKET PRACTICES

+

PERFORMANCE
INDIVIDUAL AND COLLECTIVE FINANCIAL AND EXTRA-FINANCIAL CRITERIA

Pursuant to Article L.22-10-8 III of the French Commercial Code, in exceptional circumstances, the Board of Directors may adapt certain provisions of the compensation policy, in line with its principles and provided that this deviation from standard policy is temporary, in the corporate interest and necessary to guarantee the sustainability or viability of the Company.

If there is a change in governance or a new corporate officer is appointed, the Board of Directors will ensure compliance with the core principles of the compensation policy and may decide to deviate therefrom depending on the interested parties' profiles.

The policy described below is in line with the compensation policy submitted to the General Shareholders' Meeting in recent years and this version has not undergone any material changes.

2.3.1.1 Non-executive corporate officers

The members of the Board of Directors of Natixis received compensation subject to the terms and conditions set out below.

The overall annual budget for compensation to be allocated to members of the Board of Directors for attendance at Board and Committee Meetings is €650,000 *(see the 36th resolution of the Combined General Shareholders' Meeting of May 19, 2015)*.

The main changes to the compensation policy as approved by the Board of Directors on February 11, 2021 on the proposal of the Compensation Committee are as follows:

- the adjustment of the methods for distributing the overall annual compensation package to be allocated to the members of the Board of Directors in order to take into account the creation of the CSR Committee;
- waiver by the Chairman of the Board of Directors of any compensation due in respect of his office as director[1].

On the basis of fifteen Directorships and one non-voting member, the compensation of the members of the Board of Directors complies with the following rules:

	Compensation	
Governing body	Fixed portion (prorated to the term of office)	Variable portion
Board of Directors		
Chairman	N/A	N/A
Member	€8,000	€2,000/meeting *(capped at 7 meetings)*
Audit Committee		
Chairman	€17,000	€2,000/meeting *(capped at 6 meetings)*
Member	€3,000	€1,000/meeting *(capped at 6 meetings)*
Risk Committee		
Chairman	€17,000	€2,000/meeting *(capped at 6 meetings)*
Member	€3,000	€1,000/meeting *(capped at 6 meetings)*
Appointment Committee		
Chairman	€15,000	€2,000/meeting *(capped at 3 meetings)*
Member	€2,000	€1,000/meeting *(capped at 3 meetings)*
Compensation Committee		
Chairman	€15,000	€2,000/meeting *(capped at 4 meetings)*
Member	€2,000	€1,000/meeting *(capped at 4 meetings)*
CSR Committee		
Chairman	€12,000	€2,000/meeting *(capped at 2 meetings)*
Member	€2,000	€1,000/meeting *(capped at 2 meetings)*
Strategic Committee		
Chairman	N/A	€12,000/meeting *(capped at 1 meeting)*
Member	N/A	€2,000/meeting *(capped at 1 meeting)*

Board members receive a fixed portion of €8,000 per year for participating in Board Meetings as well as a variable portion of €2,000 per meeting, attributable according to their attendance, the number of global meetings paid over a full year being capped at seven; as a result, the maximum amount paid for meetings of the Board of Directors may not exceed €22,000 for any directorship.

This amount will be divided between incoming and outgoing Directors in the event of a change in the composition of the Board of Directors during a given fiscal year.

(1) In accordance with the rules applicable within Groupe BPCE, the portion of compensation due to Laurent Mignon, as a director, was allocated and paid directly to BPCE.

In addition, compensation is earned for participation in the Board's various Special Committees, if applicable, as presented in the table above.

As an indication, a director who is also a member (not a Chairman) of all the Committees would receive €57,000 over a full year for 100% attendance of all the meetings of the Board of Directors and of the Committees.

The compensation paid to Committee Chairmen is greater than that paid to members, given the workload and responsibilities involved.

Moreover, in accordance with the rules applicable within Groupe BPCE, the portion of directors' compensation going to BPCE directors is granted and paid directly to BPCE and not to the directors.

Given the waiver by the Chairman of the Board of Directors of any compensation due in respect of his office as a director, it is specified, as necessary, that this policy does not apply to the Chairman of the Board of Directors.

The methods for distributing the fixed and variable compensation of directors were approved by the Board of Directors for the fiscal year 2021, it being noted that these may be adapted by the Board of Directors in the event of a change in the composition of the Board of Directors or a change to take account of an increase in workload or responsibilities.

It is specified that pursuant to Article R.22-10-14 (II)(5) of the French Commercial Code, the term of office of the Board of Directors' members is detailed in the composition of the Board of Directors *(see section 2.1.2 of this chapter)*. Furthermore, the appointment and revocation conditions of the Board of Directors' members are referred to in Article L.225-18 of the French Commercial Code. Any Board member can also resign his position without reason. In the event of director's vacancy by death or resignation, the Board of Directors can, between two General Shareholders' Meetings, make temporary appointments. Appointments made by the Board of Directors are subject to ratification to the next General Shareholders' Meeting. At last, no director is bound by an employment contract and/or a services agreement with the Company.

2.3.1.2 Chairman of the Board of Directors

The compensation of the Chairman of the Natixis Board of Directors is determined by the Board of Directors in consideration of the Chairman's experience and by benchmarking against the market. Laurent Mignon's gross annual fixed compensation for his duties as Chairman of the Board of Directors is €300,000 and has remained unchanged since 2018.

The only change relates to the fact that the Chairman of the Board of Directors of Natixis waived the payment of compensation as a representative director of BPCE. This compensation was paid directly to BPCE and not to the Chairman, in application of the Group's rules.

Pursuant to Article R.22-10-14(II)(5) of the French Commercial Code, Laurent Mignon was appointed Chairman of Natixis' Board of Directors on June 1, 2018, for the period ending with the adjournment of the 2023 Natixis General Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2022. In addition, the criteria for appointing and dismissing the Chairman of the Board of Directors are set out in Article L.225-47 of the French Commercial Code.

2.3.1.3 Chief Executive Officer

Fixed compensation

The fixed compensation of the Chief Executive Officer is established based on the skills and expertise required to perform his duties and is in line with market practices for similar roles.

For the fiscal year 2021, the gross annual fixed compensation of Nicolas Namias remains at €800,000.

Annual variable compensation

Furthermore, the compensation of the Chief Executive Officer is closely tied to the Company's performance, especially through annual variable compensation that is contingent upon the achievement of predetermined targets. Details regarding these targets and the extent to which they have been achieved at the end of the period, as assessed by the Board of Directors after consulting with the Compensation Committee, are then submitted to a vote at the General Shareholders' Meeting. The criteria include quantitative objectives relating to the financial performance of BPCE and Natixis, and strategic objectives as well, including in terms of CSR.

The annual target variable compensation is maintained at 100% of the fixed compensation, i.e., a gross amount of €800,000 for a full year.

For fiscal year 2021, the criteria for determining the annual variable compensation approved by the Board of Directors on February 11, 2021, following a review by the Compensation Committee, are as follows:

Rules for determining variable compensation for 2021

Target set at 100% of the fixed compensation with a range from 0% to 156.75% of the target, i.e. a maximum of 156,75% of the fixed compensation

Quantitative criteria BPCE's financial performance*	25%	▪ 12.5% net income (Group share) ▪ 8.3% cost/income ratio ▪ 4.2% net revenues
Quantitative criteria Natixis' financial performance*	45%	▪ 11.25% net revenues ▪ 11.25% net income (Group share) ▪ 11.25% cost/income ratio ▪ 11.25% ROTE
Strategic criteria	30%	▪ 10% finalization and launch of the new Strategic Plan ▪ 5% progress on Transformation initiatives ▪ 5% oversight in terms of control and risks ▪ 5% accentuate the positioning of Natixis as a player with an impact on CSR and energy transition issues in the various business lines ▪ 5% promote and encourage employee engagement

* *Underlying data.*

The terms of payment of the Chief Executive Officer's annual variable compensation comply with applicable regulations, especially regulatory provisions relating to supervision of remuneration as provided for by the European Directive CRD V of May 20, 2019. In particular, the payment of a fraction of the variable compensation awarded is deferred over time and is conditional, and is subject to the condition of presence and performance criteria.

The deferred component of the variable compensation awarded represents at least 40% of the variable contribution granted, while 50% of the annual variable compensation is awarded in the form of shares or equivalent instruments. This rule applies to both the deferred and conditional component of variable compensation allocated and the non-deferred portion of the variable compensation.

As a reminder, the Chief Executive Officer is prohibited from using hedging or insurance strategies, both during the vesting period for components of deferred variable compensation and during the lock-up period.

Grant under the long-term compensation plan

The Chief Executive Officer is eligible for allocations under long-term compensation plans (“LTIP CDG”) for the members of the Natixis Senior Management Committee, corresponding to 20% of his gross annual fixed compensation, for which the vesting is subject to presence and achievement of performance conditions.

The total of awarded variable compensation (annual variable compensation and LTIP) in favor of the Chief Executive Officer during the fiscal year cannot exceed twice his fixed gross annual compensation.

Fringe benefits

The Chief Executive Officer receives a family allowance in accordance with the same rules as those applied to Natixis employees in France. The Chief Executive Officer has a company car.

The Chief Executive Officer also receives social protection benefits whose terms are identical to those applicable to Natixis’ employees or implemented by Groupe BPCE for its executive officers.

Post-employment benefits

Pension Plan

Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 or Article 83 of the French General Tax Code.

Severance payments

The monthly reference compensation is equal to one-twelfth of the sum of the fixed compensation paid in respect of the last calendar year in activity and the average variable compensation paid over the last three calendar years of activity.

The amount of severance pay is equal to: Monthly Reference Compensation x (12 months + 1 month per year of seniority).

The Chief Executive Officer will not receive severance payments in the event of gross negligence or willful misconduct, or if he leaves the Company at his initiative to take another position or changes his position within Groupe BPCE, or to exercise his pension rights.

Furthermore, in line with the provisions of the Afep-Medef Code, the right to a benefit is contingent on meeting performance criteria and requirements. Satisfaction of these criteria will be verified by the Board of Directors as necessary. On 11 February 2021, the Board of Directors of Natixis defined new terms to determine the severance payment of the Chief Executive Officer, which provide for that the assessment of the achievement of objectives will be carried out over the previous two fiscal years, and not on a half-year basis, in order to reflect the process of defining and monitoring budgets that are carried out over a full fiscal year. In addition, the data relating to the net income (Group share) and ROE to assess the achievement of the budget will be the underlying data:

1. Average underlying Natixis net income (Group share) over the two fiscal years prior to departure greater than or equal to 75% of the average budget for the period;
2. Average underlying Natixis ROE over the two fiscal years prior to departure greater than or equal to 75% of the average budget for the period;
3. Natixis cost/income ratio below 75% over the last half-year preceding departure.

The amount of the payment shall be determined based on the number of performance criteria met:

- if all three criteria are met: 100% of the agreed payment;
- if two criteria are met: 66% of the agreed payment;
- if one criterion is met: 33% of the agreed payment;
- if none of the criteria is met: no payment will be made.

As a reminder, the amount of the Chief Executive Officer’s severance payment, combined with the non-compete indemnity if warranted, may not exceed the equivalent of 24 months of monthly reference compensation.

Non-compete indemnities

The non-compete agreement is limited to a period of six months and carries an indemnity equal to six months of fixed compensation, as in force on the date on which the CEO leaves office.

On February 11, 2021, the Board of Directors decided the following:

- the payment of the non-compete compensation is excluded when the executive officer asserts his pension rights;
- in any event, no non-compete compensation may be paid beyond age 65;
- it is also specified that the non-compete compensation must be paid in installments during its term.

The amount of the non-compete indemnity, together with the severance payment, if applicable, received by the Chief Executive Officer is capped at 24 months of the monthly reference compensation (both fixed and variable).

Upon the departure of the Chief Executive Officer, the Board of Directors must make a decision regarding whether to enforce the non-compete clause.

It is specified that the severance and non-compete benefits will be submitted to Natixis ‘General Shareholders’ Meeting to be held in May 2021.

Disclosure required by Article R.22-10-14(II)(5) of the French Commercial Code

On August 3, 2020, Nicolas Namias was appointed as Chief Executive Officer by the Board of Directors with effect from August 4, 2020, for a period of four years ending with the adjournment of the 2024 Natixis General shareholders Meeting held to approve the financial statements for the year ending December 31, 2023. In addition, the criteria for appointing and dismissing the Chief Executive Officer are set out in Articles L.225-51-1 and L.225-55 of the French Commercial Code.

2.3.2 Compensation and benefits of any kind for the Chairman of the Board of Directors and the Chief Executive Officer for 2020

The May 20, 2020 General Shareholders' Meeting approved the components of the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officer.

2.3.2.1 Chairman of the Board of Directors – Compensation and benefits of any kind paid during the 2020 fiscal year and/or granted in respect of this fiscal year

In accordance with the principles approved by the General Shareholders' Meeting on May 20, 2020, Laurent Mignon received gross compensation of €300,000 for fiscal year 2020 in connection with his duties as Chairman of the Natixis Board of Directors.

2.3.2.2 Chief Executive Officer – Total compensation and benefits of any kind paid during the 2020 fiscal year and/or granted in respect of this fiscal year to François Riahi (from January 1 to August 3, 2020)

Fixed compensation

The fixed compensation of the Chief Executive Officer for the fiscal year 2020 was €800,000 gross on a full-year basis (unchanged compared to the previous year), i.e. €473,118 for François Riahi in 2020 (prorata temporis).

The fixed compensation paid to François Riahi during the 2020 fiscal year for his duties as Chief Executive Officer of Natixis represents 75% of the total compensation granted.

Annual variable compensation

For fiscal year 2020, the annual variable compensation target was set at 120% of François Riahi's fixed compensation, with a range of between 0% and 156.75% of the target, i.e. a maximum of 188.1% of his fixed compensation. The target variable compensation of François Riahi was €960,000 for a full year, i.e. €560,000 for 2020 (prorata temporis).

The Board of Directors has decided not to grant annual variable compensation to François Riahi for the fiscal year 2020.

Free allocation of performance shares

Under the principle of eligibility of the Chief Executive Officer for the award of free performance shares under the Long Term Incentive Plans intended for members of the Natixis Senior Management Committee ("LTIP CDG"), Natixis' Board of Directors, as part of the LTIP CDG 2020 during its meeting of May 20, 2020, allocated 77,783 performance shares for the benefit of François Riahi, which may give rise to a maximum vesting of 93,339 shares depending on the application of the performance conditions, i.e. a maximum of 0.00246% of the share capital on the grant date. This allocation corresponds to 20% of François Riahi's gross annual fixed compensation.

Vesting of these shares is contingent upon meeting the continued service requirement with Groupe BPCE and performance conditions, which are based on both the relative Total Shareholder Return (TSR) achieved on Natixis stock and the fulfillment of CSR targets. The presence condition was lifted by a decision of the Board of Directors of August 3, 2020 on all elements of deferred variable compensation previously granted to François Riahi and in the process of vesting; the other vesting conditions were maintained.

The performance of Natixis shares versus the Euro Stoxx Banks index will be compared every year during the four-year period covered by the plan, i.e. fiscal years 2020, 2021, 2022 and 2023, for each of the annual tranches, each representing 25% of the shares allocated. Based on the relative performance of Natixis' TSR compared with the average TSR of the Euro Stoxx Banks index, a ratio will be applied for each annual tranche, as follows:

- performance below 90%: no vesting of shares allocated out of the annual tranche;
- performance equal to 90%: 80% of the shares of the annual tranche shall vest;
- performance equal to 100%: 100% of the shares of the annual tranche shall vest;
- performance greater than or equal to 120%: 110% of the shares of the annual tranche shall vest.

The ratio varies in a linear manner between each performance category.

CSR objectives are based on the change in Natixis' CSR performance over the four-year vesting period as assessed by extra-financial rating agencies. The vesting process includes a rating scale corresponding to the CSR assessments of each agency, with requirements becoming more stringent over the last two years.

At the end of the four-year vesting period, the average of the overall annual ratings determines the additional percentage of shares compared to those acquired by applying the TSR condition. The absolute vesting limit in the event of outperformance on the TSR and CSR criteria is equal to 120%.

Fringe benefits

In 2020, François Riahi received a family allowance in accordance with the same terms and conditions as those applied to Natixis employees, i.e. €1,625.

François Riahi also receives health benefits and personal protection insurance, the terms of which are identical to those applicable to Natixis' employees or implemented by Groupe BPCE for its executive officers. The corresponding employer contribution amount for this protection is €13,302.

Post-employment benefits

Pension plan

Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 (defined benefit plan) or Article 83 (voluntarily defined contribution plan) of the French General Tax Code. Furthermore, François Riahi paid into an "Article 82" type life insurance policy (in reference to the French General Tax Code) put in place by Groupe BPCE. Under this scheme, the contributions of which are financed by the Chief Executive Officer and not by Natixis, François Riahi made a payment of €69,391 in 2020.

Severance payments and non-compete indemnities

Upon the departure of François Riahi, the Board of Directors of August 3, 2020, decided to allocate a non-compete indemnity of €400,000, corresponding to six months of fixed compensation, paid in installments over six months.

On February 11, 2021, the Board of Directors adopted the recommendation of the Compensation Committee following the reassessment of the financial conditions of François Riahi's departure. As a result, the Board noted that the payment of the severance indemnity to François Riahi was irregular, and therefore decided to request the repayment of such indemnity to François Riahi. It should be noted that this decision does not call into question the François Riahi's role in the development of Natixis, particularly in the context of the COVID crisis.

2.3.2.3 Chief Executive Officer – Total compensation and benefits of any kind paid during the 2020 fiscal year and/or granted in respect of this fiscal year to Nicolas Namias (from August 4 to December 31, 2020)

The components of the Chief Executive Officer's compensation for the 2020 fiscal year comply with the principles approved by the General Shareholders' Meeting on May 20, 2020. At its meeting of August 3, 2020, the Board of Directors decided to maintain compensation components for Nicolas Namias similar to those previously provided.

Fixed compensation

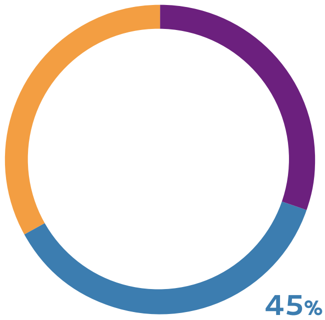
The fixed compensation of the Chief Executive Officer for the 2020 fiscal year was €800,000 gross on a full-year basis, i.e. €330,159 for Nicolas Namias in 2020 (prorata temporis).

The fixed compensation paid to Nicolas Namias during the 2020 fiscal year for his duties as Chief Executive Officer of Natixis represents 63% of the total compensation granted.

Annual variable compensation

For the 2020 fiscal year, the Board of Directors, at its meeting of August 3, 2020, set the target of the annual variable compensation of Nicolas Namias at 100% of the fixed compensation, with a range of 0 to 156.75%. of the target, i.e. a maximum of 156.75% of the fixed compensation. The target variable compensation of Nicolas Namias was €800,000 for a full year, i.e. €333,333 euros in 2020 (prorata temporis).

The following targets were set for the 2020 fiscal year:



- Quantitative targets (70%), 25% of which based on financial performance of Groupe BPCE (net revenues 4.2%, net income (Group share) 12.5% and cost/income ratio 8.3%) and 45% based on the financial performance of Natixis (net revenues 11.25%, net income (Group share) 11.25%, cost/income ratio 11.25% and ROTE – Return on Tangible Equity – 11.25%);
- Individual strategic targets (30%), including 10% relating to the preparation of the new strategic plan and to enhancing distribution to the CE & BP networks; the four other strategic targets, each weighted at 5%, in relation to oversight in terms of supervision and control as provided for by regulations (including the implementation of the Risk Appetite Framework and the activation of the threshold breach remediation process), the progress of Natixis' Transformation & Corporate Culture initiatives, improving Natixis' position as a key player in CSR initiatives, and managerial performance assessed in consideration of the anticipation, decision-making and animation capacities implemented and executive management.

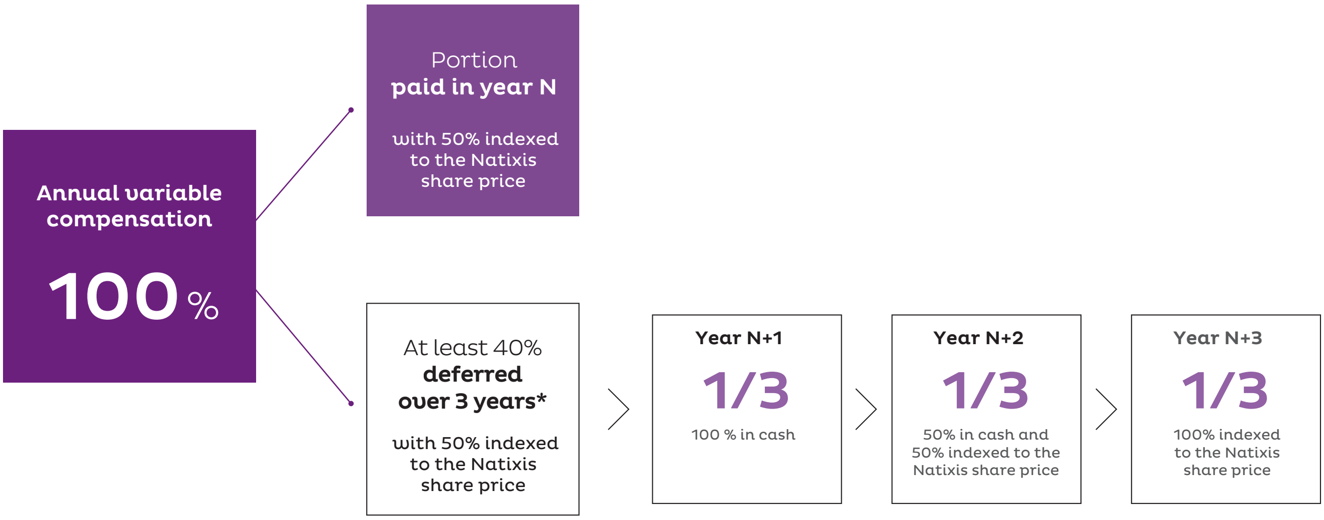
The Board of Directors assessed the level of performance of Nicolas Namias with regard to the criteria defined for 2020 and, after obtaining the opinion of the Compensation Committee, decided to allocate a gross amount of €190,581 to Nicolas Namias, i.e. 57.17% of the target variable compensation:

- in respect of BPCE quantitative criteria: 48.70% of the annual bonus target, i.e. €40,581 euros for Nicolas Namias;
- in respect of Natixis quantitative criteria: 20.00% of the annual bonus target, i.e. €30,000 for Nicolas Namias;
- in respect of strategic criteria: 120% of the annual bonus target, i.e. €120,000 for Nicolas Namias.

Part will be paid in 2021, with 50% indexed to the Natixis share price, i.e. €98,538; the other part will be deferred over three years, with 50% indexed to the Natixis share price, i.e. €92,043. This deferred amount will be paid in thirds in 2022 (100% in cash), 2023 (50% in cash and 50% indexed to the Natixis share price) and 2024 (100% indexed to the Natixis share price), provided that the presence requirement and performance conditions are met.

It should be noted that payments in respect of annual variable compensation for 2020 will only be made after the vote at the General Shareholders' Meeting on May 28, 2021.

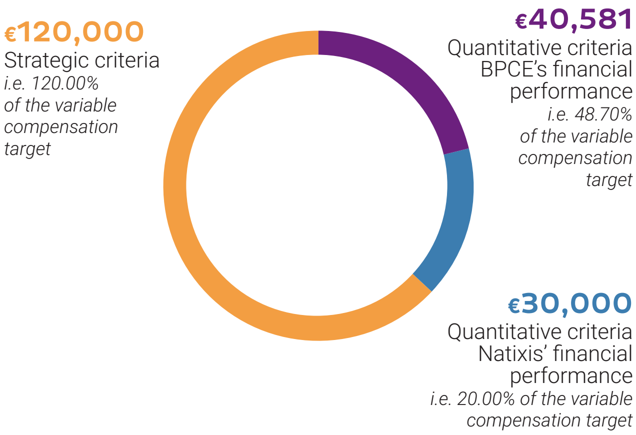
Reminder of the deferred variable compensation structure in force in 2020



** CRD IV rules governing the portion of annual variable compensation that must be deferred. Deferred bonuses are subject to a continued service requirement and performance criteria.*

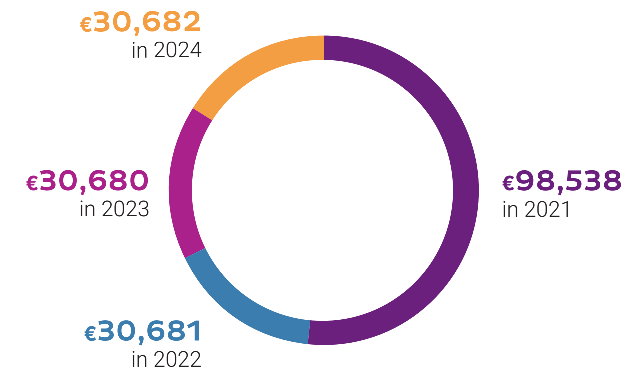
Annual variable compensation for the 2020 fiscal year

Annual variable compensation of Nicolas Namias for the 2020 fiscal year, for the period from August 4 to December 31, 2020



Breakdown of annual variable compensation for the 2020 fiscal year by vesting date

Nicolas Namias, Chief Executive Officer from August 4 to December 31, 2020



48 % of the annual variable compensation of Nicolas Namias for the 2020 fiscal year is deferred in 2022, 2023 and 2024, of which 50% will be indexed.

Free allocation of performance shares

Nicolas Namias did not benefit from any allocation under the 2020 Long Term Incentive Plan for members of the Natixis Senior Management Committee.

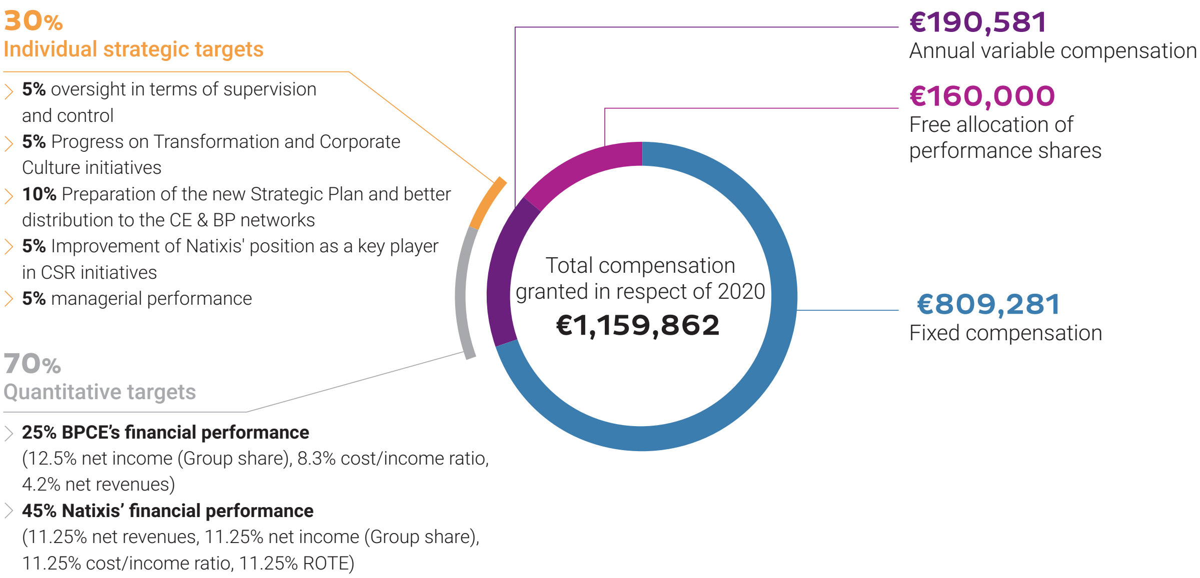
Fringe benefits

Nicolas Namias received a family allowance under the same terms and conditions as those applied to Natixis employees, i.e. €670. The benefit in kind for Nicolas Namias' company car is €3,710.

Nicolas Namias also receives health benefits and personal protection insurance, the terms of which are identical to those applicable to Natixis' employees or implemented by Groupe BPCE for its executive officers. The corresponding employer contribution amount for this protection is €5,979.

Structure of the total compensation awarded for the position of Chief Executive Officer for the financial year 2020

(cumulative compensation in respect of their terms as Chief Executive Officer, for François Riahi for the period from January 1 to August 3, 2020 and for Nicolas Namias for the period from August 4 to December 31, 2020)



Post-employment benefits

Pension Plan

Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 (defined benefit plan) or Article 83 (voluntarily defined contribution plan) of the French General Tax Code. The "Article 82" mechanism applicable to its predecessor was not renewed for Nicolas Namias.

Severance payments and non-compete indemnities

Nicolas Namias did not receive any severance or non-compete benefits in 2020.

2.3.2.3 Information on compensation pursuant to Article L.22-10-9 I, paragraphs 6 and 7 of the French Commercial Code

	2020	2019	2018	2017	2016
Natixis' performance – underlying net income, Group share	**517**	**1,370**	**1,607**	**1,715**	**1,372**
Chg. vs. N-1	*(62.3)%*	*(14.7)%*	*(6.3)%*	*25.0%*	*2.1%*
Natixis' performance – underlying net revenues	**7,405**	**9,177**	**9,500**	**9,497**	**8,700**
Chg. vs. N-1	*(19.3)%[(d)]*	*(3.4)%*	*0.0%*	*9.2%*	*1.6%*
Natixis' performance – underlying C/I ratio	**77,3%**	**71.3%**	**70.9%**	**68.9%**	**71.4%**
Chg. vs. N-1	*6.0 pp*	*0.4 pp*	*2 pp*	*(2.5) pp*	*2.4 pp*
Natixis' performance – underlying ROTE	**3.0%**	**10.0%**	**12.0%**	**12.3%**	**9.9%**
Chg. vs. N-1	*(7) pp*	*(2) pp*	*(0.3) pp*	*2.4 pp*	*0.1 pp*
Compensation granted to the Chief Executive Officer [(a)]	1,159,862	1,950,646	2,023,129	2,815,242	1,914,761
Chg. vs. N-1	*(40.5)%*	*(3.6)%*	*(28.1)%*	*47.0%*	*(7.0)%*
Average employee granted compensation [(c)]	112,712	126,915	126,064	131,739	125,697
Chg. vs. N-1	*(11.2)%*	*0.7%*	*(4.3)%*	*4.8%*	*5.8%*
CEO pay ratio vs. average employee compensation [(c)]	**10.3**	**15.4**	**16**	**21.4**	**15.2**
Chg. vs. N-1	*(5.1)*	*(0.6)*	*(5.4)*	*6.2*	*(2.1)*
CEO pay ratio vs. median employee compensation [(c)]	**14.1**	**22.9**	**24.4**	**34.9**	**24.5**
Chg. vs. N-1	*(8.8)*	*(1.5)*	*(10.5)*	*10.4*	*(2.5)*
Compensation granted to the Chairman of the Board of Directors [(b)]	300,000	300,000	175,000	0	0
Chg. vs. N-1	*0*	*71.4%*			
Chairman's pay ratio vs. average employee compensation [(c)]	**2.7**	**2.4**	**1.4**	**N/A**	**N/A**
Chg. vs. N-1	*0.3*	*1.0*			
Chairman's pay ratio vs. median employee compensation [(c)]	**3.6**	**3.5**	**2.1**	**N/A**	**N/A**
Chg. vs. N-1	*0.1*	*1.4*			

(a) Compensation granted in respect of each fiscal year and for duties as Chief Executive Officer of Natixis, including bonus share awards. For information, the Chief Executive Officer of Natixis was Laurent Mignon until May 31, 2018, François RIAHI from June 1, 2018 to August 3, 2020 and Nicolas Namias from August 4, 2020.

(b) Compensation granted in respect of each fiscal year and for duties as Chairman of the Board of Directors of Natixis. For information, François Pérol was Chairman of the Board of Directors of Natixis until May 31, 2018, and Laurent Mignon is Chief Executive Officer as of June 1, 2018.

(c) Average and median compensation awarded to Natixis S.A. employees each year, including foreign branches, and used to calculate pay ratios, is calculated based on permanent employees for each year (full-time employees on permanent contracts working the entire year, excluding corporate officers) and represents fixed compensation plus total variable compensation granted, including bonus share awards, and any profit-sharing and incentive plan amounts awarded during the year in respect of the previous fiscal year. In accordance with AFEP recommendations, severance payments for corporate officers or employees are excluded from the calculated compensation.

(d) On a like-for-like basis (disposal of Coface), the change in underlying net revenues between 2019 and 2020 is -12.5%.

NB: pp: percentage point.

2.3.2.4 Standardized tables in accordance with AMF recommendations

AMF Table No. 1

Summary of the compensation, stock options and shares granted to each executive corporate officer

	FY 2020	FY 2019
François Riahi, Chief Executive Officer		
Compensation due or granted for the fiscal year	€474,743 (a)	€1,790,646 (a)
Value of options granted during the fiscal year	0	0
Value of performance shares granted during the fiscal year	€160,000 (b)	€160,000 (b)
TOTAL	**€634,743**	**€1,950,646**
François Riahi's other compensation for his duties at BPCE	**€0**	**€0**
Nicolas Namias, Chief Executive Officer		
Compensation due or granted for the fiscal year	€525,119 (c)	N/A
Value of options granted during the fiscal year	0	N/A
Value of performance shares granted during the fiscal year	€0	N/A
TOTAL	**€525,119**	**N/A**
Nicolas Namias' other compensation for his duties at BPCE	**€672,548**	**N/A**
Laurent Mignon, Chairman of the Board of Directors		
Compensation due or granted for the fiscal year	€300,000	€300,000
Value of options granted during the fiscal year	0	0
Value of performance shares granted during the fiscal year	0	0
TOTAL	**€300,000**	**€300,000**
Laurent Mignon's other compensation for his duties at BPCE	**€2,171,169**	**€2,458,800**

(a) Of which a family allowance of €1,625 in 2020 and €2,384 in 2019.
(b) Corresponding to the value of the shares on the allocation date, for a fair value of €73,116 for 2020 and €79,587 for 2019.
(c) Including a family allowance of €670 and 3,710 euros of benefit in kind for the company car in 2020.

AMF Table No. 2

Summary of the compensation granted to each executive corporate officer

In the tables below:

- the expression "amounts due or granted" refers to compensation and benefits allocated to corporate officers in connection with their duties over the year, irrespective of the payment date;
- the expression "amounts paid" refers to compensation and benefits actually paid to corporate officers in connection with their duties over the year, irrespective of the date granted, including securities delivery.

	FY 2020		FY 2019	
	Amounts due or granted	**Amounts paid**	Amounts due or granted	Amounts paid
Laurent Mignon, Chairman of the Board of Directors				
Fixed compensation for corporate office duties	€300,000	€300,000	€300,000	€300,000
Annual variable compensation	€0	€0	€0	€0
Extraordinary compensation	€0	€0	€0	€0
Directors' fees	€0	€0	€0	€0
Benefits in kind	€0	€0	€0	€0
TOTAL	**€300,000**	**€300,000**	**€300,000**	**€300,000**
Laurent Mignon's other compensation for his duties as Chief Executive Officer of Natixis (a)	**N/A**	**€539,924** (a)	**€0**	**€1,000,371** (a)
Laurent Mignon's other compensation for his duties at BPCE	**€2,171,169**	**€1,901,439**	**€2,458,800**	**€1,428,837**
François Riahi, Chief Executive Officer				
Fixed compensation for corporate office duties	€473,118	€473,118 (e)	€800,000	€800,000
Annual variable compensation	€0	781,400€ (b)	€988,262	€749,248 (b)
Extraordinary compensation	€0	€0	€0	€0
Directors' fees	€0	€0	€0	€0
Benefits in kind	1,625€ (c)	1,625€ (c)	€2,384 (c)	€2,384 (c)
TOTAL	**€474,743** (d)	**€1,256,143**	**€1,790,646** (d)	**€1,551,632**
François Riahi's other compensation for his duties at BPCE	**N/A**	**€57,450**	**N/A**	**€111,585**
Nicolas Namias, Chief Executive Officer				
Fixed compensation for corporate office duties	€330,158	€330,158 (e)	N/A	N/A
Annual variable compensation	€190,581	€79 947 (f)	N/A	N/A
Extraordinary compensation	€0	€0	N/A	N/A
Directors' fees	€0	€0	N/A	N/A
Benefits in kind	€4,380 (c)	€4,380 (c)	N/A	N/A
TOTAL	**€525,119**	**€414,485**	**N/A**	**N/A**
Nicolas Namias' other compensation for his duties at BPCE	**€672,548**	**€753,322**	**N/A**	**N/A**

(a) *This amount includes payment of deferred variable compensation and securities delivery in respect of previous years and granted for his duties as Chief Executive Officer of Natixis. The securities delivery under the Senior Management Committee Long-Term Incentive Plans is presented in AMF Table No. 7.*

(b) *This amount includes payment of deferred variable compensation and securities delivery in respect of previous years and granted for his other duties. The securities delivery under the Senior Management Committee Long-Term Incentive Plans is presented in AMF Table No. 7.*

(c) *The reported amount corresponds to the family allowance and/or the company car benefit in kind.*

(d) *François Riahi, as Chief Executive Officer, was also awarded 31,708 performance shares corresponding to €160,000 at the allocation date at the Meeting of the Board of Directors of May 28, 2019, and 77,783 performance shares, corresponding to €160,000 at the allocation date at the Meeting of the Board of Directors on May 20, 2020.*

(e) *For departures during the month, the payroll rules lead to the most favorable option being used between a calculation in working days or a calculation in calendar days.*

(f) *This amount includes payment of deferred variable compensation and securities delivery in respect of previous years and granted for his other duties.*

The compensation paid to Nicolas Namias in 2020 in connection with his duties as Chief Executive Officer of Natixis was composed of €334 538 in fixed compensation and fringe benefits, and €79 947 in variable compensation, the items of which are detailed below, and corresponding to variable compensation awarded for previous positions at Natixis. The performance condition for the deferred portion of variable compensation granted to Nicolas Namias is that Natixis' net operating income be strictly positive. As this condition was met for the 2020 fiscal year, the portion relating to the three previous periods was paid to the beneficiary. The difference between amounts granted and the amounts actually paid is correlated to the change in the share price for the portion indexed to the Natixis share price.

	Deferred securities or similar instruments portion of variable compensation for fiscal year 2016	Deferred securities or similar instruments portion of variable compensation for fiscal year 2017	Deferred cash portion of variable compensation for fiscal year 2017	Deferred cash portion of variable compensation for fiscal year 2018	Cash portion of variable compensation for fiscal year 2019 paid in March 2020	Portion of instruments similar to securities for fiscal year 2019 paid in October 2020	Total
Laurent Mignon							
Paid in 2020	€140,605	€110,692	€190,012	€98,615	€0	€0	€539,924
Granted (initial amount)	€203,163	€190,012	€190,012	€98,615	€0	€0	€681,802
François Riahi							
Paid in 2020	€147,506	€72,565	€124,564	€111,113	€174,106	€151,546	€781,400
Granted (initial amount)	€213,135	€124,564	€124,564	€111,113	€174,106	€174,106	€921,588
Nicolas Namias							
Paid in 2020	€10,313	€14,950	€25,667	€29,017	€0	€0	€79,947
Granted (initial amount)	€14,907	€25,667	€25,667	€29,017	€0	€0	€95,258

AMF Table No. 3

Compensation received by non-executive corporate officers of Natixis

In accordance with the principles approved by the General Shareholders' Meeting on May 20, 2020, the non-executive corporate officers received the compensation detailed in the tables below.

1) Compensation paid by Natixis

Director	FY 2020					FY 2019
	Board of Directors		Committees			
(in euros)	Amount	o/w variable compensation	Amount	o/w variable compensation	Total amount Awarded (a) (b)	Total amount Awarded (a) (b)
BPCE *(represented by Catherine Halberstadt)*	44,000 (c)	28,000	17,000 (c)	11,000	61,000 (c)	63,000 (c)
Laurent Mignon *(as Director)*	22,000 (d)	14,000	2,000 (d)	2,000	24,000 (d)	24,000 (d)
Daniel de Beaurepaire	22,000	14,000	13,696.72	9,000	35,696.72	20,972.60
Thierry Cahn (office held until June 23, 2020)	8,681.97	5,600	1,770.49	1,000	10,452.46	29,000
Alain Condaminas	22,000	14,000	8,000	6,000	30,000	29,000
Dominique Duband (term of office since February 6, 2020)	20,257.93	13,066.66	2,000	2,000	22,257.93	N/A
Bernard Dupouy (office held until June 23, 2020)	10,548.64	7,466.67	2,770.49	2,000	13,319.13	26,194.52
Nicole Etchegoinberry	22,000	14,000	16,000	11,000	38,000	38,000
Sylvie Garcelon	22,000	14,000	10,000	7,000	32,000	32,000
Philippe Hourdain (term of office since June 23, 2020)	10,730.05	6,533.33	4,549.18	3,500	15,279.23	N/A
Anne Lalou	22,000	14,000	23,000	19,000	45,000	44,000
Catherine Leblanc (term of office since June 23, 2020)	9,796.72	5,600	5,049.18	4,000	14,845.90	N/A
Françoise Lemalle (office held until February 6, 2020)	1,742.08	933.33	1,303.28	1,000	3,045.36	32,000
Bernard Oppetit	22,000	14,000	39,000	19,000	61,000 (e)	61,000 (e)
Catherine Pariset	22,000	14,000	38,000	18,000	60,000	60,000
Christophe Pinault	22,000	14,000	17,000	12,000	39,000	37,000
Diane de Saint Victor	22,000	14,000	29,000	12,000	51,000 (e)	37,630.13 (e)
Nicolas de Tavernost	22,000	14,000	30,000	13,000	52,000	50,000

(a) The amount allocated corresponds to the amount paid, the payment being made over the same fiscal year.
(b) Amounts before withholding tax of 30% or 12.8% for non-resident Directors in France.
(c) Including the remuneration of Laurent Mignon in respect of his office as Director.
(d) In accordance with the rules applicable within Groupe BPCE, the compensation due to Laurent Mignon, as Director, is allocated and paid directly to BPCE. Laurent Mignon receives a gross amount of €300,000 for his duties as Chairman of the Board of Directors (see section 2.3.2.1 above).
(e) Directors not resident in France (withholding tax of 12.8%).

2) Compensation paid by companies included in Natixis' scope of consolidation*

Director	FY 2020		FY 2019	
(in euros)	**Total amount awarded**	**Total amount paid**	Total amount awarded	Total amount paid
BPCE	47,100	29,700 [(a)]	37,800	29,100 [(b)]
Alain Condaminas	6,000	4,800 [(c)]	4,800	2,400 [(d)]
Bernard Dupouy (office held until June 23, 2020)	N/A	N/A	N/A	1,800 [(d)]
Christophe Pinault	23,100	15,200 [(c)]	15,200	20,500 [(d)]

* *Daniel de Beaurepaire, Nicole Etchegoinberry, Sylvie Garcelon, Philippe Hourdain and Catherine Leblanc also received compensation from BPCE and/or its subsidiaries for the fiscal year 2020. The compensation paid for the fiscal year 2020 by BPCE and/or its subsidiaries to Laurent Mignon, Thierry Cahn, Bernard Dupouy, Catherine Halberstadt and Françoise Lemalle, are detailed in the BPCE universal registration document for 2020.*

(a) *Including a portion of compensation for the fiscal year 2019.*
(b) *Including a portion of compensation for the fiscal year 2018.*
(c) *Compensation for the fiscal year 2019.*
(d) *Compensation for the fiscal year 2018.*

AMF Table No. 4

Subscription or call options granted during the period to each executive corporate officer by the issuer and by any Group companies

No subscription or call options were granted in fiscal year 2020.

AMF Table No. 5

Subscription or call options exercised during the period by each executive corporate officer

No subscription or call options were exercised in fiscal year 2020.

AMF Table No. 6

Bonus shares allocated to each executive corporate officer in 2020

Bonus shares granted by the General Shareholders' Meeting during the period to each corporate officer by the issuer and by all Group companies	Plan date	**Number of options granted during the period**	Value of options according to the method adopted for the consolidated financial statements	Vesting date	**Date of transferability [(b)]**	Performance conditions
Laurent Mignon	N/A	N/A	N/A	N/A	N/A	N/A
François Riahi	20/05/2020	77,783 [(a)]	€73,116	19/05/2024	19/05/2024	Yes
Nicolas Namias	N/A	N/A	N/A	N/A	N/A	N/A

(a) *Performance shares granted by Natixis to François Riahi in respect of his position as Chief Executive Officer of Natixis.*
(b) *The presence condition was lifted by a decision of the Board of Directors of August 3, 2020, on all elements of deferred variable compensation previously granted to François Riahi and in the process of vesting; the other vesting conditions were maintained.*

AMF Table No. 7

Bonus shares that became transferable during the period for each executive corporate officer

Name of executive corporate officer	No. and date of plan	Number of shares that became transferable during the period [(a)]	Vesting conditions
Laurent Mignon	13/04/2018	28,258	[(b)]
	10/04/2017	35,894	[(b)]
	28/07/2016	37,970	[(b)]
François Riahi	13/04/2018	18,525	[(b)]
	10/04/2017	37,656	[(b)]
Nicolas Namias	13/04/2018	3,817	[(b)]
	10/04/2017	2,633	[(b)]
TOTAL	**N/A**	**164,753**	**N/A**

(a) *30% of the shares issued to corporate officers will be subject to a lock-in period ending upon their termination of office.*
(b) *Regarding principles of compensation for corporate officers, see section [2.3.1.3] "Annual variable compensation" and "Free allocation of performance shares" [2.3.2].*

AMF Table No. 8

Group (Natixis, BPCE, Caisse d'Epargne, Banque Populaire) – Record of purchase or subscription options granted

No subscription or call options have been granted by the Company since 2009.

AMF Table No. 9

Stock options or call options granted to the top ten non-corporate officer employees and options exercised by them

No subscription or call options were granted or exercised by Natixis employees in fiscal year 2020.

AMF Table No. 10

Allocation of free shares in the process of being vested or vested in 2020 for each executive corporate officer

Information on bonus shares allocated	Date of General Shareholders' Meeting	Date of Board of Directors' Meeting	Total number of free shares granted [(a)] to	Share vesting date	End of lock in period [(b)]	Number of vested shares subscribed at 31/12/2020	Cumulative number of lapsed or canceled shares	Allocated shares remaining at the end of the fiscal year
Laurent Mignon[(c)]	24/05/2016	28/07/2016	47,463	28/07/2020	28/07/2020	37,970	9,493	0
Laurent Mignon	24/05/2016	10/04/2017	35,894 [(e)]	01/03/2020	01/10/2020	35,894	-	0
Laurent Mignon	24/05/2016	23/05/2017	29,911	23/05/2021	23/05/2021	-	-	29,911
Laurent Mignon	24/05/2016	13/04/2018	28,258 [(e)]	01/03/2020	01/10/2020	28,258	-	0
Laurent Mignon	24/05/2016	13/04/2018	56,517 [(e)]	01/03/2021	01/10/2021	-	-	56,517
Laurent Mignon	24/05/2016	23/05/2018	11,661	23/05/2022	23/05/2022	-	-	11,661
Laurent Mignon	24/05/2016	12/04/2019	10,172 [(e)]	01/03/2021	01/10/2021	-	-	10,172
Laurent Mignon	24/05/2016	12/04/2019	20,345 [(e)]	01/03/2022	01/10/2022	-	-	20,345
François Riahi[(d)]	24/05/2016	10/04/2017	37,656 [(e)]	01/03/2020	01/10/2020	37,656	-	0
François Riahi	24/05/2016	23/05/2017	7,399	23/05/2021	23/05/2021			7,399
François Riahi	24/05/2016	13/04/2018	18,525 [(e)]	01/03/2020	01/10/2020	18,525	-	0
François Riahi	24/05/2016	13/04/2018	37,050 [(e)]	01/03/2021	01/10/2021	-	-	37,050
François Riahi	24/05/2016	02/08/2018	13,605	23/05/2022	23/05/2022	-	-	13,605
François Riahi	24/05/2016	28/05/2019	31,708	28/05/2023	28/05/2023	-	-	31,708
François Riahi	24/05/2016	12/04/2019	11,461 [(e)]	01/03/2021	01/10/2021	-	-	11,461
François Riahi	24/05/2016	12/04/2019	22,924 [(e)]	01/03/2022	01/10/2022	-	-	22,924
François Riahi	24/05/2016	20/05/2020	77,783 [(e)]	19/05/2024	19/05/2024	-	-	77,783
Nicolas Namias	24/05/2016	10/04/2017	2,633 [(e)]	01/03/2020	01/10/2020	2,633	-	0
Nicolas Namias	24/05/2016	13/04/2018	3,817 [(e)]	01/03/2020	01/10/2020	3,817	-	0
Nicolas Namias	24/05/2016	13/04/2018	7,634 [(e)]	01/03/2021	01/10/2021	-	-	7,634
Nicolas Namias	24/05/2016	23/05/2018	2,125	23/05/2022	22/05/2022	-	-	2,125
Nicolas Namias	24/05/2016	12/04/2019	2,993 [(e)]	01/03/2021	01/10/2021	-	-	2,993
Nicolas Namias	24/05/2016	12/04/2019	5,986 [(e)]	01/03/2022	01/10/2022	-	-	5,986

(a) All shares allocated in fiscal years 2016 to 2020 inclusive are subject to performance conditions.

(b) The lock-in requirement for shares allocated to corporate officers is 30% of the shares delivered until the end of their terms of office for allocations prior to May 20, 2020; from this date, the lock-in requirement applies to 100% of the shares.

(c) For Laurent Mignon, the following were previously awarded and vested before the fiscal year 2020: -
- by the Board of Directors on November 6, 2013, 90 shares, acquired on March 1, 2016,
- by the Board of Directors on July 31, 2014, 31,955 shares, acquired on August 1, 2018,
- by the Board of Directors on February 18, 2015, 27,321 shares, acquired on February 18, 2019,
- by the Board of Directors on July 28, 2016, 28,755 shares, acquired on March 1, 2018,
- by the Board of Directors on July 28, 2016, 57,510 shares, acquired on March 1, 2019,
- by the Board of Directors on April 10, 2017, 17,947 shares, acquired on March 1, 2019.
30% of these shares are subject to a lock-up obligation until the end of his term of office, except for the 90 shares allocated in 2013 for which the lock-in obligation applies to all vested shares until the end of his term of office.

(d) The presence condition was lifted by a decision of the Board of Directors of August 3, 2020, on all elements of deferred variable compensation previously granted to François Riahi and in the process of vesting; the other vesting conditions were maintained.

(e) Shares allocated as part of the deferred component of annual variable compensation in respect of previous years.

AMF Table No. 11

Situation of executive corporate officers

FY 2020	Employment contract		Supplementary pension plan		Payments or benefits due, or likely to be due, as a result of the termination or change of office [(a)]		Compensation paid on account of a non-compete clause [(a)]	
Executive corporate officers	yes	no	yes	no	yes	no	yes	no
Laurent Mignon, Chairman of the Board of Directors Term of office began: June 1, 2018 Term of office ended: the May 2023 General Shareholders' Meeting		X		X		X		X
François Riahi, Chief Executive Officer Term of office began: June 1, 2018 Term of office ended: August 3, 2020		X	X [(b)]		X		X	
Nicolas Namias, Chief Executive Officer Term of office ended: August 4, 2020 Term of office ended: the May 2024 General Shareholders' Meeting		X		X	X		X	

(a) *See section 2.3.1.3 "Severance payments" and "non-compete indemnities".*

(b) *Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 or Article 83 of the French General Tax Code. Furthermore, François Riahi paid into an "Article 82" type life insurance policy (inreference to the French General Tax Code) put in place by Groupe BPCE. Under this scheme, the contributions of which are financed by the Chief Executive Officer and not by Natixis, François Riahi made a payment of €69,391 in 2020.*

2.3.2.5 Components of compensation due or granted for the fiscal year ended December 31, 2020 to the Chief Executive Officer of Natixis

The components of the compensation due or granted to each executive corporate officer in respect of fiscal year 2020 must be submitted to Natixis' General Shareholders' Meeting for approval. For Natixis, this recommendation concerns the compensation of Laurent Mignon, Chairman of the Board of Directors, and of François Riahi, Chief Executive Officer from January 1 to August 3, 2020, and of Nicolas Namias, Chief Executive Officer from August 4 to December 31, 2020.

The components of compensation concerned are:

- fixed compensation;
- annual variable compensation (of which deferred);
- multi-year variable compensation;
- extraordinary compensation;
- allocation of stock options/bonus shares and any other long-term compensation;
- signing bonuses;
- contract termination payment: severance payment/non-compete payment;
- supplementary pension plan;
- directors' compensation;
- benefits of any kind.

Components of compensation due or granted for the fiscal year ended which are subject to approval or have been approved by the General Shareholders' Meeting	Amount	Comments
Fixed compensation	François Riahi, €473,118 Nicolas Namias, €330,159	The gross fixed compensation of the Chief Executive Officer for fiscal year 2020 was €800,000 gross on a full-year basis, i.e. respectively €473,118 for François Riahi and €330,159 for Nicolas Namias.
Annual variable compensation in respect of 2020	François Riahi, - Nicolas Namias, €190,581	The target for the annual variable compensation of Nicolas Namias was set at 100% of his fixed compensation (vs 120% for François Riahi), with a range of 0 to 156.75% of the target, i.e. a maximum of 156.75% of fixed compensation. The target variable compensation of Nicolas Namias was €800,000 for a full year, i.e. €333,333 for the fiscal year 2020 (prorata temporis). The objectives defined for fiscal year 2020 were as follows ▪ 70% of quantitative objectives, 25% of which based on financial performance of Groupe BPCE (net revenues 4.2%, net income (Group share) 12.5% and cost/income ratio 8.3%) and 45% based on the financial performance of Natixis (net revenues 11.25%, net income (Group share) 11.25%, cost/income ratio 11.25% and ROTE – Return on Tangible Equity 11.25%); ▪ 30% of individual strategic objectives, including 10% relating to the preparation of the new strategic plan and to enhancing distribution to the CE & BP networks; the four other strategic targets, each weighted at 5%, in relation to oversight in terms of supervision and control as provided for by regulations (including the implementation of the Risk Appetite Framework and the activation of the threshold breach remediation process), the progress of Natixis' Transformation & Corporate Culture initiatives, improving Natixis' position as a key player in CSR initiatives, and managerial performance assessed in consideration of the anticipation, decision-making and animation capacities implemented and executive management. The Board of Directors assessed the level of performance with regard to the criteria defined for 2020 and, after obtaining the opinion of the Compensation Committee, decided to allocate a gross amount of €190,581 to Nicolas Namias. ▪ in respect of BPCE quantitative criteria: €40,581, or 48.70% of the annual variable target; ▪ in respect of Natixis quantitative criteria: €30,000, i.e. 20.00% of the annual variable target; ▪ for the strategic criteria: €120,000 euros, i.e. 120.00% of the annual variable target. Part will be paid in 2021, with 50% indexed to the Natixis share price, i.e. €98,538; the other part will be deferred over three years, with 50% indexed to the Natixis share price, i.e. €92,043. This deferred amount will be paid in thirds in 2022 (100% in cash), 2023 (50% in cash and 50% indexed to the Natixis share price) and 2024 (100% indexed to the Natixis share price), provided that the presence requirement and performance conditions are met. It should be noted that payments in respect of annual variable compensation for 2020 will only be made after the vote at the General Shareholders' Meeting on May 28, 2021. Furthermore, the Board decided not to grant annual variable compensation to François Riahi for the fiscal year 2020.
Multi-year variable compensation	0	In 2020, neither François Riahi nor Nicolas Namias received any multi-year variable compensation.
Extraordinary compensation	0	In 2020, neither François Riahi nor Nicolas Namias received any exceptional compensation.

Components of compensation due or granted for the fiscal year ended which are subject to approval or have been approved by the General Shareholders' Meeting	Amount	Comments
Allocation of stock options/performance shares and any other long-term compensation	77,783 performance shares granted to François Riahi 0 performance shares granted to Nicolas Namias	▪ No share options were granted to François Riahi or Nicolas Namias during fiscal year 2020. ▪ In keeping with the principle of the Chief Executive Officer's eligibility to receive performance shares as part of Long-Term Incentive Plans for members of the Senior Management Committee of Natixis ("LTIP CDG"), at its meeting on May 20, 2020, the Board of Directors of Natixis allocated 77,783 performance shares to François Riahi, which can lead to the acquisition of a maximum of 93,339 shares, depending on the achievement of the performance conditions, i.e. a maximum of 0.00246% of share capital at the allocation date. This allocation corresponded to 20% of François Riahi's gross annual fixed compensation. ▪ Vesting of these shares is contingent upon meeting the continued service requirement with Groupe BPCE and performance conditions, which are based on both the relative Total Shareholder Return (TSR) achieved on Natixis stock and the fulfillment of CSR targets. The presence condition was lifted by a decision of the Board of Directors of August 3, 2020, on all elements of deferred variable compensation previously granted to François Riahi and in the process of vesting; the other vesting conditions were maintained. ▪ The performance of Natixis shares versus the Euro Stoxx Banks index will be compared every year during the four-year period covered by the plan, i.e. fiscal years 2020, 2021, 2022 and 2023, for each of the annual tranches, each representing 25% of the shares allocated. Based on the relative performance of Natixis' TSR compared with the average TSR of the Euro Stoxx Banks index, a ratio will be applied for each annual tranche, as follows: ▫ performance below 90%: no vesting of shares allocated out of the annual tranche; ▫ performance equal to 90%: 80% of the shares of the annual tranche shall vest; ▫ performance equal to 100%: 100% of the shares of the annual tranche shall vest; ▫ performance greater than or equal to 120%: 110% of the shares of the annual tranche shall vest. The ratio varies in a linear manner between each performance category. ▪ CSR objectives are based on the change in Natixis' CSR performance over the four-year vesting period as assessed by extra-financial rating agencies. The vesting process includes a rating scale corresponding to the CSR assessments of each agency, with requirements becoming more stringent over the last two years. At the end of the four-year vesting period, the average of the overall annual ratings determines the additional percentage of shares compared to those acquired by applying the TSR condition. The absolute vesting limit in the event of outperformance on the TSR and CSR criteria is equal to 120%.
Ban on hedging		The Chief Executive Officer is prohibited from using hedging or insurance strategies, both during the vesting period of components of deferred variable compensation and during the lock-up period.
Non-compete payment	François Riahi: €400,000 in non-compete payments Nicolas Namias N/A	Upon the departure of François Riahi, the Board of Directors of August 3, 2020, decided to make a non-compete indemnity of €400,000, corresponding to six months of fixed compensation, paid in installments over six months.
Severance payment	François Riahi: *See comment* Nicolas Namias N/A	On February 11, 2021, the Board of Directors adopted the recommendation of the Compensation Committee following the reassessment of the financial conditions of François Riahi's departure. As a result, the Board noted that the payment of the severance indemnity to François Riahi was irregular, and therefore decided to request the repayment of such indemnity to François Riahi. It should be noted that this decision does not call into question the role of François Riahi in the development of Natixis, particularly in the context of the COVID crisis, which justified in principle a severance payment.
Supplementary pension plan	Groupe BPCE Article 82 scheme for François Riahi	Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 or Article 83 of the French General Tax Code. Furthermore, François Riahi paid into an "Article 82" type life insurance policy (in reference to the French General Tax Code) put in place by BPCE. The premiums on this policy were paid by the Chief Executive Officer and not by Natixis. In 2020, François Riahi paid €69,391 into his policy.
Directors' compensation	-	In 2020, neither François Riahi nor Nicolas Namias received any compensation as Directors in respect of the 2020 fiscal year as part of their responsibilities within Groupe BPCE.

Components of compensation due or granted for the fiscal year ended which are subject to approval or have been approved by the General Shareholders' Meeting	Amount	Comments
Benefits of any kind	€1,625 for François Riahi €670 + €3,710 for Nicolas Namias	François Riahi and Nicolas Namias received a family allowance under the same terms and conditions as those applied to Natixis employees. The benefit in kind for Nicolas Namias' company car is €3,710.
Healthcare scheme/personal protection insurance		The Chief Executive Officer receives insurance similar to that of Natixis employees with respect to health and personal protection coverage.

3

RISK FACTORS, RISK MANAGEMENT AND PILLAR III

This chapter includes information on the risk factors set out under Prospectus Regulation 3 on the management of risks associated with financial instruments, as well as information on capital management and compliance with the regulatory ratios required under the IFRS framework as adopted in the European Union. Some information in this chapter is an integral part of the notes to Natixis' consolidated financial statements and consequently falls under the Statutory Auditors' certification of the consolidated financial statements. This information is identified by the phrase "Data certified by the Statutory Auditors in accordance with IFRS 7." Natixis is subject to the supervision of regulatory authorities and to the regulatory capital requirements applicable to credit institutions and investment companies, as per Regulation (EU) No. 575/2013 of June 26, 2013. Under Pillar III of the Basel Accords, detailed, standardized information on items related to the Basel 3 report and to prudential publications is published in the third part of this chapter.

Regulatory ratios

11.6%
CET1 Ratio phased-in

15.6%
Total capital ratio

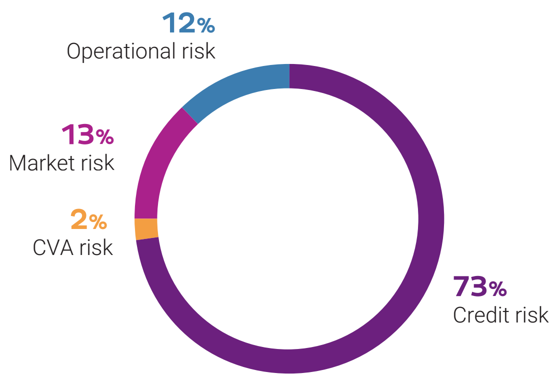
3.9%
Leverage ratio

105%
LCR

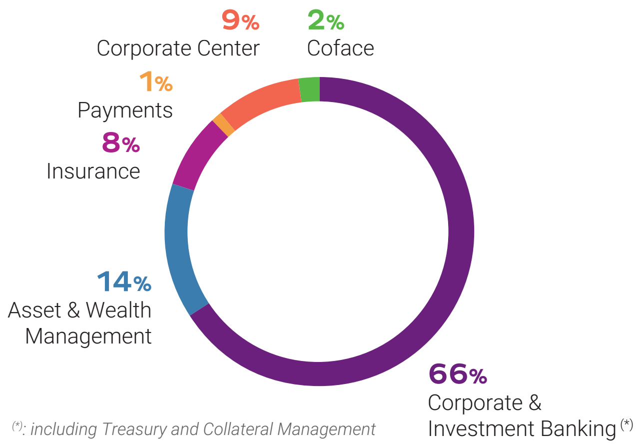
Financial structure

Risk-weighted assets

Capital requirements by risk type



Capital requirement by business line



3.1 Risk factors

The main types of risk to which Natixis is exposed are presented below. At present, they are identified as material risks 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' solvency ratio or net income. The risk factors presented below have been updated to reflect the impact of the COVID-19 health crisis. The risks to which Natixis is exposed across all its business lines may arise from several risk factors related to, among other things, macroeconomic and regulatory changes to its operating environment, or relating to implementing its strategy and conducting its business.

Pursuant to Article 16 of Regulation (EU) 2017/1129, known as "Prospectus 3", of June 14, 2017, whose provisions with respect to risk factors came into effect on July 21, 2019, the intrinsic risks of Natixis' business are presented as six main categories:

- credit and counterparty risk;
- financial risk;
- non-financial risk;
- strategic and business risk;
- risk related to Insurance activities;
- risk related to holding Natixis securities.

The presentation of the risk factors below is to be assessed based on the structure of Natixis on the filing date of the Universal Registration Document. On February 9, 2021, Groupe BPCE announced its intention to file a takeover bid for around 29.3% of the share capital of Natixis that it does not hold (based on the issued and fully paid-up share capital as of December 31, 2020) at a price of €4 per Natixis share (dividend attached). BPCE has announced its intention to implement a squeeze-out procedure for all the shares not held by it in the event that the minority shareholders do not hold more than 10% of the Company's share capital and voting rights following the offer. This proposed offer would be part of an ambitious industrial project for the development of Natixis' business lines and the simplification of its functional channels, which Groupe BPCE intends to review. On February 10, 2021, BPCE S.A. filed an information document (which includes, in particular, the projected timetable of the transaction) with the French Financial Markets Authority (Autorité des Marchés Financiers), which can be consulted at the following address:

https://groupebpce.com/en/content/download/24062/file/Communiqu%C3%A9%20norm%C3%A9%20du%20d%C3%A9p%C3%B4t%20du%20projet%20de%20note%20d%27information%20-%20ENG.pdf

Credit and Counterparty Risks

The concentration of credit and counterparty risk may compound Natixis' exposure

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

Credit and counterparty risk is one of the major risks identified by Natixis and represented 73% of total RWA at December 31, 2020.

At 31/12/2020, therefore, Natixis' exposure to credit and counterparty risk (Exposure at Default excl. CVA) totaled €277.7 billion, split primarily between companies (38%), sovereigns (30%), banks and similar items (21%). At 47%, exposure to credit and counterparty risks was concentrated in France, followed by the rest of Europe (EU and non-EU) at 21%, North America at 17% and Asia at 8%.

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, should the ratings of counterparties belonging to a single group or single business sector deteriorate significantly, or should a country's economic situation were to worsen, Natixis' credit risk exposure may be compounded.

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 financial institutions and market participants. This is because financial institutions are closely interconnected, due in large part to their trading, clearing, counterparty and financing operations. A default by one participant in the financial industry market could have repercussions on other financial institutions, cause a chain of defaults by other participants in this market, and therefore incur financial losses for Natixis.

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

As part of its activities, and wherever necessary, Natixis recognizes in provisions for non-performing loans, reflecting actual or potential losses in respect of its loan and receivables portfolio, under "Provision for credit losses" on its income statement. At December 31, 2020, Natixis' provision for credit losses was directly affected by the effects of the COVID-19 health crisis and stood at -€851.3 million (of which -€166.8 million for Stage 1 and 2 provisions), reflecting the expected medium- and long-term deterioration of the economic outlook, despite massive government-back support measures.

In the context of the COVID-19 pandemic, Natixis believe that the following six sectors in its portfolio are particularly vulnerable[1]: oil/gas (4.7% of total exposure), air transport and aviation/defense (3% of total exposure), automotive (1.4% of total exposure), hotels/catering and tourism/leisure (0.4% of total exposure), specialized distribution (1% of total exposure) and communication/media (0.8% of total exposure).

Since January 1, 2018, Natixis applies IFRS 9 "Financial Instruments," which requires raising provisions as of the initial recognition of a financial instrument. This new 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, 2020 in Chapter [5.1] "Financial Statements" of this universal registration document.)*

At December 31, 2020, Natixis applied the methodology for impairments or provisions for expected credit losses as described in Note 5.3 of Chapter [5.1] "Financial data – Consolidated financial statements and notes" of this universal registration document, with adjustments in order to take into account the recommendations published by standard setters and supervisory authorities with respect to the health crisis.

The health crisis has had a major impact on the economy, with significant repercussions on many business sectors. Due to the exceptional circumstances and uncertainties, Natixis relied on the various press releases published by ESMA, the EBA, the ECB and the IASB to determine the expected credit losses in the context of the COVID-19 crisis. With this in mind, Natixis has revised its macroeconomic forecasts (forward looking) and adapted them to take into account the specific context of COVID-19 and measures to support the economy. Natixis used three main scenarios to calculate IFRS 9 provisioning parameters with projections for the year 2023: -the base case scenario was updated based on scenarios determined by its economists and validated by Natixis' governance bodies in September 2020; -a pessimistic scenario, corresponding to a more deterioration in the macro-economic variables defined in the framework of the base case scenario; -an optimistic scenario, corresponding to a more favorable development of the macro-economic variables defined in the framework of the base case scenario. Following the historic economic shock linked to the COVID-19 crisis in 2020, the base case scenario forecasts a strong recovery in GDP starting in 2021, gradually returning to a more usual trend in economic activity in subsequent years. Economic activity will then recover its pre-crisis (2019) level in 2023.

In addition, as part of the preparation of the 2021-2024 strategic plan, a new baseline scenario was developed. This new baseline scenario, validated by the authorities in December, is largely in line with the consensus forecast of November 2020. As regards the projections for financial variables used in the model for determining the transition matrix, the new baseline scenario and the consensus of November 2020 are identical.

Given this proximity between the different sets of assumptions, IFRS 9 provisions for performing loans were therefore determined on the basis of the scenarios validated in September, adjusted by the weightings validated in December 2020.

The weightings of the scenarios used reflect the deterioration of several economic variables following the restrictive measures implemented but also the positive impact on the financial markets of the vaccination-related announcements last November. The weightings applied are now 5% for the pessimistic scenario, 85% for the median scenario and 10% for the optimistic scenario.

Probabilities of default (PD) are adjusted by sector based on an assessment of each sector's rating over a 6-12-month period. The sector's forward looking weighted average PD, determined by the transition matrix, is compared and adjusted to align with the PD that is equivalent to the sector's expected rating. From a methodology standpoint, the sectoral adjustment of probabilities of default, carried out on December 31, 2020, replaces changes to sector ratings as a criterion for monitoring the increase in risk (see below).

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. Underperforming loans (Stage 2), for which there has been a material increase in credit risk since initial recognition but not to the point of having to classify them 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 standard rate based on historical unexpected losses on unprovisioned loans.

At December 31, 2020, non-performing loans to clients amounted to €3,596 million and were predominantly distributed as follows: 26.1% for France, 22.2% for the rest of Europe, 18.0% for North America, 9.4% for Asia, and 13.3% for Central and Latin America. Natixis' non-performing loan ratio to gross outstanding customer was 5.52% and its coverage ratio for these non-performing loans was 32.6%.

The increase in credit risk between 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 customer, professional customer, SME, public sector and social housing loan books) since initial recognition; placement on the watchlist; forborne status; the ratings of the country of the counterparty; and the existence of one or more contracts more than 30 days past due.

The uncertainties surrounding the health crisis (duration, magnitude, resurgence) have made it difficult to forecast the impact of the crisis on the economy, as well as on the countries and business sectors of Natixis' counterparties. This could result in a substantial increase in losses and provisions, adversely affecting Natixis' provision for credit losses, results and financial situation.

Reduced or no liquidity of assets such as loans could 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 by way of syndication or securitization. Natixis' origination activity is mainly focused on financing granted to large corporates as well as specialized financing. distribution mainly concerns banks and non-bank financial institutions.

If there is less liquidity on the syndication or securitization markets in particular for these 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 customers, 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 assets that are likely to adversely affect its results.

Financial risks

A deterioration in the financial market could generate significant losses in Natixis' Capital Markets 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 reoccur and potentially result in significant losses for Capital Markets activities.

The losses that may be recorded due to high market volatility could affect several market and hedging products in which Natixis trades. The volatility of financial markets makes it difficult to predict trends and implement effective portfolio management strategies, and increase the risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. Natixis is primarily exposed to share price fluctuations.

For example, the COVID-19 health crisis negatively affected the Natixis business lines that deal with products sensitive to equity risk factors. Negative effects included:

- sharply increased share price volatility with adverse effects on the valuation of equity index options;
- a sharp decrease or cancellation of dividend payouts, announced at General Shareholder Meetings of major corporations, due to the steep decline in their provisions which has had a negative impact on equity products.

It should be noted that the risk associated with the market activities of the Corporate & Investment Banking business line (including CVA) made up 12% of Natixis' total RWA at December 31, 2020.

The fair value of the derivatives portfolio includes additional valuation adjustments that could affect Natixis' net income and equity

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

- quality of the counterparty (credit value adjustment – CVA) by recognizing in the valuation of the derivative instruments the credit risk corresponding to the risk of non-payment of the amounts owed by the associated counterparty;
- Natixis' own credit risk (debt valuation adjustment – DVA) by recognizing in the passive valuation of derivative instruments the risk borne by our counterparties (i.e. potential losses that Natixis causes its counterparties to incur in the event of default or the deterioration of its own credit quality);
- funding risk (funding valuation adjustment – FVA) by recognizing in the valuation of uncollateralized or partially collateralized cost related to the financing costs of future cash flows.

These additional adjustments recognized in the income statement have a direct impact on Natixis' net banking income and equity. Accordingly, the COVID-19 health crisis had especially unfavorable consequences related to the substantial widening of credit spreads of Natixis' counterparties and the levels of financing costs on the market. Note: at December 31, 2020, the ineffective portion of hedge accounting relationships taken to profit or loss amounted to -€19.3 million versus -€18 million at December 31, 2019.

Natixis' access to certain forms of financing may be adversely affected in the event of a financial crisis or downgrade of its rating or that of Groupe BPCE

Since 2011, Natixis' funding structure has relied on a Joint Refinancing Pool between Natixis and BPCE. Natixis secures a portion of funding for its activities from Groupe BPCE through the public and private issuance of medium- and long-term vanilla debt (senior and subordinate) by BPCE S.A. Natixis remains Groupe BPCE's medium and long-term issuer for structured private refinancing operations.

The COVID-19 health crisis temporarily suspended term lending activity on the market, which led to an increase in credit line drawdowns by corporate clients and an increase in deposit amounts. Following central bank actions (particularly those of the ECB and the Federal Reserve), the term loan market gradually reopened, starting with the dollar and then the euro, to return to normal levels in June. Throughout the COVID-19 crisis, Natixis' liquidity position has been closely monitored by senior management,, given its status as an entity of Groupe BPCE. Natixis' liquidity coverage ratio (LCR) remains in excess of 100%.

In the wake of the massive central bank interventions, including in particular the ECB's LTRO (Long Term Refinancing Operation) and the Fed's PEPP (Pandemic Emergency Purchase Program), in addition to government measures, the various market participants (funds, corporates, banks) are holding cash surpluses which they are looking to invest. Customers also have decreased funding requirements in light of these surpluses. At 31/12/2020, Natixis' various liquidity risk monitoring indicators (notably LCR, Gap and liquidity stress) showed excess positions in relation to internal limits.

In response to the impacts of the COVID-19 health crisis and the uncertainties surrounding the economic crisis, rating agencies Fitch and Standard & Poor's lowered the outlook for multiple issuers, including banks and in particular the Groupe BPCE, from "stable" to "negative". Against this backdrop, Groupe BPCE's financial solidity and the strength of its diversified banking model were acknowledged by four financial rating agencies, which affirmed its long-term senior preferred debt rating: Moody's (A1, stable outlook), Standard & Poor's (A+, negative outlook), Fitch (A+, negative outlook) and R&I – Rating and Investment Information (A+, stable outlook).

If Groupe BPCE's credit ratings were lowered by the main rating agencies, Groupe BPCE's liquidity – and thus Natixis' liquidity – and the corresponding financing costs could be adversely affected or even trigger additional obligations in respect of its financial market contracts.

Fair value variations of Natixis-held shares due to changes to issuer credit quality may adversely affect Natixis' equity and solvency

On the regulatory front, this risk concerns Natixis-held shares in the banking book category and which are designated at fair value to balance out other comprehensive income (OCI). Natixis is mainly exposed to this risk through the debt instruments it holds as part of its liquid asset buffer. This risk manifests as a decrease in the financial assets' value resulting from changes to credit issuer quality for debt securities (CSRBB – credit spread risk in the banking book).

During the COVID-19 health crisis, credit spreads reflecting issuer creditworthiness underwent significant changes. After widening very rapidly in early March, indicating the deterioration of the perception of issuers' credit quality, credit spreads gradually narrowed from the end of May, albeit not to pre-crisis levels. Given the quality of assets held as part of its liquid asset buffers, the fair value variations of shares were mostly contained, and remained in compliance with the risk appetite Natixis set for itself for this kind of risk. The resurgence of a crisis (especially the COVID-19 crisis) could cause credit spreads to deteriorate further.

At 31/12/2020, the credit risk of securities held as part of the liquidity reserve has not increased significantly.

Non-financial risks

Should Natixis fail to comply with applicable laws and regulations, it could be exposed to heavy fines and other administrative and criminal sanctions likely to have a material adverse effect on its financial position, business and reputation

Compliance risk is defined as the risk of legal, administrative 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 and Insurance activities, whether national or international.

The banking and insurance sectors are 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 major impacts on the Company's operational processes. In addition, the banking and insurance sector is also subject to dedicated supervision by the competent French and supranational authorities.

Compliance risk includes, 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, or failure to comply with new client or supplier due diligence procedures, particularly with respect to financial security (including anti-money laundering and counter terrorist financing, compliance with embargoes, anti-fraud and corruption).

Natixis' compliance department oversees compliance risk prevention and mitigation *(see section 3.2.8 of this 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 or criminal legal proceedings that could have a material adverse effect on its financial position, business and reputation.

In the course of business, Natixis is exposed to employee or third-party actions and behaviors that are unethical or violate laws and regulations, and that could damage its reputation and expose it to sanctions

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.

Any person working at Natixis, or at an entity at least 50%-owned by Natixis, must comply with the Code of Conduct, whether working on a permanent or temporary basis. This requirement is in addition to commitments to comply with applicable internal rules, and with national and international laws and regulations.

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

To implement the Code of Conduct on a day-to-day basis, Natixis has established a conduct framework with its own Committee (the Global Culture and Conduct Committee) and training program. For a detailed description of the Code of Conduct and the conduct framework, see section 6.2 of the 2020 universal registration document.

But even with the adoption of a Code of Conduct and the creation of a conduct framework, Natixis is exposed to potential actions or behaviors by employees, suppliers and contractors that are unethical or not in clients' interest, 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 behaviors could have negative consequences for Natixis, damage its reputation or shareholder value, and expose Natixis, its employees or stakeholders to criminal, administrative or civil sanctions likely to adversely affect its financial position and business.

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, as well and cybercrime, and an operational failure related to a health risk.

Like most of its competitors, 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 data transmission quality 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, and/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 Group'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 IT Systems Security (ITSS) Departments. This has resulted in a map of risks relating to IT Systems Security, as well as a far-reaching campaign to raise all employees' awareness on IS security matters. In 2020, no cybercrime-related incident had a material adverse impact on Natixis' financial position or reputation. However, as cyberattacks are constantly evolving to become increasingly advanced, 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. For example, Natixis was marginally affected by the security breaches that critically affected certain products of the publisher Citrix in January 2020, by the unavailability of several services of the financial software company Finastra in France. due to a ransomware attack in March 2020, and the cyber-attack against the language services company Ubiqus in December 2020.

Operational difficulties could also arise as a result of unforeseen or catastrophic events, such as terrorist attacks, natural disasters or a major health crisis. In 2020, Natixis demonstrated its resilience in the face of the COVID-19 pandemic and was able to cope with the successive phases of the crisis. Although minor incidents were noted, requiring the commitment of limited additional resources and resources to deal with this exceptional situation, all the players in charge of operational continuity management have collectively contributed, thanks to their expertise and responsiveness, to keep all business lines and support functions operational. Natixis' resilience in the technological and logistical fields has made it possible to support the remote working system by maintaining the minimum number of teams on site that are essential to protecting employees, maintaining information systems and ensuring site security.

Natixis cannot guarantee that interruptions, failures in its communication and information systems or third-party systems or that a breach of its information systems will not occur or, should they occur, that they will be immediately resolved with no impact on the bank. The occurrence of one or more of the events described above may result in lost business and other additional costs and losses for Natixis, or result in reputational damage.

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. Beyond the inherent negative impact, any damage to Natixis' reputation could also result in lost business, and a drop in Natixis' share price, both of which would weigh on its financial position.

An example of this was H2O AM, Natixis' Asset Management subsidiary, which was exposed to illiquidity risks affecting certain funds, leading to a sharp decline in Natixis' share price.

Strategic and business risks

The ongoing COVID-19 pandemic could adversely affect Natixis' business activity, operations and financial performance.

In December 2019, an epidemic of viral pneumonia emerged in China which lead the World Health Organization (WHO) to officially announce on January 9, 2020 the discovery of a new coronavirus – the virus responsible for this new disease called COVID-19 (Coronavirus Disease). The virus subsequently spread to numerous countries around the world and was qualified as a pandemic by the WHO in March 2020. The consequences of pandemic and of the various measures taken by governments and central banks in numerous countries (closing borders, restriction of movement, lockdowns, etc.) were, and should continue to be, potentially detrimental to the global economy and financial markets, while there are still uncertainties as to how long the pandemic will last, the deployment of vaccines and what effect the economic and monetary policies undertaken will have. The COVID-19 pandemic has been hugely disruptive for clients, suppliers and staff (production difficulties, disrupted supply chains, slowdown in investments, shocks to supply and demand, etc.), because of how it has brought economic activity to a near-standstill. The lasting impact on the global economy and financial markets will largely depend on the intensity of the pandemic and the effects of the decisions made by authorities to stimulate the economy and limit the spread of the virus. For example, the new lockdown measures recently announced by the various government authorities are liable to affect not only social life but also working and manufacturing conditions, as well as the economic environment in general. The COVID-19 pandemic may have a materially unfavorable impact on Natixis' business, its financial environment, operating results, outlook, capital and financial ratings (including possible changes to its outlook or ratings).

Over the first nine months of 2020, the main impacts (predominantly market effects) of the COVID-19 crisis were seen in Natixis' net revenues, provisions for credit losses and CET1 ratio. The crisis has had an estimated impact of around -€337 million on the net revenues generated by the various Natixis business lines: i) approximately -€300 million in Corporate & Investment Banking, due to the widening of credit spreads, markdown of dividends canceled for fiscal year 2019 and major resulting fluctuations along dividend future curves, ii) -€4 million for the Corporate Center in respect of the FVA (increased funding costs related to financial instruments) and iii) -€33 million for the Asset & Wealth Management division with the markdown of the seed money portfolio (listed and unlisted) due to the steep market drop observed in March 2020 despite the rebound observed in Q2 and Q3 2020. Another impact of the crisis on Natixis' income statement was the increase in provision for credit losses, predominantly on account of a rise in IFRS 9 provisions and individual provisions concentrated in the energy and natural resources sector, and more specifically in oil and gas. Of the €692 million recognized for the provision for credit losses over the first nine months of 2020, €515 million can be considered as attributable to the circumstances created by the development of COVID-19. In accordance with IFRS 9, the levels of provisions for S1 and S2 loans (performing loans) were revised in order to account for the deterioration of the economic environment. Natixis' internal models are based on inputs that remain unchanged since June 30, 2020 for the central scenario, which is virtually on par with the latest Single Supervisory Mechanism assumptions, published in September 2020, in terms of growth and inflation forecasts for 2020 and 2021, with GDP still below the level observed at December 31, 2019. That said, this assumption is slightly more pessimistic regarding growth forecasts. The central scenario was supplemented with an optimistic scenario and a pessimistic scenario.

Over the full-year 2020, the effects, mainly market-related, of the COVID-19 crisis impacted Natixis' net banking income, cost of risk and CET1 ratio. The crisis had an estimated impact of around -€283 million on the net banking income of Natixis Corporate & Investment Banking, due to dividend markdowns following announcements of their cancellation for 2019 by companies and the strong movements on future dividend curves that followed.

Other items also negatively impacted the net banking income of Natixis' business lines during the first quarter of 2020 (and in some cases also during the second quarter of 2020), before recovering over the rest of the year. These include the CVA/DVA impacts related to the widening of credit spreads on Corporate & Investment Banking (-€55 million in Q1 2020 and +€16 million over the full year), FVA impacts (increase in financing costs relating to financial instruments) on the non-divisional scope (-€71 million in Q1 2020 and +€10 million over the full year), and the impact of the markdown of portfolio seed money (listed and unlisted) on Asset and Wealth Management (-€48 million in H1 2020 and +€30 million over the full year).

Another impact of the crisis on Natixis' income statement was the increase in provision for credit losses, predominantly on account of a rise in IFRS 9 provisions and individual provisions concentrated in the energy and natural resources sector, and more specifically in oil and gas. Of the €851 million recognized for credit loss provisions over the first nine months of 2020, nearly €610 million can be considered as attributable to the circumstances created by the development of COVID-19. In accordance with IFRS 9, the provisioning levels for Stage 1 and Stage 2 assets (performing loans) have been revised to take into account the specific context of COVID-19 and measures to support the economy. Natixis' internal models are based on parameters that have been adapted to take into account the specific context of COVID-19 and measures to support the economy. Natixis' base case scenario was updated based on scenarios determined by its economists and validated by Natixis' governance bodies in September 2020. This base case scenario provides for a strong recovery in GDP from 2021, gradually returning to a more usual trend in economic activity in subsequent years. Economic activity will then recover its pre-crisis (2019) level in 2023. The central scenario was supplemented with an optimistic scenario and a pessimistic scenario.With regards to individual provisions, oil price tensions combined with the shock in demand due to the economic slowdown linked to COVID-19, particularly in Asia, indirectly increased individual provisions for credit losses and numerous cases of fraud.

Lastly, in terms of solvency, the crisis had an impact of around -45 bps on Natixis' CET1 ratio, explained by the increase in RWAs for an amount of around €4.0 billion, particularly in Corporate & Investment Banking due to drawdowns and new lines of credit (€1.7 billion in gross operating figures), the granting of State-guaranteed loans (€0.4 billion in gross operating figures) and market effects, in particular related to the calculation methods of regulatory VaR (€1.9 billion).

Other items also had a negative impact on Natixis' solvency ratios during the first quarter of 2020, before recovering during the rest of the year. These include the decrease in CET1 equity due to the decrease in OCI reserves and the increase in the deduction made in respect of Prudent Value (-€507 million in Q1 2020 and +€275 million for the full year for these two items) and the increase in RWA CVA (+€0.5 billion in Q1 2020, recovered in Q2 2020 and Q3 2020 before increasing again in Q4 2020).

Natixis' financial performance could be lower than market expectations. The market value of its securities could be adversely affected.

As the "New Dimension" plan was completed on December 31, 2020 and the presentation of a new medium-term strategic plan for Natixis' business lines may only be implemented during 2021, no financial targets have for the time being been communicated by Natixis to the market for the year 2021 and beyond. However, when the fourth quarter of 2020 results were announced on February 9, 2021, Natixis conducted a sensitivity test on the cost of risk. It indicated a decrease of around 6% in France's GDP in 2021 and severe assumptions concerning Natixis' sectors of expertise: oil price of $45 per barrel and significant discounts on the price of real assets (around 45% for aircraft and around 20-25% for real estate, for example). In this scenario, in fiscal year 2021, provisions for credit losses could be between 70 and 90 bps, i.e. still above the guidance given for through-the-cycle provisions for credit losses. Until the presentation of the next medium-term objectives, the market value of Natixis shares could be adversely affected by financial performance below market expectations (consensus), in particular with regard to the aforementioned cost of risk sensitivity.

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

Natixis' risk management system, which is based on the use of models, may fail and expose Natixis to unidentified or unforeseen risks, possibly resulting in major losses.

Risk management techniques which often use models may prove inadequate for certain types of risks. Certain rating or VaR measurement models (as defined in section 3.2.5.3) that Natixis uses to manage its risks are based on observed historical market behavior. To quantify its risk exposure, Natixis then conducts a primarily statistical analysis of these observations *(see section 3.2.5.4 for a detailed description of the risk management system)*. The measurement metrics and tools used may provide inaccurate conclusions on future risk exposures, mainly because 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. Consequently, the losses borne by Natixis could prove far greater than those forecast using historical averages. Moreover, Natixis' quantitative models do not incorporate all risks.

For instance, part of the VaR measurement model is designed on the basis of positive interest-rate environment assumptions. In early 2016, because the interest rate environment for interest rate derivatives was negative, stressed VaR was overestimated by €5 million.

Natixis could encounter difficulties in identifying, implementing and integrating its policy in the context of acquisitions or joint ventures

Natixis could consider opportunities for external growth or partnership. Although Natixis intends 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 not initially foreseen. Likewise, the expected results of an acquired company or joint venture may prove to be disappointing and the expected synergies may not be achieved in whole or in part, or the transaction 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 failure to integrate a new entity or a joint venture is likely to 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 a write-down in the financial statements (during periodic tests) or to recognize a loss in the event of disposal. At the end of December 2020, the amount of goodwill of Natixis represented €3.2 billion, distributed among the various divisions of Natixis but mainly concentrated within the Asset & Wealth Management division. Over the recent period, significant impairments of goodwill or losses on disposals have concerned Coface (in 2016 and 2020) and H2O (in 2020). 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 may, as such, incur its liability, suffer losses or damage to its reputation. In addition, conflicts or disagreements between Natixis and its partners within the joint venture may have a negative impact on the benefits sought by the joint venture.

Preventing risks linked to climate change could have a negative impact on the performance of Natixis' activities that operate in sectors with a negative environmental and climate impact

Natixis has committed to adhering to the Paris Agreement to limit global warming to below 2°C by the end of the century. Natixis has announced numerous initiatives to support the energy transition towards a low-carbon economy, and includes initiatives to reduce financing in sectors with a material climate impact.

Accordingly, Natixis has committed to stop financing companies whose main activities include the exploration, production, transportation and storage of oil sands. Natixis has also committed to stop financing projects to explore and produce oil in the Arctic region and, since May 2020, projects and companies active in shale oil and gas production. Lastly, in 2015 Natixis committed to stop financing the exploration, production, transportation and storage of coal, and includes companies for which these activities represent 50% of their business. In 2019, this percentage was lowered to 25%. This policy was topped up with a timetable to withdraw fully from thermal coal production by 2030 for facilities in Europe and OECD countries, and by 2040 in the rest of the world.

In 2019 Natixis adopted Green Weighting Factor – a tool that uses a color scale to rate a loan book's exposure to climate risk. The aim is to encourage the lending businesses to favor clients and projects whose operations have a less harmful climate impact and at an identical credit risk.

For a more detailed description of Natixis' CSR (Corporate social responsibility) policy and commitments, see Chapter [6] "Non-financial performance report" of this universal registration document, as well as section 6.4 for a description of the management of environmental and social risks.

A change in the business mix of Natixis' lending activities in favor of transactions with a positive climate and environmental impact could have a negative impact on Natixis' performance due to lost opportunities in sectors presenting a material environmental impact. Postponing this adjustment in its portfolios could negatively affect the credit quality. But keeping borrowers with a material climate impact in its loan book could have a negative impact on its credit quality should stricter regulations be imposed.

Lastly, the ECB published its best practice guide for addressing climate risks in autumn 2020. We anticipate that this will be accompanied by a strengthening by the EBA of the regulations regarding the fight against global warming. This increase could penalize activities with a strong impact on the climate (directly through operational constraints for Natixis' clients or through the increase in the price of carbon allowances). Insofar as the energy transition will probably take place over a long period, the strengthening of these regulations could have an adverse effect on some of Natixis' activities such as financing and investment activities in the hydrocarbons, raw materials and transport sectors, for example.

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 16,900 people around the world (excluding Financial investments), located as follows: 66.6% in France, 11.9% in the EMEA region, 16.4% in the Americas and 5.1% in Asia-Pacific. The performance of Natixis' activities is closely linked to its people. Indeed, Natixis' business model is based on areas of expertise, which requires the recruitment of qualified employees. Moreover, stepped-up regulations on the back of the 2008 financial crisis require Natixis to strengthen and align its businesses 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 staff, 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.

Unfavorable economic or market conditions and an economic environment of persistently low interest rates can weigh on Natixis' profitability and financial position

Natixis is the Groupe BPCE subsidiary operating in Asset & Wealth Management, Corporate & Investment Banking, Insurance and Payments.

These businesses are sensitive to changes in the financial markets, and more generally to economic conditions in France, Europe and the rest of the world.

Adverse economic conditions in Natixis' main markets could have the following negative impacts in particular:

- an increased rate of defaults on loans and receivables and higher provisions for non-performing loans due to the impact on the business and operations of Natixis' customers. 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;
- a decline in prices on the bond, equity or commodity markets could reduce business volumes on these markets;
- macro-economic policies adopted in response to actual or anticipated adverse economic conditions could have unintended negative effects, and are likely to 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 global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe negative impact on all the activities of Natixis, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to finance Natixis and to sell certain categories of assets at their estimated market value or at all;
- an adverse change in the market prices of various asset classes could affect the performance of Natixis Investment Managers companies, especially due to a decrease in assets on which management fees are charged;
- low interest rates may also negatively affect the profitability of Natixis' Insurance activities, as Insurance affiliates may not be able to generate enough investment returns to cover amounts paid out on some of their insurance products. Furthermore, were market interest rates to rise in the future, a portfolio featuring significant low interest rate loans and fixed income securities would be expected to decline in value. Low interest rates may also adversely affect commissions charged by Natixis Asset Management affiliates on money market and other fixed income products. This could adversely affect the profitability and financial position of Natixis. Note: at 31/12/2020, the economic value sensitivities of the main entities within Natixis' consolidated scope to a -200 bp shift (with the regulatory floor) and to a +200 bp shift, calculated in accordance with EBA standards, represented +€27 million and -€152 million, respectively.

In addition, the main markets on which Natixis operates may be affected by uncertainties such as those regarding the future relationship between the UK and the EU following Brexit, global trade, the geopolitical context, and any manner of uncertainty. A perfect illustration of this is the impact of the COVID-19 pandemic on the global economy. The consequences for Natixis are presented under the risk factor *"The ongoing COVID-19 pandemic could adversely affect Natixis' business activity, operations and financial performance"*.

Legislative and regulatory measures in response to the global financial crisis may have a material impact on Natixis and on the financial and economic environment in which it operates

Legislative and regulatory texts are constantly evolving to take into account the lessons of crises or simply to adapt to the transformation of the economic and financial environment.

Thus, after the financial crisis of 2008, texts were promulgated or proposed to avoid the occurrence of another similar global crisis. Similarly, the economic crisis linked to COVID-19 has already given rise to short-term measures by the regulatory and supervisory authorities in 2020; medium to long-term actions cannot be ruled out. In addition, the identification of new types of risks related, for example, to technological innovation may lead to new regulatory requirements.

All of these changes have significantly changed, and are likely to change in the future, the environment in which Natixis and other financial institutions operate. Natixis is exposed to risk related to these legislative and regulatory changes.

Among the measures that have been or may be adopted could potentially:

- prohibit or limit some kinds of financial products or activities, thereby partially restricting the diversity of Natixis' sources of income. For example, the introduction a withholding tax on dividends from borrowed securities under certain circumstances could weaken the appeal of some of Natixis' current products;
- strengthen internal control requirements, which would require investing heavily in Human Resources and materials 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 3 regulations (in particular revised Basel 3) being transposed in Europe could lead to a review of the Risk-Weighted Asset calculation models for certain activities;
- strengthen the requirements regarding the conditions for granting and monitoring loans, but also influence the management of transactions for customers 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 (e.g. amendment to the regulations on financial products, enhanced information disclosure requirements);
- strengthen requirements pertaining to personal data protection and cybercrime, as they can lead to higher costs due to additional investments in the bank's information system;
- 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 and increased competition linked to European "open banking" initiatives such as the "PSD2" Payment Service Directive;
- 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.

In this changing legislative and regulatory environment, it is impossible to predict the impact these new measures will have on Natixis. 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. Furthermore, the new legislative and regulatory measures may require Natixis to adapt its businesses, which could affect its results and financial position. Lastly, under new regulations Natixis may be obligated to increase its capital requirements or its overall funding costs.

Risks related to Insurance activities

At 2020, net revenues from the Insurance business line stood at €901 million, which represents 12% of Natixis' net revenues. Insurance net revenues (excluding cross-business net revenues of €6 million) was split between personal insurance for €565 million and non-life insurance for €330 million.

A deterioration in market conditions, and specifically excessive up and down movements in interest rates, could have a material adverse impact on Natixis' personal Insurance business and its income

The main risk to which Natixis' Insurance affiliates are exposed in their personal Insurance business is market risk. Exposure to market risk was mostly attributable to capital guarantees in the euro-denominated fund scope for savings products.

Interest rate risk is one such market risk and is structurally significant for Natixis as its general funds consist primarily of bonds. Fluctuations in interest rates may:

- in the case of higher rates, reduce the competitiveness of the euro-denominated offer (by making new investments more attractive) and cause waves of redemptions on unfavorable terms with unrealized capital losses on outstanding bonds;
- in the case of lower rates, in the long term make the return on the general funds too low to meet their capital guarantees.

Due to the allocation of the general funds, widening spreads and a decline in the equity markets could also have a material adverse impact on the results of Natixis' personal Insurance business.

A mismatch between the insurer's expected claims expense and the actual benefits paid out by Natixis to policyholders could have a material adverse impact on its non-life insurance, personal protection insurance under its personal Insurance business, as well as on its results and financial position

The main risk to which Natixis' Insurance affiliates are exposed in their activities is underwriting risk. This risk results from a mismatch between, first, the claims actually incurred and the benefits actually paid as compensation for these claims and, second, from the assumptions that the affiliates use to price their insurance products and to establish technical reserves for potential compensation.

Natixis uses both its own experience and industry data to develop estimates of future policy benefits, including information used to price the insurance products and establish the related actuarial liabilities. However, there is no guarantee that actual experience will match these estimates, and expected risks, such as pandemics and natural disasters, could result in higher-than-expected pay-outs to policyholders.

To the extent that the actual benefits paid by Natixis to policyholders are higher than the underlying assumptions used to establish the future policy benefit reserves, or if events or trends were to cause Natixis to change the underlying assumptions, Natixis may be exposed to greater-than-expected liabilities, which may adversely affect Natixis' non-life Insurance business, personal protection insurance under its personal Insurance business, as well as on its results and financial position.

During the COVID-19 pandemic, Natixis' Insurance business was significantly impacted by the crisis and adapted by taking appropriate measures, aimed in particular at keeping the business running and remaining operational for its clients.

The pandemic caused a downturn in sales activity. At €11 billion, revenue for the year 2020 was down by 15%. The closure of bank branches due to the first lockdown weighed on activity levels in the first half of the year, particularly savings activities.

The results for the year 2020 were also marked by the economic consequences of the health crisis, in particular the decline in the equity markets. The latter was largely mitigated by the hedges put in place in the euro savings business in personal insurance, which was the most impacted by the market decline.

During this crisis, Natixis Assurances is monitoring the risks to which it is exposed, and especially market and credit risks. To this end, Natixis Assurances has increased the monitoring of its investments which benefited from a share hedging strategy.

In underwriting risk, the impacts remain contained:

- in non-life insurance: the claims expense decreased for the automotive sector, due to reduced risk during the lockdown period. Conversely, a negative impact is expected in business interruption insurance. However, this activity is covered by reinsurance;
- personal insurance: in personal protection insurance, there was a slight decline in death risk claims (main risk covered), while there was an observable increase in work cessation guarantees for professionals.

Excluding non-recurring items, the gross operating income of the Insurance business therefore remained very resilient and delivered positive growth.

In addition, the deterioration of the economic and financial environment - especially the drop in the equity markets and very low interest rate levels - also affected the solvency of Natixis Assurances, negatively influencing future margins. Coverage of the Solvency Capital Requirement (SCR) was nevertheless maintained at December 31, 2020. The various actions taken over the last few years, particularly in terms of financial coverage, reinsurance, business diversification or management of investments, have contributed to the resilience of Natixis Assurances' solvency.

Nevertheless, to keep pace with growth and take advantage of supportive market conditions, Natixis Assurances plans to issue €350 million in subordinated debt in October 2020, subscribed by Natixis (eligible for Tier 2 capital).

Risk related to holding Natixis securities

Natixis securities holders and other Natixis creditors may suffer losses should Natixis undergo resolution proceedings

The European Regulation establishing a framework for the recovery and resolution of credit institutions and investment firms, and the texts transposing these rules into French law (the BRRD regulation) aim primarily to establish a single resolution mechanism giving the resolution authorities "bail-in" powers. The purpose of these powers is to counter any systemic risk linked to the financial system and, more specifically, avoid any financial intervention by states in the event of a crisis. If a financial institution (or the group to which it belongs) subject to the BRRD defaults or is close to defaulting, these powers allow the authorities to impair, cancel or convert the financial institution's eligible securities and commitments into shares. Other than the option of using the "bail-in" mechanism, the BRRD grants the resolution authorities more extensive powers, enabling them to (1) force the entity to recapitalize in order to comply with the conditions of its approval to operate and pursue the operations for which it has approval with a sufficient level of confidence from the markets; if necessary, by modifying the legal structure of the entity (2) reduce the value of receivables or debt instruments, or convert them into equity for transfer to a bridge institution for the purposes of capitalization, or for the sale of a business, or for recourse to an Asset Management vehicle.

At 31/12/2020, Natixis' CET1 capital stood at €12.1 billion, total Tier 1 capital at €14.2 billion, and Tier 2 regulatory capital at €2.1 billion. Natixis issued $300 million in senior non-preferred debt on November 30, 2020.

As a member of Groupe BPCE, Natixis may be subject to resolution proceedings in the event of the failure of Natixis and Groupe BPCE. The relevant resolution authority would manage the resolution proceeding at the level of BPCE, which would be the "single point of entry" of Groupe BPCE, especially with the application of cooperative solidarity mechanisms. Should the financial position of Natixis or of Groupe BPCE deteriorate, or be perceived as deteriorating, the existence of the powers provided for by the BRRD could cause the market value of Natixis financial securities to decline more rapidly.

If resolution proceedings were to be implemented at the Groupe BPCE level, the exercise by a competent authority of the powers provided for by the BRRD could result in:

- the full or partial write-down of Natixis equity 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 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.

The implementation of resolution measures would also significantly affect Natixis' ability to make the payments required by such instruments or, more generally, honor its payment to third parties.

In addition to these items related to a resolution procedure, the liquidity of Natixis shares could be affected by the failure to implement a squeeze-out procedure following the proposed public offer by Groupe BPCE. As a reminder, on February 9, 2021, Groupe BPCE announced its intention to file a takeover bid for around 29.3% of the share capital of Natixis that it does not hold (based on the issued and fully paid-up share capital as of December 31, 2020) at a price of €4 per Natixis share (dividend attached). BPCE has announced its intention to implement a squeeze-out procedure for all the shares not held by it in the event that the minority shareholders do not hold more than 10% of the Company's share capital and voting rights following the offer.

3.2 Risk management

3.2.1 Organization of Natixis' internal control system

Natixis' internal control system encompasses all the steps taken by the institution to measure, monitor and manage the risks that are inherent to its various activities in accordance with legal and regulatory requirements. The system complies with the provisions set forth in the French Ministerial Order of November 3, 2014 on internal control by companies in the banking, payment services and investment services sector.

It is structured in accordance with the principles set out by BPCE, with the objective of ensuring a consolidated approach to risk within the framework of the control exercised by the shareholding group.

The objective is to ensure the effectiveness and quality of the Company's internal operations, the reliability of accounting and financial information distributed both internally and externally, the security of operations, and compliance with laws, regulations and internal policies.

3.2.1.1 Overview of the internal control system

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

Natixis' internal control system comprises:

- **first-level permanent controls** performed by operational staff on the processing in their charge, following internal procedures and legal and regulatory requirements;
- **second-level permanent controls** performed by four departments that are independent of operational staff:
  - **the Compliance Department,** which reports to the Corporate Secretary, is notably responsible for managing compliance risk, performing second-level controls, and organizing the first-level permanent control system,
  - **the Information Systems Security and Business Continuity Department** (ISS-BC), reporting hierarchically to the Compliance Department, ensures the control of technological risks. These may relate to information system security, business continuity, IT governance and strategy, IT production activities or processes related to changes in the information system,
  - **the risk division**, which is headed by the chief risk officer, reports directly to senior management and is responsible for measuring, monitoring and managing the risks inherent to the business activities, in particular credit and counterparty risk, market and liquidity risk, operational risk and model risk,
  - **the Permanent Financial Control team** within the Accounting and Ratios division, which reports functionally to the Compliance Department, verifies the quality and accuracy of accounting and regulatory information;
- **periodic control,** exercised by the general inspectorate. The General Inspection Department reports to the Chief Executive Officer and performs periodic audits to assess the risks to which the businesses are exposed and ensure the effectiveness of the entire internal control system.

The Corporate Secretary is **responsible for permanent controls** and ensures their consistency and effectiveness.

Natixis organizes its control functions on a **global basis** in order to ensure that the internal control mechanism is consistent throughout the Company. Second-level permanent and periodic control functions within subsidiaries or business lines report to Natixis' corresponding Central Control Departments, either on a functional basis in the case of subsidiaries or on a hierarchical basis in the case of business lines.

The purpose of this structure is to ensure adherence to the following principles:

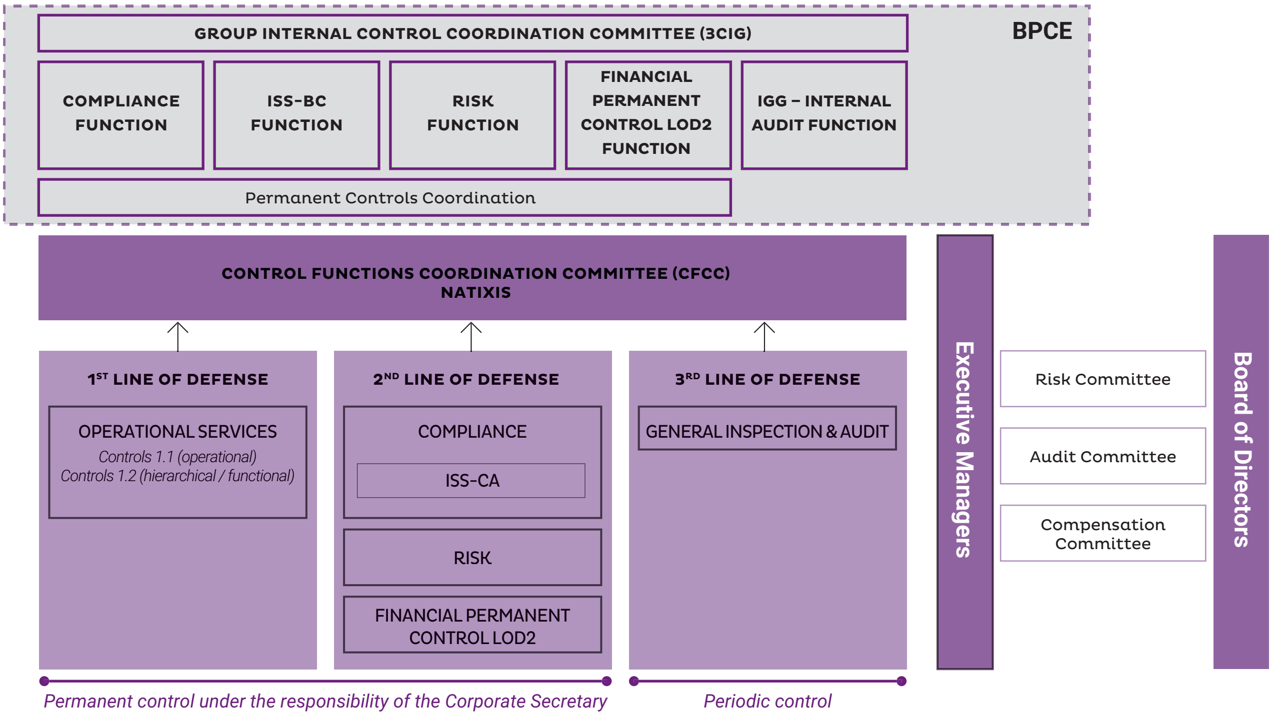
- a strict segregation of duties between units responsible for performing transactions and those that approve them, in particular accounting teams;
- strict independence between the operational and functional units responsible for undertaking and validating transactions, and the units that control them.

The **Control Functions Coordination Committee** coordinates the system as a whole.

The **executive managers**, under the supervision of the Board of Directors, are responsible for implementing Natixis' internal control system in its entirety.

The **Board of Directors** is kept regularly informed of all significant risks, risk management policies and changes made thereto.

Organization of Natixis' internal control system



3.2.1.2 The Control Functions Coordination Committee

The Control Functions Coordination Committee (CFCC) is chaired by the Natixis Chief Executive Officer or his substitute, the Corporate Secretary. It brings together the Chief Risk Officer, the Head of Compliance, the Inspector General, the ISS-BC manager, the Head of the Permanent Financial Control Department, a representative of the BPCE General Secretariat and, as necessary, certain managers, operational or functional. The CFCC coordinates the entire internal control system by:

- addressing all issues pertaining to the organization and planning of control services;
- highlighting areas of emerging or recurring risk within the scope under consideration and reporting any significant anomalies observed to the executive body (for example, monitoring the backlog of the main corrective measures); and
- providing the executive body with updates on ongoing controls performed by internal or external control functions or by regulators, and ensuring that the conclusions from these undertakings are taken into account by the operational business lines.

The CFCC met four times in 2020.

The conclusions of controls carried out under this system, supplemented with the results of external audits are reported to the Board of Directors via its extensions, the Audit Committee and the Risk Committee.

3.2.1.3 First-level permanent control

First-level permanent controls are carried out by operational or functional staff on the transactions they perform, following internal procedures and legal and regulatory requirements. Transactions may be subject to a control by operational staff themselves (level 1.1) and to a separate control by the chain of command or by a functional department responsible for validating these transactions (level 1.2).

The first-level controls are centrally managed through a dedicated tool that is used to consolidate results, identify areas at risk and produce reports. The Compliance Department helps the operational departments or support functions define and update these controls.

3.2.1.4 Second-level permanent control

Second-level permanent controls are performed by four departments that are independent of operational and support function staff.

The **Compliance Department** is responsible for carrying out permanent controls in relation to non-compliance risks, in particular around the following areas: customer protection, professional conduct and ethics, market abuse and financial security. In addition to the risks of non-compliance, the division carries out permanent second-level controls on certain operational risks. In addition, the Compliance Department monitors the implementation by operational business lines and support functions of the recommended corrective measures *(for more details on non-compliance risks, see section 3.2.8)*.

The main actions of the **Information Systems Security and Business Continuity Systems Department** (SSI-BC) relate to the definition and monitoring of the regulatory framework in terms of technological risks. As such, this department defines policies and rules, carries out second-level control and oversees the assessment and management of associated risks. The second-level control plan is made up of a section that applies to Groupe BPCE as a whole supplemented by a section that is more specific to Natixis. It is the result of a risk-based approach. These controls are carried out on the basis of first-level controls reported by the contributors (Information Systems Department, logical security correspondent for authorizations, local manager of the business continuity plan) *(for more details on technological risks, see section 3.2.8)*.

The **risk division** performs controls on credit and counterparty risk, market and liquidity risk, overall interest rate risk, operational risk and model risk. Specific risks related to the Insurance and Asset Management activities are included in these controls, and its scope of action extends to all the entities within Natixis' consolidation scope *(see section 3.2 for more detailed information)*.

The **permanent financial control team** in the Accounting and Ratios Department reports functionally to the Compliance Department. This team helps to ensure the reliability of accounting and financial information, through the implementation of control systems covering accounting, tax returns and essential reports produced by the Finance Department, which cover all the reports required by the regulator *(see Chapter 5 section 5.5 – Internal control procedures relating to accounting and financial information)*.

3.2.1.5 Periodic controls

Third-level controls, or periodic controls, as defined by the French Ministerial Order of November 3, 2014, are performed by the General Inspection Department.

In this respect, the General Inspection Department is independent of all operational entities and support functions. With no operational role, it can never find itself in a position of conflict of interest. It reports to Natixis' Chief Executive Officer. Natixis' Inspector General is a permanent guest on Natixis' Audit and Risk Committees. He or she has the opportunity to meet with the Chairman of the Risk Committee one-on-one. The General Inspection Department has a strong functional link with its BPCE counterpart, in accordance with the Natixis Audit Charter. In accordance with these principles, the General Inspection Department coordinates a global audit function at Natixis and is part of the Groupe BPCE Internal Audit Function.

The General Inspection Department reports on all its activities and projects to the Risk Committee, which then presents a summary report to the Board of Directors.

It conducts audits across Natixis' full scope (parent company, subsidiaries and branches) and covers all classes of risk arising from the various business activities carried out. It has full and unrestricted access to all information, confidential or otherwise. Its field of investigation encompasses all of Natixis' operational activities, its support functions –] including entities in charge of permanent control assignments – and its outsourced activities. For all the business lines, these audits lead to an assessment of the suitability of existing control points in the processes audited as well as an appraisal of the risks arising from the relevant activities. It makes use of recurrent work in the area carried out by operational departments and permanent control teams. The audits lead to recommendations ranked in order of priority to strengthen the mechanisms for controlling and managing audited risks and to make them more comprehensive.

The reports are sent to BPCE's Chairman of the Management Board and General Inspection Department and to Natixis' Chairman of the Risk Committee and senior management, as well as to the audited units.

The General Inspection Department monitors the implementation of recommendations and presents its findings to Natixis' Senior Management Committee, the Risk Committee and the Board of Directors via the Chairman of the Risk Committee. To this end, it performs due diligence and carries out follow-up audits.

The work of Natixis' General Inspection Department is based on an annual Audit Plan drafted and executed jointly with BPCE's Inspection Générale, after consulting the various members of the Senior Management Committee. The Chairmen and Chairwomen of the Audit and Risk Committees are also consulted. This annual program is part of a four-year plan that sets out the intervention frequency and adapts resources to the risks and to the relevant regulatory requirements.

The audit plan may be revised during the year, at the request of general management or if circumstances require (current events, deterioration of the environment or the emergence of new risks, for example). In addition to conventional audit assignments, the General Inspection Department is also able to carry out ad hoc audits in order to address issues arising during the year and not initially included in the Audit Plan.

Natixis' annual and multi-year audit plans are approved by its Chief Executive Officer. The Annual Audit Plan is examined by the Risk Committees of Natixis and BPCE and approved by the Natixis Board of Directors.

In 2020, the General Inspectorate carried out missions on all the risk classes generated by Natixis' activities, while strengthening the resources devoted to managing risks related to market activities and the use of models, as well as the control of credit risks caused by the deterioration of the situation linked to the health crisis. In addition, a number of projects and specialized sites have mobilized all the staff of the general inspectorate throughout the department, in order to strengthen the quality control of auditing and the implementation of recommendations, as well as to promote the use of data analysis techniques. The working methods and program of missions have been adapted to meet the constraints of the lockdown imposed by the health crisis.

Lastly, Natixis' General Inspection Department collaborated with its BPCE counterpart on a number of projects and assignments. The two departments held six meetings in 2020. These meetings provided a forum for addressing matters related to audit plans and practices, as well as matters related to risk assessment and assignment evaluation (Joint General Inspection Coordination Committee).

3.2.2 Risk governance and management system

3.2.2.1 Risk management system

Natixis' risk management is based on independent control functions, each addressing the risks falling within their scope of oversight.

The risk management function, carried out by the risk division, is structured as an independent and global matrix that covers all scopes and related geographic areas.

In 2020, the risk management function was slightly adjusted to better support Natixis' transformation and its target operating model. It is now organized around four main areas:

- six cross-functional departments (Credit Risk, Market Risk, Operational Risk, Structural Balance Sheet Risk, Enterprise Risk Management and Model Risk & Risk Governance) covering their specific risks, with Enterprise Risk Management dedicated to risk model development and risk and regulatory project management activities and the newly created Structural Balance Sheet Risk (SBSR) aimed at structural balance sheet risks operations, thereby including a number of tasks that were initially carried out by the MARPL (Market Activities Risks, P&L and Liquidity) Department, known as Market Risk since 2020;
- three regional departments operating in the geographic areas of the platforms (Americas, Asia-Pacific and EMEA [Europe, Middle East, Africa]);
- three departments dedicated to Asset & Wealth Management, Insurance and Payments;
- a dedicated IT department.

The risk management function steers the risk appetite framework, recommends risk policies consistent with those of Groupe BPCE to senior management for approval, and makes proposals to the executive body on principles and rules in the following areas:

- risk-taking decision procedures;
- delegation framework;
- risk measurement;
- risk oversight.

It also independently validates models as part of its wider risk model management framework.

It plays an essential role within the Committee structure, the highest-level of which is Natixis' Global Risks Committee, which meets once per quarter.

In addition, it regularly reports on its work, submitting its analyses and findings to Natixis' executive managers, to Natixis' supervisory body, and to Groupe BPCE. A dedicated function generates a consolidated risk overview using a scorecard that indicates the various risks (credit, market, liquidity, operational, modeling, etc.). To fulfill these responsibilities, the risk division uses an IT system tailored to the activities of Natixis' core businesses, applying its modeling and quantification methods for each type of risk.

The management and monitoring of Natixis' structural balance sheet risks are under the authority of the Asset/Liability Management Committee (or "ALM Committee"). The ALM Committee's monitoring scope includes overall interest rate risk, liquidity risk, structural foreign exchange risk and leverage risk.

The Compliance function oversees the non-compliance risk management system of Natixis S.A. and of its French and international branches and subsidiaries. It is also in charge of fraud risk prevention, information systems security, and business continuity.

Its operating rules are governed by a charter signed off by the Senior Management Committee.

The Compliance Function's preventative actions – advice, raising awareness and training – are a key driver to improving Natixis' management of compliance risk.

3.2.2.2 Organization

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

Risk management governance is a structured organization involving all levels of the bank:

- the Board of Directors and its special Committees (Risk Committee, Audit Committee, etc.);
- the executive managers and the special Risk Committees they chair within the bank;
- the central divisions, independent of the businesses;
- the business lines (Asset & Wealth Management, Corporate & Investment Banking, Insurance, and Payments).

3.2.2.3 Risk culture

Natixis is defined by its strong risk culture at every level of the organization.

The risk culture is central to the risk function's guiding principles, as set out in the Risk Charter. Its priorities are twofold:

- **harmonizing best practices** within the bank by deploying a compendium of risk policies, standards and procedures covering all the bank's major risks (credit, market, operational and model) and outline the bank's strategic vision and risk appetite;
- **deploying a three-pillar strategy** in respect of the bank's risk culture:
  - a first pillar seeking to raise awareness and inform, by strengthening the division's digital communications (Risk in Mind digital magazine, strengthened presence of the risk function on Yammer, etc.) and implementation of "Lessons learned" sessions, the aim being to learn from past incidents and share the lessons learned,

- a pillar focused on training with, in addition to mandatory e-learning modules, efforts to promote the training of all employees in specific subjects, notably relating to regulatory changes, onboarding sessions for new colleagues and a "discovery" program to give insight into the business lines and control functions,
- a "career path" pillar incorporating "risk culture" as a recruitment criterion, the introduction of cross-over business/risk pathways and the inclusion of "risk culture" as an employee appraisal criterion.

Initiatives aimed at inculcating the risk culture are run throughout the year. 2020 was marked by the first edition of the Risk Meeting Point newsletter and by the overhaul of the risk intranet tool, which was replaced by a sharepoint aimed at increasing and facilitating access to risk-related information through more interactive environment.

The Code of Conduct adopted by Natixis in December 2017 is another effective means of inculcating the risk culture, as it defines the rules of conduct applicable to all employees, and encourages greater involvement and accountability.

Four guiding principles serve as the building blocks of Natixis' DNA and are adapted to each profession and function. The rules fall into the following themes:

- being client-centric;
- behaving ethically;
- acting responsibly towards society;
- protecting Natixis' and Groupe BPCE's assets and reputation.

An e-learning module was made mandatory for all employees and was rolled out after adapting the performance indicators and dashboards to each entity.

An analysis was then presented at Conduct Committee Meetings held for each entity. They are four-party Committees that bring together the business line, human resources, compliance and the risk division.

Lastly, Natixis' compensation policy is structured in a way that encourages the long-term commitment of the Company's employees while ensuring appropriate risk management.

3.2.2.4 Risk appetite

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

Natixis' risk appetite is defined as the nature and the degree of risk that the bank is willing to take within the bounds of its business model and strategy.

It is consistent with Natixis' strategic plan, budget process and business activities, and falls within Groupe BPCE's general framework on risk appetite which is based on two items:

1. the Risk Appetite Statement (RAS), which sets out, in qualitative and quantitative terms, the risks that the Bank is prepared to take based on its business model;
2. the Risk Appetite Framework (RAF), which describes the interface between the organization's key processes and the implementation of the governance that puts the RAS into action.

Risk appetite is reviewed annually by senior management and approved by the Board of Directors after consultation by the Risk Committee.

The Risk Appetite Statement

Natixis' risk appetite principles result from the selection and control of the types of risks that the Bank is prepared to take in pursuit of its business model. They ensure consistency between Natixis' overarching strategic guidelines and its capacity to manage risks.

The business model developed by Natixis is based on its recognized areas of expertise (corporate financing, capital market activities, Asset & Wealth Management, Insurance and Payments), in response to the needs of its clients and those of Groupe BPCE.

The Bank seeks sustainable and consistent profitability in balance with its consumption of scarce resources (capital, liquidity, balance sheet). It declines any engagement with activities that it does not master.

Activities with high risk/profitability ratios are subject to strict selection and oversight. Market risk management in particular has a highly selective investment approach, coupled with limited tolerance for extreme risk, and very close monitoring.

Natixis incurs risks that are intrinsic to its Corporate & Investment Banking, Asset & Wealth Management, Insurance and Payments business activities:

- **credit risk** generated by Corporate & Investment Banking is managed under specific risk policies adapted by business and subsidiary, concentration limits defined by counterparty, country (mature and emerging) sector, and through extensive portfolio monitoring with stress tests and segment reviews. The system allows for the selective management of issuance commitments through independent analyses (business lines/risk function) conducted by the various Credit Committees;
- the bank's market activities – which aim to meet the needs of its clients and exclude all forms of proprietary trading – **incur market risk**. The market risk supported thereby is managed according to a body of risk policies and specific qualitative and quantitative indicators (e.g. list of authorized instruments, VaR measurement, stress tests, sensitivity);
- **leverage risk and liquidity risk** are monitored by financial management and are subject to specific oversight by senior management within a dedicated governance body (ALM Committee every two months). These two risks require setting specific objectives for managing scarce resources using a dedicated framework and management objectives for leverage required for business lines. In addition, liquidity risk is monitored in collaboration with BPCE, the "ultimate lender" for affiliates and responsible for MLT issues of public "vanilla" funding transactions. Within structural balance sheet risks, Natixis is exposed to credit spread risk;
- **the bank's solvency trajectory** is set by senior management and overseen by the accounting and ratios department, which sets the target levels of capital and regulatory capital requirements. This trajectory takes into account changes in the bank's scope and activity, methodological changes, particularly with regard to regulatory capital requirements, as well as debt issuance or equity;

- **operational risk**, due to its nature, is present across all the bank's business lines and functions. It is managed through a system, which has been rolled out across the business lines and geographic regions, using a shared data collection tool to map risks on an annual basis and provide feedback on losses and incidents, in collaboration with the other control functions, which enables to implement corrective and preventive action plans accordingly; As a rule, Natixis has no particular appetite for operational risk and manages it very closely;
- Natixis is exposed to **non-compliance risks** in respect of banking and financial regulations, which it is committed to control through the implementation of a Code of Conduct and strict compliance with the laws, regulations and standards governing its activities, in France and internationally, in the realm of financial security, ethics and client protection;
- Natixis' most important asset is its **reputation** and its relationship with its clients. Clients' interests are therefore put first and the bank – irrespective of the business activity, entity or geographic region – is dedicated to operating at the highest level of ethical standards, and in line with the best transaction execution and security. This risk arising from the existence of other "direct" risks such as financial, legal or operational risks is closely using indicators that combine an ex-ante/ex-post approach;
- **model risk** concerns both internal models within the meaning of Directive 2013/36/EU (CRD IV) and all other models by the bank (including those used for the valuation of financial products) within the meaning of the definition of a model under Directive SR 11-7 of the Board of Governors of the Federal Reserve System. It mainly concerns the Corporate & Investment Banking market activities and is subject to specific governance and monitoring through ad hoc indicators;
- Natixis brings together the risks related to Insurance activities (Natixis Assurances), Asset Management (Natixis Investment Managers) and those related to Payments activities, under specific scopes. With regard to **Insurance activities**, the main risks incurred by the bank concern underwriting risk, in particular for non-life risks and market risks arising from the investments of insurance companies (interest rate risk, equity risk, spread risk, real estate risk and foreign currency risk).

Risk Appetite Framework

Each risk identified and considered material for the bank is monitored using an indicator and tolerance thresholds:

- a threshold setting the risk etting the risk exposure allocated to each business line; and
- a limit stating the maximum risk that, if exceeded, would pose a risk to Natixis' business continuity and/or stability (in terms of solvency, liquidity, results and reputation).

Any breach of the tolerance thresholds (thresholds and limits) defined in the Risk Appetite Framework is subject to a notification and escalation procedure with executive managers and subsequently the supervisory body. This operational framework is applied by type of risk (credit and counterparty risk, market risk, structural balance-sheet risks, including liquidity risk and leverage risk, operational risk, solvency risk, etc.) and draws on Natixis' pre-existing measuring and reporting systems.

It is regularly reviewed, consolidated and presented to the Senior Management Committee and the Board of Directors' Risk Committee.

The risk appetite framework forms part of Natixis' main processes, especially regarding:

- risk identification: every year risks are mapped to give an overview of the risks to which Natixis is or could be exposed (by business line and type of risk). With this approach it is possible to identify material risks, the indicators of which are included in the risk appetite framework;
- the budget process and overall stress tests.

In accordance with regulations concerning systemically important financial institutions, Groupe BPCE has drawn up a recovery prevention plan (PPR).

3.2.2.5 Risk typology

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

Natixis is exposed to a set of risks inherent to its activities, which may change, particularly as a result of regulatory requirements.

Credit and counterparty risk

Credit risk is the risk of financial loss due to a debtor's inability to honor its contractual obligations. Assessing the probability of default and, in such cases, how much we can expect to recover is a key component of measuring credit quality. Credit risk increases in periods of economic uncertainty, insofar as such conditions may lead to a higher rate of default.

Counterparty risk is the risk of exposure to a counterparty defaulting on market transactions. Counterparty risk evolves as market parameters fluctuate.

Natixis is exposed to these risks because of the transactions it executes with its customers (for example, over-the-counter derivatives [swaps, options, etc.], and repurchase agreements).

Securitization risk

Securitizations are transactions whereby credit risk inherent to a set of exposures is housed in special-purpose entities (generally a special-purpose entity (SPE) or "conduit"), which is then divided into tranches, usually for the purpose of selling them to investors. The SPE issues units that may in some cases be subscribed for directly by investors, or by a multi-seller conduit which refinances the purchases of its shares by issuing short-maturity notes (treasury notes or commercial paper).

Rating agencies assess the creditworthiness of available-for-sale units for investors.

In general, securitizations have the following characteristics:

- they result in a material transfer of risk where the transaction is originated by Natixis;
- payments made in the course of the transaction depend on the performance of the underlying exposures;
- the subordination of tranches, defined by the transaction, determines the distribution of losses over the term of the risk transfer.

Market risk

Market risk is the risk of loss in value caused by any adverse fluctuations in market parameters. These parameters notably include the prices of securities (bonds, equities) and raw materials, interest rates, prices derivative financial instruments and foreign exchange rates.

Asset liquidity is an important component of market risk. In the event of insufficient or non-existent liquidity (for example, because of a reduced number of transactions, or a major imbalance in the supply and demand of certain assets), a financial instrument or any other tradable asset may not be able to be traded at its estimated value.

The absence of liquidity may lead to reduced access to Capital Markets, unforeseen cash or capital requirements, or legal restrictions.

Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, whether this is attributable to employees or information systems, or relate to external events with financial, regulatory, legal or reputational impacts.

The Groupe BPCE Insurance Department is tasked with analyzing insurable operational risks and taking out appropriate insurance coverage. Natixis and its subsidiaries benefit from insurance policies pooled with Groupe BPCE against potentially significant consequences resulting from fraud, embezzlement and theft, operating losses or the incurring of Natixis' civil liability or that of its subsidiaries or the employees for which it is responsible.

Non-Compliance risk

Non-compliance risk is defined in French regulation as the risk of a legal, administrative or disciplinary penalty, accompanied by significant financial losses or reputational damage, that arises from a failure to comply with the provisions specific to banking and financial activities, whether these are stipulated by national or directly applicable European laws or regulations, or by instructions from executive managers, issued in accordance with the policies of the supervisory body. This risk is a sub-category of operational risk, by definition.

Cyber risk

Cyber risk is caused by a malicious and/or fraudulent act, perpetrated digitally in an effort to manipulate data (personal, banking/insurance, technical or strategic data), processes and users, in order to cause material losses to companies, their employees, partners and clients. The transformation of banking information systems, the new technologies it heralds and the increased outsourcing of related services offer cybercriminals new opportunities to carry out increasingly sophisticated and automated attacks.

Natixis' ability to conduct its business is determined by the availability of its information system, the guaranteed integrity and confidentiality of data and the traceability of every transaction.

Reputational risk

Reputational risk is the risk of damage to the confidence shown in the Company by its customers, counterparties, suppliers, employees, shareholders, supervisors, or any other third parties whose trust, in whatever respect, is a prerequisite for the normal conduct of business.

Reputational risk is essentially a risk contingent on the other risks incurred by the bank.

Legal risk

Legal risk is defined under French regulations as the risk of any legal dispute with a third party, arising from an inaccuracy, omission or deficiency that may be attributable to the Company's operations.

Model risk

This is the risk of direct economic loss or economic loss as a consequence of an image problem or legal dispute or reputational harm, due to errors made when defining, implementing or using valuation models, regulatory capital models or other models.

Overall interest rate risk

Natixis' overall interest rate risk is defined as the risk of loss on the banking portfolio due to mismatches between interest rates on assets and on liabilities.

As is the case for most corporate and investment banks, Natixis has very few assets and liabilities generating structural interest rate positions. Natixis' overall interest rate risk concerns contractual transactions. The most significant positions concern exposures to the short end of yield curves and are predominantly linked to the lag between IBOR fixing dates. This is therefore classed as a secondary risk at the bank level.

Liquidity risk

Liquidity risk is the risk that Natixis will be unable to honor its commitments to its creditors due to the positive difference of maturities between assets and liabilities. This risk could arise, for example, in the event of massive withdrawals of customer deposits, a crisis of confidence, or an overall market liquidity crisis. As a corporate and investment bank, this risk results primarily from mismatched positions between transactions with contractual maturities, as Natixis has fewer stable and permanent customer resources than retail banks, and partly funds its operations on the markets.

Spread risk is the risk of an increase in the cost of funding in the event of a liquidity crisis, given fixed-margin long-term assets, or when forced to reinvest long-term funds at higher rates relative to available assets.

Structural foreign exchange risk

Structural foreign exchange risk is defined as the risk of transferable equity loss generated by an unfavorable fluctuation in exchange rates against the currency used in the consolidated accounts due to a mismatch between the currency of net investments (refinanced by purchases of the same currency) and the currency of equity.

Natixis' structural foreign exchange risk for the most part concerns structural positions in the US dollar due to the consolidation of foreign branches and subsidiaries funded in this currency.

Other risks

Insurance business-related risk: this risk is the risk to profits of any difference between expected and incurred claims. Depending on the insurance product in question, the risk varies according to macroeconomic changes, changes in customer behavior, changes in public healthcare policy, pandemics, accidents and natural disasters (such as earthquakes, industrial accidents or acts of terrorism or war).

Strategic risk is the risk inherent to the strategy chosen or resulting from Natixis' inability to implement its strategy.

Climate risk is the increased vulnerability of businesses to variations in climate indices (temperature, rainfall, wind, snow, etc.). It may be physical in nature (increase in extreme weather events) or related to environmental transition (new carbon regulations).

Environmental and social risks arise from the operations of the clients and companies in which Natixis invests.

3.2.2.6 Stress tests

Natixis has developed a comprehensive stress test mechanism to dynamically monitor and manage risks.

The set is an integral part of the risk and financial management system and contributes to Natixis' capital and regulatory requirements planning process.

Natixis' stress test mechanism is structured as follows:

- comprehensive internal and external exercises;
- periodic regulatory exercises;
- specific exercises by scope.

Comprehensive internal stress tests

The purpose of comprehensive internal stress tests is to assess the impact of a baseline economic scenario and of stressed economic scenarios on a bank's income statement, risk-weighted assets and equity.

The scenarios proposed by the Economic Research team are discussed and approved at a Groupe BPCE Executive Management Committee Meeting and presented at a Natixis Senior Management Committee Meeting.

They are converted into levels or shocks to economic and financial variables, such as GDP, inflation, employment and unemployment, interest and exchange rates, main stock market indice levels, and commodity prices, over a three-year period. These variables are factored into projection models used by Natixis to apply stress to the various aggregates on the income statement, risk-weighted assets and equity.

The baseline scenario's trajectory is derived from market consensus, forwards and futures.

As part of the global internal stress tests conducted in 2020, the scenarios are designed using impact assumptions in years 2021 to 2023 with respect to the COVID-19 crisis.

The first adverse scenario features an "L" shape economic recovery: the health crisis continues in 2021, followed by a limited recovery in the following years, without any significant improvement, due in particular to deflationary pressure in 2021 and 2022, before a gradual return to normal in 2023.

The second adverse scenario simulates tensions in the euro zone in 2021 and 2022, such as those observed in 2012 and 2013, related to the debt contracted by the member countries, following the health crisis experienced in 2020. In 2021, there is no economic improvement in the euro zone, unlike other main geographic areas. Southern euro zone countries, including France, are suffering from a sharp rise in unemployment and a further decline in GDP. Following the weakening of the euro and Brent prices, inflation is rising in the euro zone.

An opposite scenario, used for the reverse stress test, is constructed from the sensitivity observed on the various components of Natixis in order to achieve a predefined target for the CET1 ratio. The outcome of this scenario is a downgraded version of the first adverse scenario, with more serious effects on equity and credit spreads.

These projections are based on internal models, based on the sensitivities and trends observed in financial and economic variables, or on internal historical data.

The results of the stress tests were approved by the Senior Management Committee and presented to the Risk Committee of the Board of Directors. They have been analyzed as part of the process of calculating Natixis' solvency trajectory. This impact was measured in terms of net income group share, net revenues and Common Equity Tier 1.

These tests help evaluate the areas where Natixis shows vulnerability or weakness and contribute to the establishment of adaptive or remedial measures.

Furthermore, due to the uncertainty of an economic recovery related to the coronavirus epidemic, in the second quarter of 2020, an additional assessment of the P&L and solvency trajectories for 2020 and 2021 was prepared based on three economic scenarios.

A central scenario based on the latest IMF forecasts, a second more downgraded central scenario with in particular a sharper decline in GDP and an adverse scenario: the central scenarios simulate an improvement in 2021 unlike the adverse scenario which shows no recovery.

These trajectories were validated by the Executive Management Committee and presented to the ECB.

Regulatory stress tests

Regulatory stress tests comply with the ad hoc requirements of the ECB, the EBA and any other supervisory body: the last regulatory exercise was performed in 2018 using the methodology published by EBA for the ECB. Natixis contributed to the exercise conducted for Groupe BPCE's scope.

In order to mitigate the effects of the COVID-19 health crisis, the stress test planned for 2020 was postponed to 2021 by the EBA, to allow the European banking sector to prioritize operational continuity.

Specific stress tests

The specific stress test exercises run by the Natixis Risk division are detailed in the dedicated sections of this document (and in particular the credit stress tests detailed in section 3.2.3, subsection 3.2.3.9 "Commitment monitoring framework", as well as the market stress tests detailed in section 3.2.5, subsection 3.2.5.3 "Market risk measurement methods").

3.2.3 Credit and counterparty risks

3.2.3.1 Organization

The risk control framework is overseen by the risk division with the active involvement of all the bank's businesses and support functions. All the internal standards, policies and procedures are consistent with BPCE's framework and are reviewed periodically to take into account the results of internal controls, regulatory changes and the bank's risk appetite.

Credit risk management and control are performed in accordance with the segregation of duties. Accordingly, together with the other divisions, the risk division is in charge of monitoring credit risk through various departments that:

- define the credit risks policies and internal credit risk management procedures;
- set credit risk limits and exposure thresholds;
- issue transaction authorizations after a counter-analysis of the credit risk and the counterparty risk in line with the processes for credit approval and limit authorization;
- define internal rating methodologies and models;
- implement second-level permanent controls;
- monitor exposures and report to Natixis' senior management.

Working with the businesses, the main duty of the risk division is to provide an opinion, based on all relevant and useful information, on the risks taken by the bank.

Credit decisions are made within the limit authorizations granted jointly to the business lines and to certain members of the risk function, and are approved personally by the Chief Executive Officer or any other person he authorizes to that end. They are sized by counterparty category and internal credit rating, and by the nature and duration of the commitment. Furthermore, these authorizations can be exercised only when the transaction satisfies the criteria set out in the risk policy of each sector and activity.

In conjunction with BPCE, Natixis has defined the rating methods applicable to the asset classes held jointly.

3.2.3.2 Objectives and policy

Natixis' risk policies have been defined as a component of the bank's overall risk appetite and credit risk control and management framework. The policies are the product of consultation between the risk division and the bank's various business lines, and are intended to establish a framework for risk-taking while applying risk appetite and Natixis' strategic vision by business line or by sector.

Natixis now has some 20 risk policies, which are regularly revised and cover the various Corporate & Investment Banking businesses (corporates, LBO, aircraft finance, real estate finance, project finance, commodities finance, banks, insurance, etc.) and those of the subsidiaries.

The framework defined by these risk policies distinguishes between recommendations based on best practices, and strict (qualitative or quantitative) supervisory criteria, any deviation from which affects the decision-making process and the usual system of limit authorizations.

The quantitative framework is generally based on:

- commitment ceilings by business line or sector;
- commitment sub-limits by type of counterparty, type of product, or sometimes by geographic region.

This framework helps monitor the concentration of the bank's commitments in relation to a given sector or type of risk.

The qualitative framework is, for its part, built on the following criteria:

- business sectors: preferred sectors, banned sectors;
- targets: customers to be targeted or excluded based on various criteria (size, rating, country of operation, etc.);
- structuring: maximum durations, financial ratios, contractual clauses, collateral arrangement, etc.;
- products.

Checks are carried out as required during the individual processing of loan applications to ensure the correct application of the risk policy. Overall monitoring also takes place on a quarterly basis (checking compliance with ceilings and the number of deviations) and is presented to the Global Risk Committees.

3.2.3.3 General principles for granting loans and managing credit risk

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

Natixis' credit risk measurement and management procedures are based on:

- a standardized risk-taking process, structured via a system of limit authorizations and decision-making Committees;
- independent analyses carried out by the risk division during the loan application review process;
- rating tools and methodologies providing standardized and tailored assessments of counterparty risk, thereby making it possible to evaluate the probability of default within one year and the loss given default;
- information systems that give an overview of outstanding loans and credit limits.

3.2.3.4 Counterparty risk management

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

The principles of counterparty risk management are based on:

- measurement of exposure to counterparty risk;
- counterparty risk limits and allocation procedures;
- a value adjustment in respect of counterparty risk (credit valuation adjustment);
- counterparty risk mitigation;
- incorporation of wrong-way risk.

Measuring exposure to counterparty risk

Natixis uses an internal model to measure and manage its own counterparty risk. Based on Monte Carlo-type simulations for the main risk factors, the model measures the positions for each counterparty and for the entire lifespan of the exposure, taking into account the netting and collateralization criteria.

Thus, the model determines the EPE (Expected Positive Exposure) profile and the PFE (Potential Future Exposure) profile, the latter of which is the main indicator used by Natixis for assessing counterparty risk exposure.

For the purpose of determining capital requirements for counterparty risk, the European Central Bank has partially authorized Natixis S.A. to use the internal EEPE (Effective Expected Positive Exposure) model to calculate exposure. For other entities, as well as the scope of operations for which Natixis S.A. is not authorized to use the EEPE model, exposure is determined using the mark-to-market method.

Counterparty risk limit framework

The limits are defined depending on the counterparty risk profile and after analysis of all information relevant and useful for decision-making purposes.

The limits are in line with Natixis' credit approval process and are reviewed and approved either by means of delegated authority or by credit Committees.

The limits are monitored daily using the dedicated consolidation systems to ensure compliance with the supervision mechanisms.

Credit valuation adjustment

Natixis includes credit valuation adjustments (CVA) in the valuation of derivative instruments.

These adjustments comprise the expected loss as per a counterparty's default risk and aim to account for the fact that Natixis cannot recover the entire market value of the transactions.

Natixis has calculated capital requirements for the CVA since January 1, 2014.

Wrong-way risk

Wrong-way risk refers to the risk that Natixis' exposure to a counterparty is heavily correlated with the counterparty's probability of default.

From a regulatory standpoint, this risk is presented as two concepts:

- specific wrong-way risk, i.e. the risk generated when, due to the nature of the transactions entered into with a counterparty, there is a direct link between its credit quality and the amount of the exposure;
- general wrong-way risk, i.e. the risk generated when there is a correlation between the counterparty's credit quality and general market factors.

Specific wrong-way is subject to specific own funds requirements (Article 291.5 of the European Regulation of June 26, 2013, on prudential requirements for credit institutions and investment firms) and to prior approval of specific limits.

General wrong-way risk is covered through limits defined for emerging countries.

3.2.3.5 Rating system

Internal rating system

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

The internal rating system is an integral part of Natixis' credit risk assessment, monitoring and control mechanism. It covers all the methods, processes, tools and controls used to evaluate credit risk. It takes into account fundamental inputs, including probability of default (PD), which corresponds to a rating as well as loss given default (LGD), which is expressed as a percentage.

Pursuant to regulatory requirements, all counterparties in the banking book and the related exposures must have an internal rating if they:

- carry a loan or are assigned a credit limit;
- guarantee a loan;
- issue securities used as collateral for a loan.

The internal rating mechanism is based on:

- internal rating methodologies specific to the various Basel asset classes and consistent with Natixis' risk profile; there is a unique rating procedure and methodology for each type of counterparty;
- an IT system used for managing the successive stages of the rating process, from the initiation of the process to the approval and logging of the complete process;
- procedures and controls that place internal ratings at the heart of the risk management system, from transaction origination to ex-post analysis of defaulting counterparties and the losses incurred on the relevant loans;
- periodic reviews of rating methodologies, the method for calculating the LGD and the underlying risk inputs.

With respect to country risk, the system is based on sovereign ratings and country ratings that limit the ratings that can be given to non-sovereign counterparties. These ratings are reviewed annually or more often if necessary.

Since September 30, 2010, Natixis has used specific internal rating methods for each asset class that are approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR – French Prudential Supervisory Authority), and that use the advanced internal ratings-based method (A-IRB) to rate "corporates", "sovereigns", "banks", "Specialized Financing" exposure categories.

Ratings are established based on two approaches: statistical, and an approach based on expert appraisals.

Indicative equivalents between internal ratings based on expert appraisal and external agency ratings (corporates, banks, Specialized Financing institutions)

Internal rating	S&P/Fitch equivalent	Moody's equivalent	1-year PD
AAA	AAA	Aaa	0.03%
AA+	AA+	Aa1	0.03%
AA	AA	Aa2	0.03%
AA-	AA-	Aa3	0.03%
A+	A+	A1	0.03%
A	A	A2	0.04%
A-	A-	A3	0.09%
BBB+	BBB+	Baa1	0.17%
BBB	BBB	Baa2	0.31%
BBB-	BBB-	Baa3	0.52%
BB+	BB+	Ba1	0.84%
BB	BB	Ba2	1.29%
BB-	BB-	Ba3	1.90%
B+	B+	B1	2.73%
B	B	B2	3.82%
B-	B-	B3	5.23%
CCC+	CCC+	Caa1	7.01%
CCC	CCC	Caa2	9.24%
CCC-	CCC-	Caa3	11.98%
CC	CC	Ca	15.32%
C	C	C	19.36%

The rating scale varies according to the type of counterparty and includes 21 notches for major corporates, banks and Specialized Financing institutions. It should be noted that internal ratings are also one of the criteria used to determine the level of authority required to approve credit applications.

External rating system

For outstandings measured using the standardized approach, Natixis uses external rating systems of the agencies Fitch Ratings, Standard & Poor's, Moody's and DBRS (Dominion Bond Rating Service).

The external rating agencies' alphanumeric credit rating scales and the risk weighting coefficients are reconciled in accordance with the note published by the ACPR: Method for calculating prudential ratios within the CRD IV (Capital Requirements Directive IV).

When a bank portfolio exposure does not have a directly applicable external credit rating, the Bank's customer standards allow – on a case-by-case basis and after analysis – the application of a rating based partially on an internal or exposure rating of the issuer (or of the guarantor, if applicable).

3.2.3.6 Validation of internal models

Validation of models

In accordance with regulatory requirements, Natixis has established internal model validation policies and procedures for evaluating credit and counterparty risk. This independent model validation policy is part of its wider risk model management framework.

As part of the Model Risk & Risk Governance which reports to the Chief Risk Officer, Model Risk Management (MRM) is responsible for the governance and standards applicable to a model's life cycle. The various stages of a model's life cycle – design, IT development, validation, and use – are clearly presented and the roles and responsibilities of each participant specified and detailed.

Internal counterparty risk models and rating models are validated by the validation team of the Groupe BPCE risk department or, acting with the authorization of the Groupe BPCE Group MRM Committee, by the Natixis risk division's Risk Model Validation team. The Natixis Risk Model Validation team uses a six-fold validation process:

- data and parameters applied by the model: analysis of data quality and representativeness, integrity of controls, error reports, comprehensiveness of data, etc.;
- methodology: analysis of model's underlying theory, analysis of estimates, sizing methods, risk indicators, aggregation rules, model benchmarking, analysis of precision and convergence;
- usage and robustness test: the validation team ensures that the internal models are used by qualified staff, that usage procedures are documented and up to date, and conducts independent ex-post controls and stress tests;
- IT development: counter-implementation, code analysis, tests;
- compliance with regulations: gap analysis;
- documentation: analysis of quality and comprehensiveness of methodological documentation received.

The design, modification and ongoing management of the model are performed by the model designers on behalf of the model owner. Model Risk Management, an independent entity, is called upon for all new models as well as for all modifications or improvements to existing models. On an annual basis, this team in charge of designing the rating models and, more generally, calculating credit or counterparty risk, regularly reviews the models which cover the analysis of backtesting and usage tests.

The third line of defense is the General Inspection Department, which annually reviews internal models and compliance with the risk model management framework and the correct application by Model Risk Management of its own policies and procedures.

Where authorization is granted, the findings and results of the model validation process performed at Natixis are presented to the Risk Model Oversight Committee for confirmation, then submitted to the Model Risk Management Committee for approval before being sent to the Standards and Methods Committee of the Groupe BPCE Risk, Compliance and Permanent Control division for final validation and possible submission to the regulator.

This Model Risk Management Committee is tasked with supervising the risk model for all of Natixis' activities by, on one hand, approving validation reports and the related remediation plans and, on the other hand, monitoring consolidated risk model indicators. The Risk Model Oversight Committee is chaired by the Head of the Model Risk & Risk Governance Department. The Model Risk Management Committee is chaired by the Chief Executive Officer of Natixis, directly or indirectly through a specific delegation of authority.

Rating tool performance monitoring and backtesting

Backtesting and benchmarking are an integral part of the model validation process. Backtesting and performance monitoring programs are used at least once a year to ensure the quality and reliability of rating models, LGD estimates and probability of default scales. They include a detailed analysis based on a range of indicators, e.g. differences in terms of severity and migration compared with agency ratings, observed defaults and losses and changes in ratings prior to default, and the performance measurements of LGD models, based on the quantitative analysis of historical data and supplemented by qualitative analysis.

Rating method performance monitoring and backtesting of PD

The rating methods are periodically checked and undergo external benchmarking to ensure the consistency of ratings produced using expert appraisal methods, as well as their robustness over time according to regulatory requirements. The monitoring methods are defined through a backtesting procedure tailored to each type of model.

For Natixis, the corporate (including structured finance), interbank and sovereign portfolios, which are handled using dedicated rating tools, have the lowest default rates (Low Default Portfolios). These portfolios are backtested in accordance with their specific nature, namely the low number of defaults and the difficulty in creating and maintaining a PD scale based on internal data.

The backtesting procedure, which draws on these data (and sometimes external data in the case of backtesting of the banking model or the major corporates rating grids particularly), consists of two stages: an analysis of the absolute performance, which is based on the default rate and internal migrations, and an analysis of the relative performance, which is based on a comparison with external ratings. Alerts are triggered by performance rules and indicators as necessary.

These checks are conducted by backtesting the various rating models once a year by scope and the results are presented to the Credit Risk Model Monitoring Committee (CRMMC) which meets at least quarterly. Subsequently, the results are submitted to the internal validation team (Model Risk Management) and presented to the various Committees in order to inform the bank's management.

The CANO Committee:

- serves as a forum for presenting the results of performance and stability measurements;
- analyzes the indicators whose alert thresholds have been exceeded;
- decides on any measures to be taken to correct any deviations or anomalies. These measures may take different forms, including changing rating practices, methodologies, performance analyses or alert threshold values.

The severities observed between internal ratings and agency ratings are studied. Natixis analyzes all internal ratings of counterparties, which are also rated by rating agencies (Standard and Poor's, Moody's and Fitch). The extent to which the risk assessments are aligned can be determined through these analyses.

The change in the portfolio's credit quality over one year is also analyzed by looking at internal rating migrations. Additional indicators are also calculated to verify the internal risk ranking (Gini Index, average rating, previous year's ratings, ratings of counterparties that have defaulted) and provide statistics as a supplement to the qualitative analyses.

Monitoring and backtesting of internal LGD, CCF and ELBE under the advanced method

The LGD, ELBE and CCF *(see glossary)* levels for the different lending scopes are backtested at least once a year (based on internal data), as are the rating models and the associated PD, to verify the reliability of the estimates over time.

LGD, CCF and ELBE backtesting is carried out by the risk division's teams to:

- verify that the model is correctly calibrated;
- review the model's discrimination power;
- assess the model's stability over time.

The inputs of the models for the scope of Specialized Financing and collateral (financial or other) are regularly updated, so that they reflect actual conditions as accurately as possible. Both the market inputs and collection inputs are updated.

The losses and estimates produced by the models are compared based on historical data covering as long a period as possible.

The indicators defined for backtesting are used both to validate the model and measure its performance. Two main types of indicators are used:

- population stability indicators: these analyses are used to check that the population observed is still similar to the population that was used to build the model. The model may be called into question if the segmentation variables or the LGDs result in excessively large distribution differences. All of these indicators are compared against the benchmark indicators (usually those calculated when the model was built or those issued by external data or agencies). These analyses are applicable to both expert appraisal-based models and statistical models;

- model performance indicators: the model's performance is measured to validate the segmentation and also to quantify, overall, the differences between the forecast and actual figures. This is achieved by using statistical indicators, which are compared against those calculated during modeling.

Loss given default models (internal LGD) are calculated:

- based on internal and external histories and an external benchmark for banks and sovereigns;
- on a statistical basis for the corporate asset class;
- using stochastic models if there is a claim against a financial asset.

The results of the backtesting may require recalibrating the risk input, where appropriate.

Once complete, a backtesting report is produced to represent:

- all the results of the backtesting indicators used;
- any additional analyses;
- an overall opinion of the results in accordance with the Group's standards.

The report is then submitted to the internal validation teams (Model Risk Management) for their input, and subsequently presented to the various Committees to inform the bank's management.

Backtesting of LGDs and PDs by exposure class

	2020 backtesting figures			
	Observed LGDs	Model LGDs	Observed default rate	Estimated PD
Sovereigns	40.20%	65.20%	0.37%	2.23%
Banks	29.33%	58.37%	0.18%	0.49%
Corporate	29.64%	32.77%	0.55%	0.66%

This table provides a general summary of the system's performance but differs from the annual backtests carried out within the Group, which are conducted on a model-by-model basis and not overall by portfolio. However, this table allows a comparison of estimates and actual results for each internal input over an extended period and for a significant, representative percentage of each exposure class. The results come from data warehouses used for modeling. This is based on all performing customers for default rates and PD, and on all customers in default for LGD. These results also take into account the latest regulatory changes (guidance on probability of default (PD) estimates and loss given default estimates (LGD) estimates).

Monitoring and backtesting of counterparty risk model

Backtesting and validation are key items of governance in the Internal Model Method approach. In accordance with general regulatory requirements, the reliability of internal models must be monitored regularly using a comprehensive backtesting program. This process is essential for ensuring the quality and relevance of the results obtained from the models that have been developed and used for both internal risk management, and to meet regulatory obligations.

The counterparty risk backtesting program is designed to validate the key assumptions on which the exposure model is built – stochastic processes for market risk factors, correlations and pricing models – and to identify notable discrepancies in specific model elements.

The developed framework is based on the following two backtests:

- market risk factor backtesting, i.e. to assess the predictive capacity of the stochastic processes used to describe the dynamics of unique risk factors;
- portfolio backtesting: i.e. to assess the full exposure model (stochastic process, correlations and pricing) for portfolios representing Natixis' exposures.

In respect of the market risk factor, backtesting uses historical trends to test risk factor predictions based on the stochastic processes. Backtesting can be performed ex-post by taking the aggregate historical market data for the selected backtesting period, or, to expand the results over wider time horizons and/or cover a broader range of market conditions. It may also be performed retroactively: this specific approach is called retro-backtesting. Here, the aim is to demonstrate that the models would have worked correctly had they been implemented in earlier periods and are thus suitable for future use.

In terms of exposure, the backtest applies historical Mark-to-Market (MtM) values of static backtesting portfolios to test the predicted future MtM values. In terms of risk factors, exposures are backtested ex-post by gathering the historical prices achieved, even though retro-backtesting capacities have been introduced for a sub-group of products. The ex-post approach involves duplicating the transactions in the dedicated backtesting portfolios directly in the front-office systems. The ageing process is thus similar to that of real portfolios. Retro-backtesting uses a specific tool to retro-backtest MtM on the main product categories.

The results are factored in at transaction level for historical and retroactive approaches and at several aggregated levels, including the product type and the counterparty for the historical approach only. The transactions considered for static backtesting duplicated in the front-office portfolios were chosen in such a way as to ensure the representativeness of portfolios and are discounted on an annual basis. Present and future prices are taken from the CCR (Counterparty Credit Risk) model engine, current prices being reconciled every quarter with those of the front-office systems, acting as reference.

3.2.3.7 Main internal models used by Natixis

Main internal models: PD, LGD, CCF and volatility discounts (EU CRE)

Modeled input	Portfolio	Number of models	Description/Methodology
PD	Sovereigns	1	Expert analysis-based rating models using macroeconomic criteria and the assessment of legal and political risks
	Banks	3	Expert analysis-based rating models based on quantitative criteria (accounting balance sheet) and qualitative criteria (questionnaire). Model by type of counterparty and by geographic area
	Corporates (incl. SMEs)	12	Expert analysis-based rating models by business sector for corporates and statistical models for SMEs (scores)
	Specialized Financing	6	Expert analysis-based rating models by type of financed asset
	Retail SMEs	10	Statistical models by business sector
LGD	Sovereigns	1	Quantitative model based on internal and external defaults. The assessment of LGD during periods of decline is included insofar as all defaults are included for the LGD model
	Banks	1	Qualitative model based on internal and external defaults by type of counterparty. LGD assessed in this model include defaults occurring in periods of decline
	Corporates (incl. SMEs)	2	Statistical models (decision trees or assessment of recoverable assets) by type of financed asset. The safety buffers included in the LGD models serve to cover periods of decline (primarily via bootstrap techniques)
	Specialized Financing	4	Models used to assess assets on resale. Assumptions of asset disposals are based on adverse scenarios
CCF	Corporate Financing (incl. SMEs), financial institutions and sovereigns	1	Model calibrated on internal defaults and segmentation by type of product and type of counterparty
Volatility correction	Financial and other collateral	4	Stochastic models based on historical market prices with assumptions based on internal data and expertise

Main models used for counterparty risk

Calculating the EEPE (Effective Expected Positive Exposure) requires simulating the potential changes in risk factors at future dates over a large number of scenarios using a Monte Carlo approach. The Mark-to-Market value of each transaction is then remeasured at each simulated time horizon and under each scenario. For offsetting, exposure is then calculated by price aggregation taking into account the legal framework (master agreements and credit support annex) allowing price offsetting and offsetting for collateral exposures. The exposure value for a given counterparty is equal to the sum of the exposure values calculated for all offsetting sets.

The model mainly applies the following elements:

- pricing models for reassessing products on various trajectories;
- modeling the close-out netting framework;
- distribution models of the factors distributed and called during the valuation stage.

Model by asset class
Interest rate/currency distribution model
Basis interest rate/currency distribution model
Equity distribution model
Commodity futures distribution model
Credit distribution model
Inflation distribution model

3.2.3.8 Credit and counterparty risk mitigation techniques

Mitigating credit risk

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

Credit risk mitigation is a technique for mitigating the credit risk incurred by the bank in the event of partial or total counterparty default.

Natixis uses a number of credit risk mitigation techniques, including netting agreements, personal guarantees, asset guarantees or the use of credit-default swaps (CDS) for hedging purposes.

Risk mitigation techniques involve two types of guarantee:

- non-financial or personal collateral:

  one or more guarantors commit to pay the creditor in the event of borrower default. It includes personal guarantees, on-demand guarantees and credit derivatives;
- financial or real collateral, or secured loans:

  the creditor is granted real security rights to one or more assets belonging to the borrower or guarantor. Forms of collateral include cash deposits, securities, commodities (such as gold), real estate assets, mortgage-backed securities, life insurance policy pledges.

Collateral eligibility is governed by the following process:

- vetting by the legal department of the documents relating to the collateral and the enforceability of the collateral;
- validation by the risk division.

In accordance with regulatory provisions, the bank performs the valuation of guarantees, periodically reviews these valuations and carries out any necessary adjustments.

The collateral is adjusted for its volatility and type. Collections on collateral are estimated quarterly or annually on the basis of conservative valuations and haircuts and take into account the actual enforcement of such collateral in times of economic slowdown.

Depending on their nature, collateral guarantees must meet specific eligibility criteria:

- non-financial guarantee: the eligibility of personal guarantees depends on the quality of the guarantor and must fulfill several conditions:
  - represent a direct claim opposite to the guarantor and refer to specific exposures,
  - be irrevocable and unconditional,
  - if the counterparty defaults, the bank can take legal action against the guarantor within the permitted time frame to settle payment arrears under the legal document governing the transaction,
  - the guarantee is an obligation secured by a legal document that established the guarantor's liability,
  - the guarantor covers all types of payment to be made by the borrower in question;
- financial guarantee: eligibility is determined by the relevant legal framework, the nature of the guarantee (financial collateral, real collateral or netting agreement), borrower and liquidity. It must be valued at least once a year and meet all of these conditions:
  - all the legal documents are binding to all parties and are legally valid in all relevant jurisdictions,
  - the bank has the right to realize or take ownership of the collateral in case of default, insolvency or bankruptcy,
  - there is no material positive link between the quality of the counterparty credit and the value of the collateral,
  - the asset must be liquid and its value sufficiently stable over time for its realization to be certain.

In terms of monitoring, collateral and netting agreements are:

- analyzed, when a loan application is approved or reviewed, to ascertain the suitability of the instrument or guarantee provided as well as any associated improvement in risk quality;
- checked, processed and documented based on standard contracts or contracts approved by the legal department;
- subject to registration and monitoring procedures in the risk administration and management systems.

Similarly, providers of sureties (via signature guarantees, CDS or private credit insurance) are examined, rated and monitored, as with debtors.

Natixis may take steps to reduce commitments in order to lower concentration risk by counterparty, sector and geographic area. Concentration risk is rounded out with an analysis, based on stress test methodologies (migration of ratings according to macroeconomic scenarios). Natixis may buy credit-default swaps and enter into synthetic securitization transactions in order to reduce all or part of the credit risk exposure attached to some assets by transferring the risk to the market. CDS-protected loans remain on Natixis' balance sheet but bear the counterparty risk attached to the credit-default swap sellers, which are generally OECD banks. Transactions with non-bank third parties are fully collateralized in cash. These transactions are subject to decision-making and monitoring procedures that apply to derivative transactions.

Mitigating counterparty risk

Natixis reduces its exposure to counterparty risk using three measures:

- use of bilateral netting agreements under which, if a counterparty goes into default, only the balance of the positive and negative valuations of the transactions carried out with the counterparty in question is considered as risk;
- riders to these agreements that govern the use of collateral swaps that fluctuate according to the daily valuation of the portfolios of transactions carried out with the counterparties in question;
- the use of clearing houses, which stand in for their members by bearing most of the counterparty risk. To do this they use an initial margin and variation margin call system.

Natixis set up a framework to manage the risks borne by clearing houses. For operations managed bilaterally, a system was been put in place to monitor the minimum requirements in terms of counterparty risk mitigators, which are part of the netting agreements and collateral schedules negotiated with counterparties.

3.2.3.9 Commitment monitoring framework

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

Measuring and monitoring systems

Natixis' commitments are measured and monitored on a daily basis using dedicated consolidation systems. An IT system enables comprehensive consolidation of limits and credit exposures across a scope covering all of Natixis' exposure to credit risk and most of that of its subsidiaries.

The risk division provides senior management and the Bank's business heads with reports analyzing Natixis' risks: trend analyses, indicators, stress test results, etc.

Credit risk supervision is based on:

- accountability of the business lines;
- various second-level control actions conducted by the Credit Risk Department of the risk department (e.g. rating and limit checks, etc.).

This supervision is based on a rigorous selection of loan applications, regular monitoring of counterparties and anticipation of their potential deterioration, notably through the "Credit Alert" system. This system is based on daily information sent to the analysts concerned (Front Office and risks) and covering:

- financial data (e.g. unfavorable change in equity or cash flow from operations),
- market data (e.g. share price, external rating, CDS), and
- events relating to the Company's development (e.g. placing on a watch list).

It incorporates a growing number of indicators thereby making it possible to act in advance of a deteriorating situation (e.g. review of the file, switch to watch list or default).

As regards limit breaches, the dedicated monthly Committee Meeting analyzes changes in limit breaches using specific indicators (number, notional, duration, businesses concerned, etc.), and examines major breaches and monitors their correction.

Since the implementation of the new European guidelines on default, Natixis has been sending BPCE its cases of unpaid bills, overdrafts, bankruptcy proceedings and forbearance on a daily basis and receives in return, after aggregation with the data reported by the other Group institutions, the status (sound, sensitive or default) applicable to all of its third parties.

Exposures showing deterioration in the level of risk are identified as they arise and reported immediately to the risk division and the business concerned, in accordance with both the counterparty watchlist, specific provisioning and alert procedures.

They are then placed on the watchlist, as decided by the risk division or the competent Credit Committee depending on the amount of exposure.

Corporate & Investment Banking risks are monitored by the Restructuring and Special Affairs Department (DRAS), which intervenes in difficult and default cases where necessary. The litigation department handles collections of loans in litigation.

Monitoring of non-performing and disputed loans and provisioning mechanism

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

Individual provisions

The Natixis Watchlist and Provisions Committee meets once a quarter and covers all the bank's businesses. It reviews all non-performing loans under watch that may give rise to provisions or adjustments to existing provisions, and decides on the amount of provisioning necessary, based on the provision amounts submitted to it individually by the business lines, the Restructuring and Special Affairs Department and the risk division.

This Committee is organized by the risk division and chaired by the Chief Executive Officer and assembles the chief risk officer, members of the Senior Management Committee in charge of the business lines and finance, the accounting and prudential ratios division and the heads of the relevant support functions.

It draws on a structure of preparatory Committees that are jointly steered by the risk division and each of the bank's business lines.

Provisions for expected credit losses

In addition to individual provisions, Natixis records provisions for expected credit losses (ECL) at initial recognition.

These financial assets are divided into three categories depending on the increase in credit risk observed since their initial recognition. An impairment charge is recorded on outstanding amounts in each category.

Performing loans for which credit risk has increased materially since initial recognition are classified in Stage 2 (S2). The impairment or the provision for credit risk is determined on the basis of the instrument's expected credit losses at maturity (lifetime ECL).

Measurements of an increase in credit risk resulting in S2 classification are based on a combination of quantitative and qualitative criteria. The quantitative criterion is based on the change in rating since initial recognition. Additional qualitative criteria are used to categorize as Stage 2 any contracts included on a non-S3 watchlist, undergoing adjustments due to financial hardship (forbearance) or more than 30 days past due. Additional criteria based on the sector rating and the level of country risk are also used.

The sector and country rating process is centered on a Geo-Sector Committee comprising the finance division, the risk division and Corporate & Investment Banking representatives. The main objective of this Committee, established for the purpose of implementing IFRS 9, is to validate sector ratings as well as country and sovereign scores on a quarterly basis. These ratings then serve as a basis for calculating ECL. Sector ratings in particular are based on the results of the semi-annual economic environment reports.

Stress tests

The credit stress test system covers Natixis scopes subject to the A-IRB, F-IRB and standardized approaches. It is based on choosing scenarios that replicate plausible crisis situations and high degrees of severity, in keeping with market practices, while taking past events, market trends and the environment into account so that purely historical or theoretical scenarios are eliminated.

The system is a true risk management tool, with scenarios that are regularly introduced and revised. The risk division regularly works on improving the methods used and adding to the scopes defined for the stress scenarios, with particular attention paid to the market stress requirements.

New scenarios were reviewed in 2020 and presented to the Global Risk Committee as well as to the Senior Management Committee. These internal credit stress test scenarios are based on macroeconomic assumptions prepared in collaboration with economic research, country risk analysts and Groupe BPCE, and comprise three scenarios covering the period between 2021 and 2023:

- a baseline scenario based on the most probable macroeconomic and financial context. This reference scenario is supplemented this year by an "enhanced" version due to the uncertainty of the evolution of the economic context. The baseline scenario corresponds to the bank's policy regarding provisions;
- two "Adverse" credit scenarios corresponding to (i) the assumption of a European sovereign debt crisis and (ii) the assumption of a crisis caused by a second lockdown linked to the COVID-19 pandemic.

3.2.3.10 Quantitative information

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

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

	31/12/2020			31/12/2019		
(in millions of euros)	**EAD**	**RWA**	**Regulatory capital requirement**	EAD	RWA	Regulatory capital requirement
Credit risk						
Internal approach	**142,975**	**58,714**	**4,697**	**136,517**	**53,854**	**4,308**
Equity	5,757	18,085	1,447	5,621	17,642	1,411
Governments and central banks	40,949	563	45	29,616	511	41
Other assets						
Retail						
Business	86,975	37,242	2,979	89,071	33,108	2,649
Institutions	6,115	1,108	89	7,816	1,187	95
Securitization	3,179	1,717	137	4,394	1,406	112
Standardized approach	**78,149**	**10,279**	**822**	**74,182**	**12,420**	**994**
Governments and central banks	9,252	1,175	94	7,551	1,122	90
Other assets	6,330	5,470	438	6,150	5,352	428
Retail	514	333	27	774	536	43
Business	1,890	1,186	95	5,075	3,621	290
Institutions	49,667	344	28	48,223	314	25
Defaulted exposures	44	53	4	97	101	8
Exposures secured by mortgages on immovable property	279	112	9	221	91	7
Exposures to institutions and corporates with a short-term credit assessment	87	51	4	100	46	4
Securitization	10,087	1,554	124	5,990	1,237	99
Sub-total credit risk	**221,125**	**68,993**	**5,519**	**210,699**	**66,274**	**5,302**
Counterparty risk						
Internal approach	**40,565**	**6,845**	**548**	**34,888**	**5,531**	**442**
Governments and central banks	8,791	158	13	3,807	120	10
Business	17,331	5,093	407	18,026	4,015	321
Institutions	14,158	1,515	121	12,673	1365	109
Securitization	285	78	6	382	32	3
Standardized approach	**15,737**	**595**	**48**	**18,872**	**645**	**52**
Governments and central banks	1,478	234	19	1,282	254	20
Retail						
Business	417	54	4	525	33	3
Institutions	13,523	224	18	16,870	274	22
Defaulted exposures	1	2		7	10	1
Exposures to institutions and corporates with a short-term credit assessment	79	46	4	122	64	5
Securitization	239	35	3	66	10	1
CCP default fund exposure	**297**	**152**	**12**	**347**	**234**	**19**
Sub-total counterparty risk	**56,599**	**7,592**	**607**	**54,106**	**6,410**	**513**
Market risk						
Internal approach		**7,147**	**572**		**5,826**	**466**
Standardized approach		**5,975**	**478**		**5,378**	**430**
Equity risk		421	34		462	37
Foreign exchange risk		2,971	238		2,685	215
Commodities risk		1,179	94		708	57
Interest rate risk		1,404	112		1,523	122
Sub-total market risk		**13,122**	**1,050**		**11,204**	**896**
CVA	**7,877**	**2,284**	**183**	**7,671**	**1,336**	**107**
Settlement-delivery risk		**6**			**32**	**3**

(in millions of euros)	31/12/2020			31/12/2019		
	EAD	RWA	Regulatory capital requirement	EAD	RWA	Regulatory capital requirement
Operational risk (standardized approach)		**12,988**	**1,039**		**13,733**	**1,099**
Total		**104,985**	**8,399**		**98,990**	**7,919**

Exposure and EAD by Basel exposure class (NX03)

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

(in millions of euros)	Exposure		EAD		
Exposure class	31/12/2020	o/w off-balance sheet	31/12/2020	o/w off-balance sheet	2020 average
Business	**129,866**	**76,850**	**106,623**	**53,784**	**109,582**
Other than SMEs and SF	106,881	65,802	86,763	45,760	89,183
Specialized Financing (SF)	21,135	10,543	18,242	7,650	18,698
SME	1,850	504	1,618	374	1,700
Institutions	**89,814**	**39,766**	**83,749**	**33,702**	**87,500**
Governments and central banks	**61,119**	**12,346**	**60,470**	**11,703**	**50,030**
Governments and central banks	58,734	10,718	58,203	10,187	47,848
Regional governments or local authorities	498	286	492	286	523
Public sector entities	1,887	1,342	1,775	1,229	1,658
Retail	**1,015**	**108**	**515**	**23**	**590**
Other than SMEs	898	80	426	16	358
SME	117	27	89	6	232
Securitization	**14,035**	**10,000**	**13,790**	**10,000**	**12,165**
Other assets	**6,330**		**6,330**		**6,317**
Equity	**5,757**	**181**	**5,757**	**181**	**5,566**
Collective investments undertakings					
Exposures secured by mortgages on immovable property	**282**	**5**	**279**	**3**	**238**
Exposures to institutions and corporates with a short-term credit assessment	**173**	**84**	**166**	**80**	**195**
Defaulted exposures	**169**	**18**	**45**	**9**	**57**
TOTAL AT 31/12/2020	**308,560**	**139,358**	**277,724**	**109,485**	**272,240**
TOTAL 31/12/2019	**301,584**	**134,267**	**264,806**	**98,460**	**268,223**

EAD by geographic area and by asset class (NX05)

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

(in millions of euros)

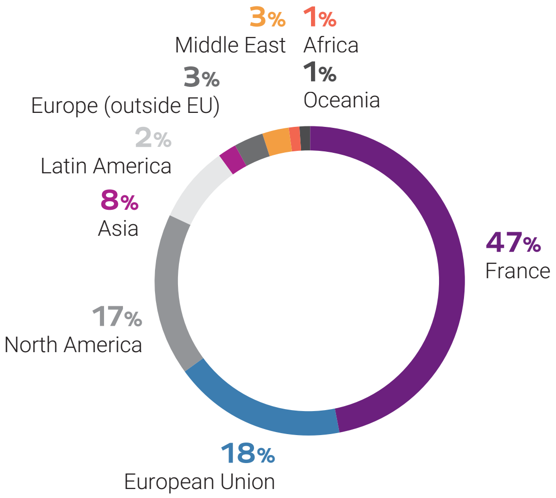
Exposure class	France	Europe*	North America	Other	Total
Business	**33,630**	**32,790**	**17,439**	**22,763**	**106,623**
Other than SMEs and SF	29,072	25,811	14,265	17,615	86,763
Specialized Financing (SF)	3,586	6,730	3,092	4,834	18,242
SME	972	249	83	314	1,618
Institutions	**59,086**	**12,271**	**7,812**	**4,580**	**83,749**
Governments and central banks	**22,059**	**9,675**	**13,484**	**15,252**	**60,470**
Governments and central banks	20,755	7,808	13,369	15,218	57,151
International Organizations		1,052			1,052
Multilateral Development Banks					
Regional governments or local authorities	455	38			492
Public sector entities	849	777	115	34	1,775
Securitization	**5,804**	**681**	**6,856**	**449**	**13,790**
Other assets	**5,093**	**956**	**232**	**49**	**6,330**
Share	**4,205**	**600**	**829**	**122**	**5,757**
Retail	**437**	**16**		**61**	**515**
Other than SMEs	408	15		3	426
SME	30	2		58	89
Exposures secured by mortgages on immovable property	**274**	**3**		**2**	**279**
Exposures to institutions and corporates with a short-term credit assessment	**17**	**34**	**11**	**103**	**166**
Defaulted exposures	**34**			**12**	**45**
Collective investments undertakings					
TOTAL AT 31/12/2020	**130,639**	**57,028**	**46,664**	**43,393**	**27,724**
TOTAL 31/12/2019	**121,530**	**52,056**	**47,004**	**44,215**	**264,806**

* *Europe = European Union + Europe (outside EU).*

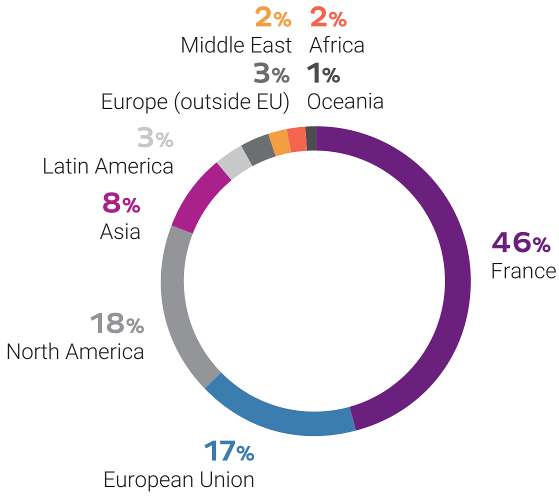
EAD by geographic area (NX06)

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

At 31/12/2020(*)



At 31/12/2019



(*): As of 12/31/2020 the United Kingdom is still considered in the EU

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

(Data certified by the 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	Dec. 31, 2020*	Dec. 31, 2019*
Investment Grade	AAA	0.1%	0.5%
	AA+	6.9%	7.2%
	AA	9.2%	7.0%
	AA-	16.2%	13.6%
	A+	5.6%	6.4%
	A	11.9%	12.5%
	A-	10.1%	9.4%
	BBB+	6.3%	6.9%
	BBB	7.4%	8.6%
	BBB-	7.7%	8.9%
Investment Grade		**81.3%**	**81.0%**
Non-Investment Grade	BB+	4.6%	5.1%
	BB	4.6%	4.6%
	BB-	2.9%	3.4%
	B+	2.0%	2.4%
	B	1.0%	0.9%
	B-	0.5%	0.2%
	CCC+		0.1%
	CCC		
	CCC-		
	CC		
	C		
Non-Investment Grade		**15.7%**	**16.7%**
Non-rated	**Non-rated**	**0.6%**	**0.5%**
Default	**D**	**2.3%**	**1.8%**
TOTAL		**100.0%**	**100.0%**

3.2.4 Securitization transactions

3.2.4.1 General policy

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

Natixis is involved in securitization transactions under different roles:

- as an investor via financing transactions for its clients, via derivative transactions and to a lesser extent via market-making activities on certain ABSs (in particular Asset-Backed Commercial Paper). Natixis mainly invests in senior assets with sound levels of collateral and spreads. Similarly, it applies a sector and geography-based diversification strategy for underlying assets;
- as a sponsor, i.e. on transactions for its clients to create and manage ABS programs;
- as an originator, as part of its refinancing activities or through synthetic securitization (whose objective is to transfer part of the credit risk of a portfolio of receivables to investors).

This activity is conducted under Natixis' general "Originate-to-Distribute" strategy.

Natixis' credit decision-making process is followed for all securitization transactions. Three criteria are used: amount, maturity and credit quality (including the rating [external if available]).

For every structured arrangement subject to approval, a substantiated request and a description of the arrangement, collateral, seller/originator and the proposed tranching must be submitted, along with an analysis of the associated guarantees.

A counter-analysis is then carried out by the risk division and, if necessary, a quantitative analysis of the portfolio's default risks. Transactions are examined, and decisions are made based on all the loan application's parameters, including the expected profit margin on the loan, the capital burn and compliance with the current risk policy.

Like vanilla finance transactions, securitization structures and transactions are reviewed at least once a year, while transactions on the watchlist are re-examined at least once a quarter.

Natixis manages the risks associated with securitization positions through two mechanisms.

- the first involves the daily identification of all rating downgrades (where applicable) affecting Natixis' securitization positions as well as the associated potential risks and, if necessary, deciding on an appropriate course of action;
- the second is based on the analysis of securitization positions according to quantitative (resistance to portfolio downgrades and credit quality, rating if available, valuation) and qualitative criteria (analysis).

With regard to activities recognized in the trading book, Natixis may hold securitization positions (secondary market), resulting from purchase and sale transactions with its clients. The activity is governed by a Volcker manual as well as a limit mandate, which specifies the types of risks borne, as well as their holding procedures.

Natixis does not use the IAA (Basel Internal Assessment Approach) on its securitization positions.

3.2.4.2 External rating system

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

Natixis relies on four external credit rating agencies, among others, for securitization transactions: Moody's, DBRS, Fitch-IBCA and Standard & Poor's.

3.2.4.3 Securitization vehicles

Natixis acts as sponsor in ABCP-type securitization transactions through three vehicles, namely Versailles, Bleachers and Magenta. Of these vehicles, only two are consolidated in Natixis' scope of regulatory consolidation: Versailles and Bleachers. For both vehicles, Natixis plays a predominant role in the selection and management of acquired receivables as well as the management of the issuance program, thus giving it power over the conduits' relevant activities and influence over the amount of their returns. In contrast, given that Natixis is not part of the governing body holding the power to decide on Magenta's relevant activities, this conduit is not consolidated in Natixis' regulatory consolidation scope.

3.2.5 Market risk

3.2.5.1 Targets and policy

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

The risk department, via the Market Risk Department, places great importance on the formal definition of all risk policies governing market transactions based on both a qualitative and forward-looking analysis. This approach is mainly based on the strategic review of global risk budgets, business targets and market trends and relies on a proactive early warning system for the most sensitive areas at risk.

These market risk policies focus on a set of methodological principles in terms of risk monitoring and supervision and provide a matrix approach to businesses by asset class and management strategy.

3.2.5.2 Organization of market risk management

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

Market risk control is based on a limit authorization structure that is overseen by the Global Risk Committee and in which the Market Risk Committee, chaired by the Chief Executive Officer or the delegated representative, plays an essential role.

The risk department:

- defines risk measurement and fair value adjustment methods, then submits them to the Market Risk Committee for validation;
- examines annual limit reviews (including risk appetite) and ad hoc requests for modifications (VaR, stress tests, operational indicators, loss alerts);
- raises alerts for areas at risk relating to the business lines or to Natixis' senior management;
- is responsible for the daily analysis and measurement of risks, daily reporting, and notifying front office and management of any breaches;

- approves and manages the pricing models (prices) and risk measurement models used by front office management tools;
- defines and validates models and methodologies relating to the institution's internal model, which is primarily used to calculate regulatory capital requirements;
- introduces and manages changes in standards and procedures common to all entities (subsidiaries and branches) carrying market risks.

3.2.5.3 Methodology for assessing market risk

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

Natixis' market risk management is based on a risk metrics model that measures the risks incurred by each entity of the bank.

Different techniques are used to measure market risk: These measures enable to identify the risks incurred by the positions in the portfolio according to different shock waves:

- on a local basis, the sensitivity sets make it possible to identify potential losses resulting from small movements in the underlying risk factors;
- with unstressed daily shocks, the VaR is used to estimate a potential loss on the positions of the current portfolio to which the most significant shocks of the past rolling year are applied;
- with stressed daily shocks, the stressed VaR makes it possible to estimate a potential loss on the positions of the current portfolio on which the most significant shocks of recent past rolling years are applied;
- with shocks of greater magnitude through three day-shocks over ten consecutive days, stress tests (specific and global) make it possible to estimate exceptional immediate potential losses.

This set of risk measures is governed by a global monitoring system and responds to Natixis 'risk appetite, which is itself based on a system of specific limits.

Value at Risk (VaR)

Natixis' internal VaR model was approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR – French Prudential Supervisory Authority) in January 2009. Natixis uses VaR to calculate capital requirements for market risks within approved scopes, and to manage and supervise market risks. The model is based on a calculation by computer simulation, based on Monte Carlo-type methodology, taking into account a portfolio's possible non-linear characteristics with respect to different risk factors.

VaR is calculated and monitored daily for all the Natixis trading portfolios. Market data used in the valuation of portfolios (share prices, indices, interest rates, exchange rates, commodity prices and the related volatility) are updated on a daily basis when available, and the statistical data used (standard deviation and correlations) are updated weekly.

All the trading portfolios are subject to adequate risk monitoring and supervision systems, in accordance with the market risk policies in force. A VaR limit is set at an overall level and for each business.

These measurements give a snapshot of VaR and help identify potential losses in each business, based on a predetermined confidence level (99%) and time period (1 day).

To this end, a statistical model has been constructed to track the behavior of market parameters affecting portfolio value. The calculation method is based on an econometric model whose standard deviations are calculated as being the maximum (risk factor by risk factor) standard deviations calculated over rolling 12-month and 3-month periods. This method makes VaR more responsive if the markets suddenly become more volatile.

For the calculation of VaR, the portfolio's holding horizon is set at one day for risk monitoring and 10 days for the calculation of capital. The 10-day holding period involves extrapolating from the one-day VaR by multiplying it by the square root of 10.

For the most complex products, VaR is measured by limited development via sensitivity.

VaR levels are managed by limits set at different levels of Natixis (desks, business lines) and thereby helping to reduce the bank's risk appetite from an operating perspective.

Portfolio valuation methods vary according to product and are either based on a total revaluation or on sensitivity to first or second order market inputs to factor in both linear and non-linear effects (in particular for derivative financial instruments).

Yields used by Natixis to simulate potential changes in risk factors are absolute yields for most risk factors. The exceptions to this rule are exchange rates, share prices and indices, precious metals prices and indices, commodity indices and commodity futures.

Moreover, the reliability of the VaR is measured regularly through comparison with the changes in the daily trading results, a process also known as backtesting. This exercise allows an ex-post comparison of the potential losses, as projected ex-ante by the VaR, with the actual losses.

Stressed Value at Risk (SVaR)

Due to changing regulatory standards (Basel 2.5), Natixis implemented a daily stressed VaR model (SVaR), which is calculated based on a fixed econometric model over a continuous 12-month period that defines the charge that the bank's current VaR model would generate under a representative crisis scenario relevant to its portfolio. The calculation method is based on an historical simulation for a one-day horizon and a confidence level of 99%. However, unlike VaR, which uses 260 daily fluctuation scenarios on a sliding one-year period, stressed VaR uses a one-year historical window corresponding to a period of significant financial tension.

In the same way as the VaR, the stressed VaR is calculated by limited development through sensitivity by risk factor for the most complex products.

The stressed period currently used by Natixis covers the period between April 1, 2008 and March 31, 2009, as it is the most conservative for calculating stressed VaR.

As is the case for VaR, the 10-day holding period used by Natixis involves extrapolating from the one-day stressed VaR by multiplying it by the square root of 10.

Performance monitoring and testing of VaR and SVaR

Natixis' internal model is based on a calculation of VaR and stressed VaR.

To check that the calculation assumptions are respected, particularly the confidence interval of 99%, backtesting calculations are performed on the P&L on a daily basis.

These involve comparing 99% VaR levels with actual and hypothetical daily P&L levels.

The measurements are conducted on Natixis' consolidated accounts and across all of its main activities.

In the event that negative real or hypothetical P&L levels exceed the VaR calculation for the same day, an analysis is performed and explanations provided according to internally-defined criteria.

The regulator is subsequently contacted to inform them of any such exceptions within Natixis' authorized consolidation scope.

In the event of too many exceptions over a period of one year, on a sliding annual basis, an add-on is made to the multiplying factor applied in calculating VaR and SVaR during measurements of Natixis' capital.

Incremental Risk Charge (IRC)

The IRC is the capital charge required to cover rating migration risk and the default within one year of issuers for approved products in terms of specific interest rate risk. Calculated using a Monte Carlo internal simulation model, the IRC is a 99.9% value at risk which corresponds to the largest risk after eliminating the 0.1% of the worst outcomes over a period of one year.

Rating and default migrations are simulated using an issuer correlation model and migration matrices over a capital horizon of one year. Positions are remeasured based on various scenarios. Thus, for each scenario, positions may be downgraded, upgraded or go into default.

The liquidity horizon, which represents the time required to sell a position or hedge it in unfavorable market conditions, used in the IRC calculation model is one year for all positions and all issuers.

The calibration of the transition matrix is based on Standard & Poor's historical transition data. For both corporates and sovereigns, the historical depth exceeds 20 years. For issuers not rated by S&P, restatements are performed internally.

Correlation assumptions are based on the rating of each issuer's creditworthiness within the IRC horizon (one year). The simulation process is based on intrasector correlation inputs.

The internal IRC calculation model used by Natixis was approved by the Autorité de Contrôle Prudentiel et de Résolution in 2012.

In accordance with regulatory requirements, Natixis established an internal model validation policy as well as procedures. This model validation phase is a prerequisite for their use.

Stress tests and operational indicators

In addition to VaR, SVaR and IRC measures, stress tests are used to simulate the impact of extreme market conditions on the value of Natixis' portfolios as well as operational indicators:

1) stress tests to measure potential losses on portfolios in extreme market conditions. Natixis' mechanism is based on two categories of stress tests: overall stress tests and dedicated stress tests for each business.

   Overall stress tests are subject to continuous review. They are performed daily and can be grouped into two categories:

   - **historic stress tests** consist of reproducing sets of changes in market parameters observed during past crises in order to create an ex-post simulation of the P&L changes recorded. While stress tests do not have any predictive value, they do make it possible to gauge the exposure of the portfolio to known scenarios. There are 8 hypothetical stress tests covering the most significant events since 1987, the year of the stock market crash, including the Lehman Brothers collapse in the 2008 period, through to the sovereign debt crisis in 2011,
   - **hypothetical stress tests** are used to simulate changes in market parameters for all the activities, based on plausible assumptions regarding one market's predicted response compared with another's, depending on the nature of the initial stress. Stresses are determined through a joint effort involving the risk division, the front office and Economic Research. A set of seven scenarios has been defined:

   1. fall in stock market indices combined with a flattening of the yield curve and an increase in credit spreads,
   2. strong rise in European interest rates in an inflationary environment,
   3. failure of a financial institution with a rise in credit spreads and interest rates and a moderate fall in equity markets,
   4. commodity crisis based on a scenario of disruption to supply due to geopolitical events,
   5. emerging market crisis reflecting the consequences of a sudden withdrawal of capital from an emerging country during a global economic downturn (higher refinancing costs, stock market crash and depreciation of the currency against the dollar),
   6. failure of a high-profile corporate based on a credit market shock,
   7. liquidity crisis characterized mainly by a sharp widening of European interbank spreads, a widening of the liquidity spread and higher "peripheral" yields.

   Specific stress tests are also calculated daily in the management tools for all the portfolios and are governed by limits. They are set on the basis of the same severity standard and are aimed at identifying the main loss areas by portfolio.

In addition, reverse stress tests are used to identify the highest-risk scopes and market environments, as well as concentration and contagion links, while "ad hoc" stress tests are used to characterize any current event that could trigger major shifts in the market. Using plausible scenarios drawn from extremely adverse assumptions of risk factors leading to the breach of a loss threshold, reverse stress tests allow Natixis to implement a risk monitoring and management tool, identify circumstances that may trigger such loss, and adapt the appropriate action plans where necessary. "Ad hoc" stress tests use expected market trends based on economic research that is translated into overall stress-test scenarios. They measure the banks resilience to major current events, and allow hedging strategies to be adapted accordingly.

All stress test mechanisms are defined by the risk division, which is responsible for defining principles, methodology and calibration and scenario choices. The Stress Test Committee is responsible for the operational implementation of stress tests and meets on a monthly basis. The Committee approves work to be carried out, its workload and determines the annual IT budget.

2) loss alerts by portfolio and aggregated by business line, which alert management and the risk division if losses reach a certain threshold over a given month or on a cumulative basis since the beginning of the year. These thresholds are set by the Market Risk Committee according to the characteristics of each portfolio, past performance and budgetary targets;

3) finally, the supervisory framework includes operational indicators on an overall and/or by business basis, which focus on more directly observable criteria (sensitivity to changes in the underlying and to volatility, correlation, nominals, etc.). The limits of these qualitative and quantitative indicators are set in line with the VaR and stress test limits.

Independent valuation control

The valuation of Natixis' various market products forms part of the independent control system made up of dedicated procedures.

In accordance with the provisions of IFRS 9, financial instruments are recognized at their fair value *(see Chapter [5] for further information on fair value accounting methodologies)*.

Fair value determination is subject to a control procedure aimed at verifying that the valuation of financial instruments is determined and validated by an independent function in terms of prices and/or valuation models.

Independent price verification

Independent price verification is carried out by Market Risk's IPV (Independent Price Verification) teams which, in line with the division's policy, control the market inputs used in the valuation process for the bank's transactions. The review of market inputs may lead to valuation adjustments recognized in economic results and the financial statement.

IPV governance is based in particular on:

- a supervision mechanism overseen by various Committees (Observability Committee, Market Inputs Committee, Valuation Committee, IPV Committee);
- a policy and set of procedures, explaining the validation and escalation system;
- a set of weekly and monthly reports;
- dedicated tools.

Validation of models

In accordance with regulatory requirements, Natixis has established internal model validation policies and procedures for evaluating market risk and valuation models. This independent model validation policy is part of its wider risk model management framework.

As part of the Risk Governance Department which reports to the chief risk officer, Model Risk Management is responsible for the governance and standards applicable to a model's life cycle. The various stages of a model's life cycle – design, IT development, validation, and use – are clearly presented and the roles and responsibilities of each participant specified and detailed.

Internal market risk models are validated by the Natixis Risk division's Risk Model Validation team, under the authorization of the Groupe BPCE MRM Committee. Valuation models are validated by the Valuation Model Validation team, under the authorization of the Groupe BPCE MRM Committee. The Natixis Validation teams use a six-fold validation process:

- data and parameters applied by the model: analysis of data quality and representativeness, integrity of controls, error reports, comprehensiveness of data, etc.;
- methodology: analysis of model's underlying theory, analysis of estimates, sizing methods, risk indicators, aggregation rules, model benchmarking, analysis of precision and convergence;
- usage and robustness test: the validation team ensures that the internal models are used by qualified staff, that usage procedures are documented and up to date, and conducts independent ex-post controls and stress tests;
- IT development: counter-implementation, code analysis, tests;
- compliance with regulations: gap analysis;
- documentation: analysis of quality and comprehensiveness of methodological documentation received.

Specifically, the following aspects are assessed in respect of valuation models:

- the theoretical and mathematical validation of the model, the analysis of assumptions and their justification in model documentation;
- algorithm validation and benchmarking;
- the model's stability and convergence of the numerical method in a stress scenario;
- the assessment of implied risk factors and calibration, the analysis of input, and the upstream identification of models;
- the measurement of model risk and validation of the related reserves methodology.

The design, modification and ongoing management of the model are performed by the model designers on behalf of the model owner. Model Risk Management, an independent entity, is called upon for all new models as well as for all modifications or improvements to existing models. On an annual basis, the team in charge of designing internal or valuation models monitors the models' performance, notably through an analysis of backtesting and usage tests.

The third line of defense is the General Inspection Department, which annually reviews internal models and compliance with the risk model management framework and the correct application by Model Risk Management of its own policies and procedures.

The results of the model validation process performed at Natixis are presented to the Model Oversight Committees for confirmation, then submitted to the Model Risk Management Committee for approval before being sent, in the case of internal models, to the Standards and Methods Committee of the Groupe BPCE Risk, Compliance and Permanent Control division for final validation and possible submission to the regulator.

This Model Risk Management Committee is tasked with supervising the risk model for all of Natixis' activities by, on one hand, approving validation reports and the related remediation plans and, on the other hand, monitoring consolidated risk model indicators. The Model Oversight Committees are chaired by the Head of the Model Risk & Risk Governance Department. The Model Risk Management Committee is chaired by the Chief Executive Officer of Natixis, directly or indirectly through a specific delegation of authority.

Natixis' adjustment policy

The risk division is tasked with defining and implementing the adjustment policy for Capital Market activities' management results.

The aim of this policy is twofold:

- ensure the reliability of the result announced by applying the principle of prudence;
- protect Natixis from adverse events that cannot be easily hedged or that are non-hedgeable.

The adjustment policy thus defines the principles for calculating adjustments for market risks to financial instruments measured at fair value.

Adjustments for market risks are divided into:

- adjustments for the cost of position reversals/liquidity positions;
- adjustments for input uncertainty;
- adjustments for model uncertainty.

The shocks applied and methodologies used are updated on a continuous basis.

Adjustment amounts are updated on a monthly basis. Changes in methodology applied to adjustment calculations in respect of market and model-related uncertainties are submitted for independent validation by the Model Risk Management teams.

3.2.5.4 Quantitative market risk measurement data

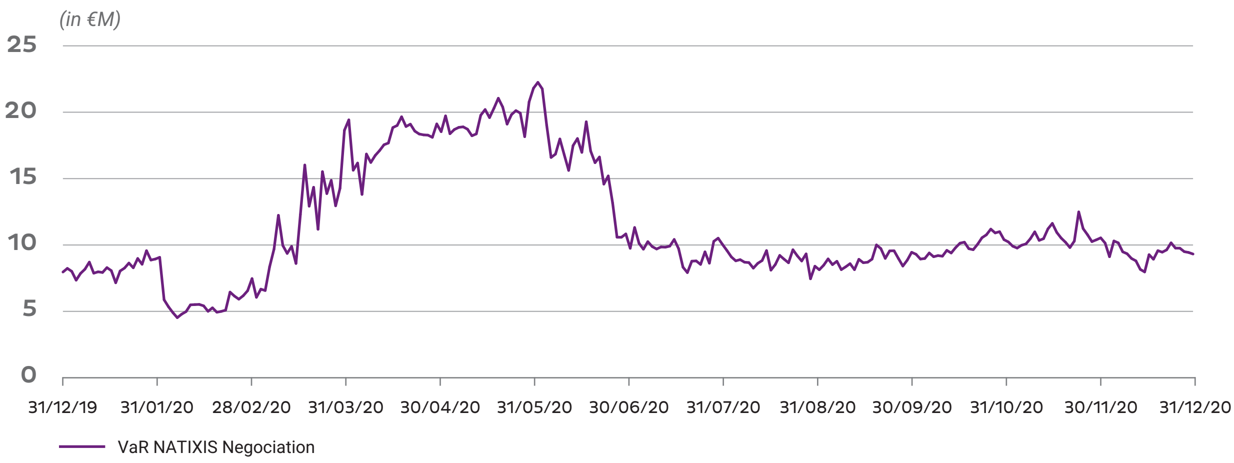
(Data certified by the Statutory Auditors in accordance with IFRS 7)

Change in Natixis VaR

The VaR level for Natixis' trading books averaged €11.4 million. It bottom out at €4.5 million on February 6, 2020 and peaked at €22.2 million on June 4, 2020, standing at €9.3 million at December 31, 2020.

The following chart shows the VaR trading history between December 31, 2019 and December 31, 2020 for the entire scope.

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



Breakdown of total trading VaR by portfolio

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

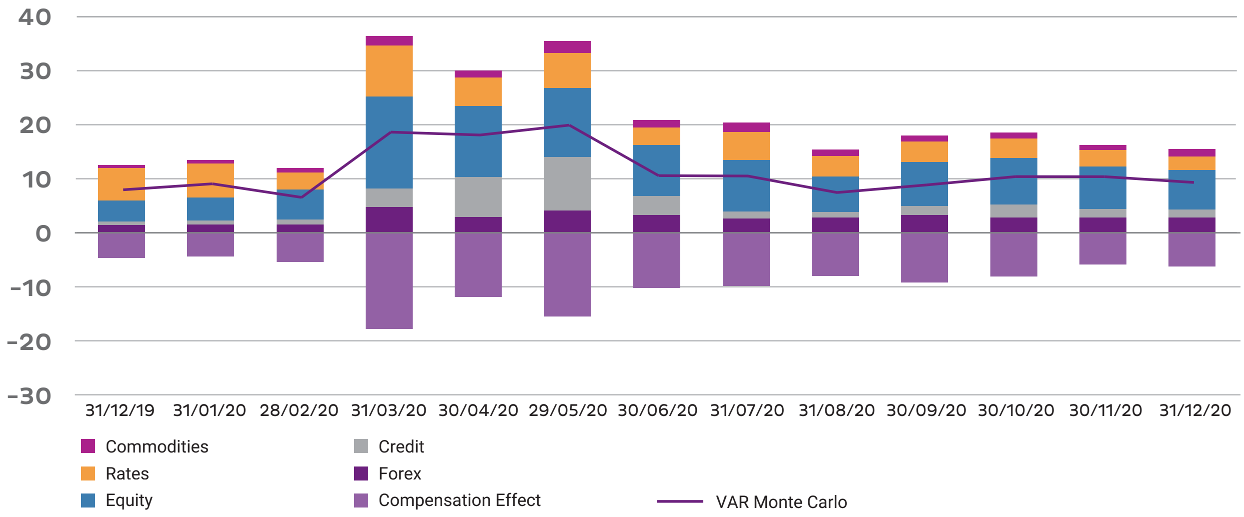
The following table presents the key VaR figures – (99% VaR, 1 day):

(in millions of euros) Natixis trading book	VaR at 31/12/2020
Natixis	**9.3**
Of which:	
Global Markets	8.9
Equity Markets	*6.7*
Commodity	*1.1*
Fixed Income	*5.0*
Global Securities Financing	*7.9*
Other run-off activities	2.1

At December 31, 2020, the VaR by business is at a lower level than the previous year (€9.3 million compared with €8 million). This increase is essentially linked to the COVID-19 health crisis, which led to an increase in the shocks used in the calculation of VaR.

VaR breakdown by risk factors and netting effect

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

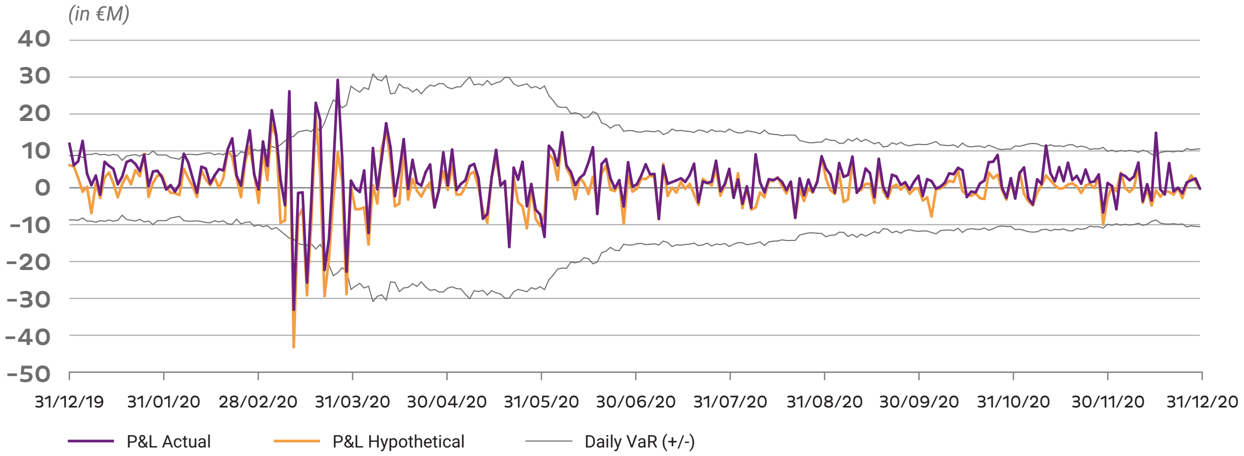


The increase in consolidated VaR between March and June is explained in part by the increase in VaR in scopes mostly comprising shares due to the sharp volatility of the markets in the context of the COVID-19 crisis.

In the second half of the year, the drop in VaR results from the decrease in both exposures and shock amplitudes.

Natixis backtesting for regulatory scope

The following chart shows 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:



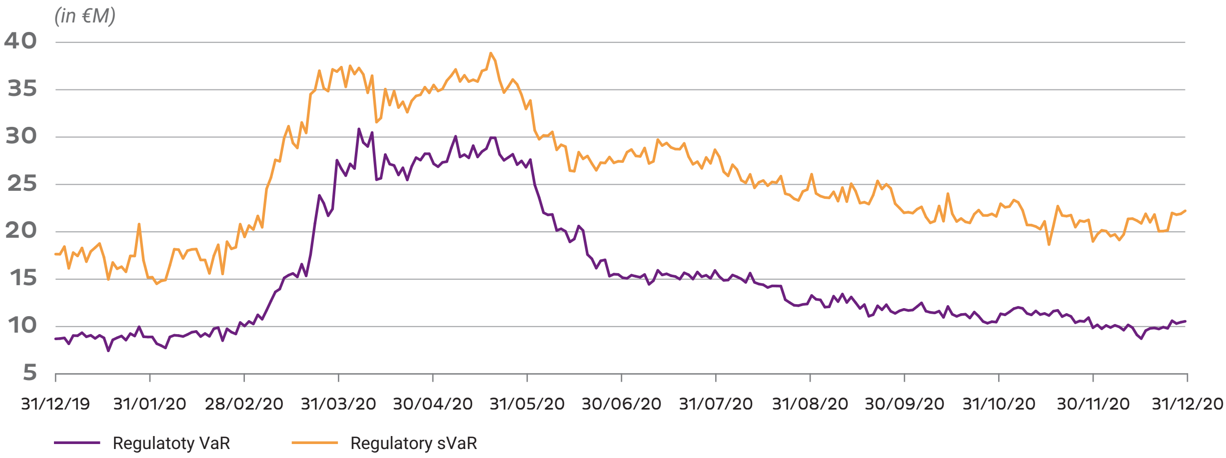
In 2020, four actual backtesting exceptions and four hypothetical backtesting events were noted at the Natixis regulatory level.

Four actual backtesting exceptions were recorded in the first half of 2020 on March 12, 17, 23 and 30. These four exceptions are explained by sharp volatility on the market brought as a result of uncertainty and the measures taken to stymie the COVID-19 pandemic. These exceptions will not be factored into the calculation of multiplication measures, in accordance with the authorization granted by the ECB in its communication of April 16, 2020.

Natixis regulatory stressed VaR

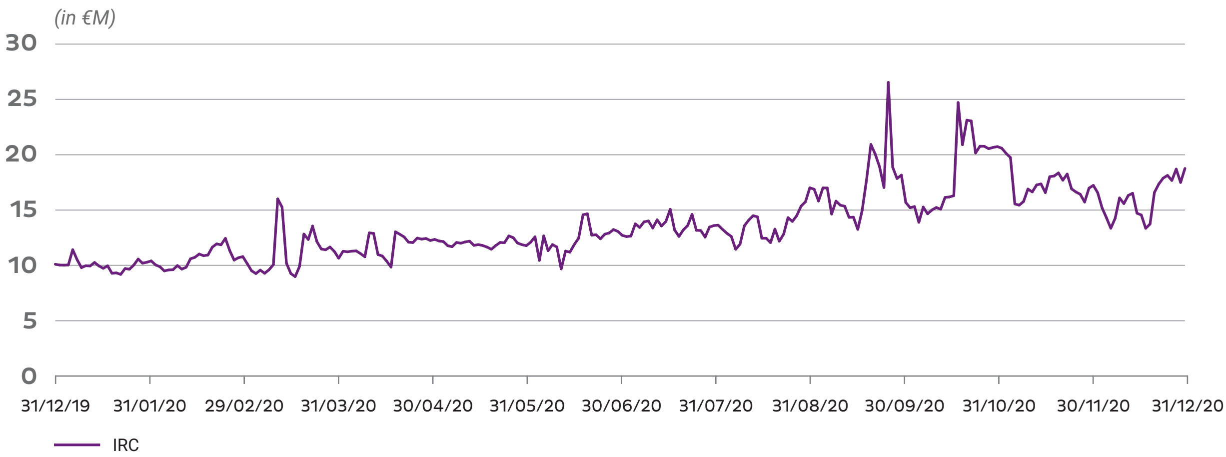
Natixis' regulatory stressed VaR averaged €25.4 million. It bottom out at €14.5 million on February 3, 2020 and peaked at €38.9 million on May 22, 2020, and stood at €22.2 million at December 31, 2020.

Change in regulatory VaR (1-day 99% VaR) and stressed VaR (1-day 99% SVaR).



IRC indicator

This indicator covers the regulatory scope. Natixis' IRC averaged €13.6 million. It bottom out at €9 million on March 18, 2020, and peaked at €26.5 million on September 25, 2020, and stood at €18.8 million at December 31, 2020.



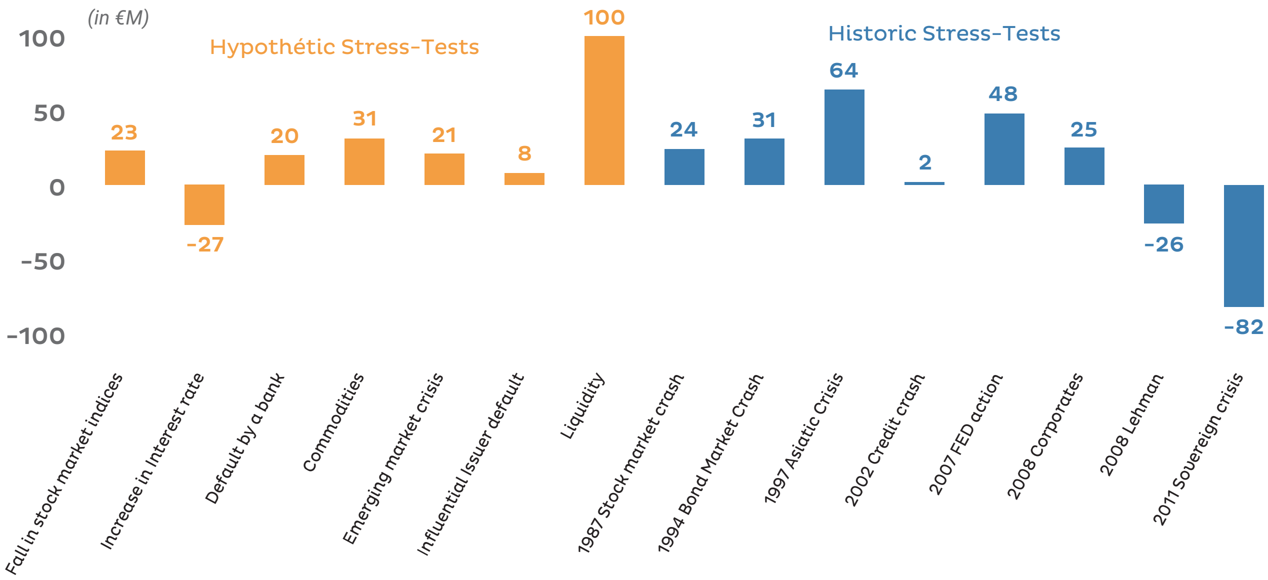
Stress test results for the Natixis scope

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

Overall stress test levels reached an average level of €17.5 million at December 31, 2020, versus +€16 million at December 31, 2019.

The historical stress test replicating the sovereign debt crisis in 2011 gave the maximum loss (-€82 million at December 31, 2020).

Overall stress tests at December 31, 2020



3.2.6 Operational risk

3.2.6.1 Targets and policy

As part of the definition of its risk appetite, and in accordance with article 98 of the French Ministerial Order of November 3, 2014, Natixis defined its operational risk tolerance policy with a view to limiting losses related to operational risks and regularly reviewing actions to reduce risks. The policy sets out the governance established, the quantitative and qualitative management framework, and the monitoring performed thus far.

It defines the operational risk management criteria, including:

- quantitative indicators: one historical indicator measuring the cost of risk, one individual indicator identifying the occurrence of major incidents to be reported to the regulator (Article 98), a specific individual indicator raising the alert on internal fraud events, and an operational risk management indicator measuring the progress of corrective actions;
- a qualitative indicator regarding the compliance of the governance of the system;
- specific indicators monitoring Information and Communication Technology (ICT) risk, including cyber risk.

The operational risk management system identifies, measures, monitors and controls the level of operational risks for all the Company's business lines and support functions in France and abroad.

3.2.6.2 Organization

The function in charge of operational risk ensures the monitoring and management of risks arising from failures attributable to operating procedures, employees and internal systems or arising from outside events.

Its duties as described in the operational risk policies and procedures validated by the Natixis Operational Risk Committee include:

- recording incidents via a network of Operational Risk Officers across all business lines and support functions;
- analyzing serious incidents using an escalation process;
- mapping potential risks, both qualitatively and quantitatively, based on a risk self-assessment and audits carried out by the business lines;
- links with other control functions;
- establishing key risk indicators and environmental variables of a predictive nature.

The mechanism is managed by Natixis' Operational Risk Committee which determines the operational risk policy, monitors Natixis' operational risk exposure and makes final decisions on hedging and reduction. It is the operational extension of the executive body and of which it has full decision-making powers for issues within its area of responsibility. This Committee meets quarterly and is attended by the finance department, the compliance department, ITSS-BC (information technology systems security and business continuity) and the General Inspection Department. It is chaired by the Chief Executive Officer, the chief risk officer (his substitute), with the Head of the Operational Risk Department acting as secretary. The standing members of the Operational Risk function, apart from the Head of the department, are the departments' Heads of Operational Risk and the Data, Methods & Projects Officer.

The Operational Risk Committees of the business lines and support functions are offshoots of Natixis' Operational Risk Committee, which closely manages the operational risk exposure of each scope. These Committees are organized according to the function's governance matrix (location and business lines). They are facilitated by the Head of the Operational Risk Department acting as Committee secretary. Each Committee is chaired by the Head or manager of the Scope (business line or support function, depending on the entity) with the participation of operational managers, support function representatives and the dedicated compliance managers.

The structure of the function mirrors the organization of:

- the divisions under the responsibility of the operational risk managers;
- the foreign offices under the responsibility of the operational risk managers of the Americas, EMEA and Asia-Pacific platforms. They report hierarchically to the local chief risk officer, and functionally to the head of operational risk;
- the support and control functions under the responsibility of an operational risk manager covering – in addition to the activities within his or her remit – overall and systematic operational risks (loss of access to premises or information systems, or loss of employee availability) to which Natixis is exposed.

The function has nearly 70 FTEs dedicated to Natixis' operational risk management. Within their designated scopes (subsidiary, business line or support function), they are responsible for instilling the operational risk culture, recording and analyzing incidents, mapping risks, proposing and following up corrective actions, compiling reports and escalating information to management. Analyses are carried out across the Bank where the support or control functions are involved, or where the processes have an impact on teams, whether in the front, middle or back office.

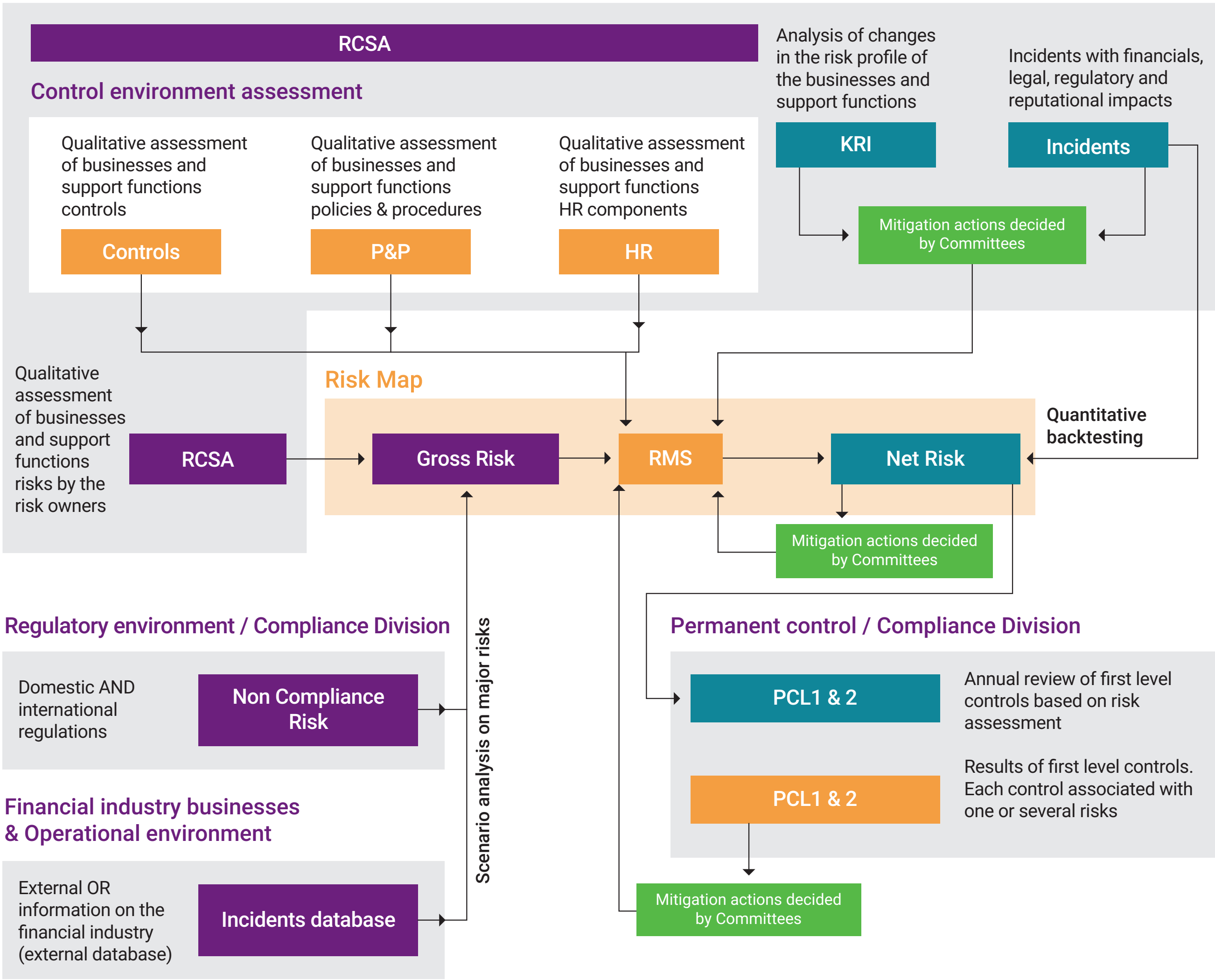
This framework is managed using a single information system that has been deployed across the Company's entities, business lines and support functions in France and internationally. This internal tool is available in French and English and hosts all the components of the operational risk oversight system (incidents, mapping of quantified potential risks, risk management systems, key risk indicators, corrective actions, Committees, etc.). The accuracy of the information entered or approved by the operational risk managers is ensured through reconciliation with information from other functions (accounting, compliance, legal, IT Systems Security, data quality, insurance, etc.).

The capital requirements for operational risk are calculated using the standardized approach for all of Natixis' operational divisions. For the purposes of managing its economic capital, Natixis uses an internal methodology to obtain an overall estimation of its level of exposure to operational risk by business line entity, geographic region and certain major risk situations. The methodology relies on a value at risk (VaR) calculation based on risk mapping, factoring in identified incidents for backtesting and known external losses.

3.2.6.3 Operational risk monitoring

Risk mapping

Risk mapping is central to operational risk monitoring:



KRI: Key Risk Indicator
RMS: Risk Mitigation System
RCSA: Risk Control & Self Assessment
HR: Human Resources
P&P: Policies and procedures

Every year the department in charge of operational risks, in conjunction with the other control functions, works with each business line, entity and support function to map operational risks. The exercise involves identifying and descriptively analyzing risks, quantifying the risk situations (average frequency, average and maximum loss), and taking into account existing risk management mechanisms. This mapping is based on process analysis and is carried out for all the bank's activities. Its consistency is verified through backtesting, in other words by using the incident history, as well as external data where relevant.

The risk mapping process serves to identify Natixis' exposed business lines and its biggest risks in order to be able to manage them through corrective action and indicators.

The mapping of "global and systemic risks" (extreme risk situations occurring infrequently, such as major natural disasters, pandemics, and attacks) draws on external data on incidents in the financial industry, especially for establishing frequency. Also factored in are assumptions on unrealized net revenue items, the effectiveness of risk management mechanisms, as well as contingency and business continuity plans.

In addition to risk mapping, there are over 600 KRIs (key risk indicators) in place with corresponding limits, and which are monitored regularly. KRIs dynamically detect any changes in the operational risk profile and cover the seven Basel categories of loss-generating events. They apply either to Natixis (overall indicators), to the business lines, or to the support functions that, with the operational risk manager, set the indicators as relevant early warning indicators during the mapping process. These indicators are submitted to the Operational Risk Committee for approval. Any breach of their thresholds, that is the subject of a systematic alert, may trigger action to be carried out immediately or requiring OR Committee approval.

Identifying losses and incidents

Recording and analyzing incidents

Incidents are recorded as they occur, starting from an optional reporting threshold of €5,000 for the Corporate & Investment Banking and Asset Management business lines, and €1,500 for Payments, Insurance and Wealth Management. A single definition of "serious incident" is used, in compliance with Groupe BPCE standards (€300,000 gross). All serious incidents (above the defined threshold or deemed serious by the business line and the head of the operational risk department) are reported immediately to the business line's management and to Natixis' chief risk officer.

Following an investigation involving all relevant parties, the operational risk manager of the business line compiles a standardized full report, including a factual description of the event, the analysis of the initial cause, the description of the impact and the proposed corrective actions. At all levels of the Company, the business line Operational Risk Committees review their serious incidents. They decide on the implementation of corrective actions propose the associated deadlines and deliverables, and monitor progress. The entities and business lines can decide to apply these measures to their own threshold, which is lower than that of Natixis and consistent with its activity and level of risk.

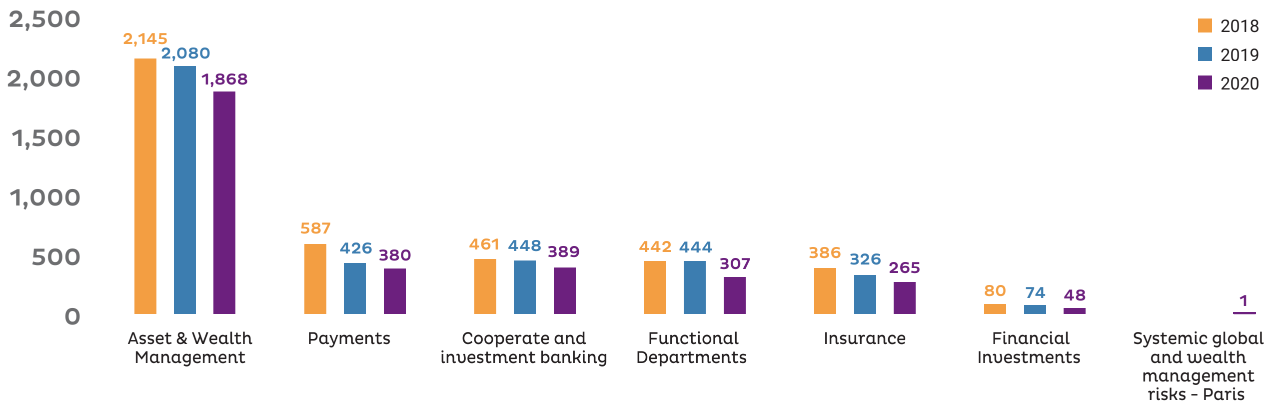
The vast majority of operational risk incidents occur frequently and have a low impact per incident.

Overall trend of reported incidents

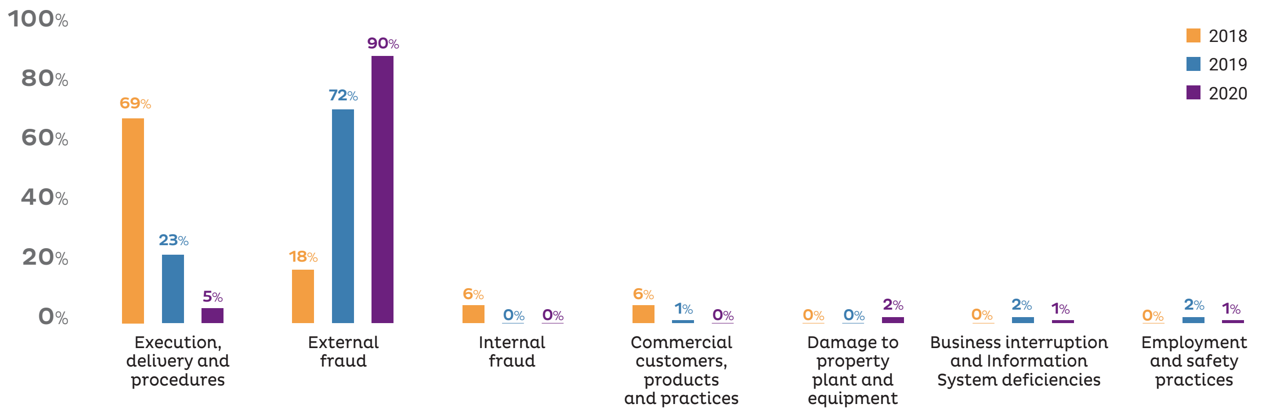
In 2020, 3,258 incidents that occurred in the year (representing 5,520 single incidents) were entered into the recording tool by the Natixis business lines. The application of the reporting threshold has contributed to the decrease in the number of reports since 2016.

3

Breakdown of reported incidents by business and date



Breakdown of reported incidents by net amount by date and Basel category



Measures to reduce risk

Natixis has implemented measures in every business line and support function to monitor the corrective actions to reduce the Bank's exposure to operational risks. 70% of the almost 431 corrective actions initiated in 2020 were implemented by the business lines in charge and are monitored by the business line and central Operational Risk Committees. These actions, defined to reduce and resolve operational risk, are ranked according to three priority levels depending on the risks incurred. An alert system has been set up to prompt assessment by the Natixis Operational Risks Committee of any delays in implementing first-level corrective actions.

3.2.6.4 Risk profile

In 2020, a risk analysis was performed on all of Natixis' business lines and support and control functions. Verifying consistency with the results from General Inspections and the results of permanent controls highlighted the most important risks for each scope and helped prioritize corrective measures to be implemented in order to improve the risk management mechanism. The Corporate & Investment Banking and Asset & Wealth Management business lines represent the majority of risks under review owing to the extensive nature of the division's activities and operations in both France and internationally.

Natixis' risk profile features two main risk categories in terms of high potential impact: business line risk, concentrated under Corporate & Investment Banking, and cross-functional risk (technology including cyber, regulatory or legal) to which the Company as a whole is exposed. Tailored risk management mechanisms have been introduced to cover these risks, including the safeguarding of procedures and controls, raising employee awareness, Business Continuity Plans, IT Systems Security and insurance policies.

3.2.6.5 Operational risk insurance

Reporting to the Natixis Insurance division, the Groupe BPCE Corporate Insurance Department is responsible for:

- analyzing insurable operational risks; and
- taking out appropriate insurance coverage (direct insurance and/or transfer).

Natixis and its subsidiaries benefit from the guarantees provided in the following main insurance programs:

- covering its insurable operational risks; and
- which are pooled with Groupe BPCE;

A/ Combined "Global Banking *(Damage to Valuables & Fraud)*" & "Professional Civil Liability" policy with a total maximum payout of €215.5 million per year of insurance including:

- **a)** €72.5 million per year, combined "Fraud/Professional Civil Liability" insurance available, subordinate to the amounts guaranteed set out in b) and/or c) and/or d) below;
- **b)** €48 million per claim and per year, solely reserved for "Global Banking" risk;
- **c)** €25 million per claim and per year, solely reserved for "Professional Civil Liability" risk;
- **d)** €70 million per claim and per year, combined "Global Banking/Professional Civil Liability" insurance available in addition to or after use of the amounts guaranteed set out in b) and/or c) above.

The maximum amount that can be paid out for any one claim under this arrangement is €118.5 million under "Professional Civil Liability" coverage and €119 million under "Fraud" coverage in excess of the applicable deductibles.

B/ "Regulated Intermediation Civil Liability" (in three areas: *Financial Intermediation, Insurance Intermediation, Real Estate Transactions/Management*) with a total maximum payout of €10 million per claim and per year;

C/ "Operating Civil Liability" covering €100 million per claim, as well as a "Subsidiary Owner Civil Liability"/"Post Delivery-Reception Civil Liability" coverage extension for up to €35 million per claim and per year of insurance;

D/ "Company Directors Civil Liability" for up to €200 million per claim and per year of insurance;

E/ "Property Damage to Offices and to their content" *(including IT equipment)* and the consecutive "losses in banking activities", for up to €400 million per claim;

F/ "Protection of Digital Assets against Cyber-Risks" & the consecutive "losses in banking activities", for up to €140 million per claim and per year of insurance.

This coverage extends worldwide for initial risk or umbrella risk, subject to certain exceptions, mainly in terms of "Professional Civil Liability" where the policy does not cover permanent institutions based in the United *States (where coverage is obtained locally by Natixis' US operations)*.

All the insurance policies mentioned above were taken out with reputable, creditworthy insurance companies. All the insurance policies mentioned above are purchased with deductibles (accepted retention level) in accordance with Natixis' retention capacity.

3.2.7 Balance sheet management

3.2.7.1 Governance and organization structure

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

Natixis' structural balance sheet risks are managed and monitored under the authority of the ALM Committee, which is chaired by the Chief Executive Officer and composed of the members of the Senior Management Committee in charge of the finance, risk and the CIB division, the head of the joint refinancing pool, the head of financial management of Natixis, the head of the SBSR (Structural Balance Sheet Risk) and representatives of BPCE's financial management division and risks division. The Committee meets every two months and is mainly responsible for:

- defining and monitoring Natixis' ALM;
- approving the major principles in terms of structural balance sheet risks (structure, delegation of authority, fund transfer pricing, etc.) in compliance with the standard ALM framework set up by BPCE;
- the pre-validation of the ALM agreements and assumptions underlying the calculations of structural risk management and monitoring indicators prior to examination by the Group Strategic ALM Committee of the central body;
- validating internal limits with respect to ALM indicators, the overall Group limits being defined by BPCE;
- validating the overall funding policy in conjunction with the BPCE ALM Committee;
- supervising structural balance-sheet risks, including managing excessive leverage risk since 2015;
- supervising the main balance sheet aggregates and their development.

The ALM Committee monitors Natixis' regulatory balance sheet

In the interest of fulfilling its duties and in order to apply the main principles of ALM management and control, the ALM Committee delegates certain operational tasks to:

- the Financial Management Department, as first line of defense:
  - the ALM Department is responsible for updating the ALM principles, standards, conventions and limits. It submits them to the ALM Committee for approval under the oversight of the Risk division and and ensures the management of structural balance sheet risks within the overall ALM limits within its remit, including those in respect of regulatory liquidity ratios and the leverage ratio,
  - the Treasury Department (joint refinancing pool), which comes under the authority of the financial management department, is responsible for covering the funding requirements of the business lines, providing operational management of liquidity in accordance with applicable limits, implementing the Natixis medium-term refinancing policy adopted by the ALM Committee, and operationally managing compliance with the regulatory liquidity ratio;
- the risk division, which is responsible for independently evaluating the structural ALM risk monitoring system, second-level controls on cash and ALM indicators (ad hoc SBSR Department), and the approval of identified ALM methods for use in a model. The risk division also proposes the limits specified under the risk appetite system, which are validated by the Board of Directors.

3.2.7.2 Management of liquidity and funding risk

Targets and policy

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

Natixis is affiliated with the central institution of the Caisses d'Epargne and the Banques Populaires banks (BPCE), as defined by the French Monetary and Financial Code. Article L.511-31 of the French Monetary and Financial Code stipulates that central institutions are credit institutions and, as such, they must oversee the cohesion of their network and ensure the proper operation of affiliated institutions and companies. To this end, they take any necessary measures, notably to guarantee the liquidity and capital adequacy of all such institutions and companies as well as the network as a whole.

In light of the commitments Groupe BPCE has made to the supervisory authorities to ensure and guarantee the liquidity of the bank as lender of last resort, Natixis remains under the supervisory authority of BPCE.

This supervision, under the authority of the strategic ALM Committee, is implemented through governance and an overall liquidity risk management and monitoring system that is adapted, shared and harmonized by all affiliates, including Natixis. Steered by the Group's resilience function, it describes in particular the Group's funding strategy.

Natixis' liquidity risk management policy is an integral part of the Group's policy. It sets out to optimize Natixis' activities within a clear, shared and standardized framework in terms of governance and ALM regulations, and in line with the Group's risk constraints.

Natixis' funding structure relies on a Joint Refinancing Pool shared by Natixis and BPCE. Placed under the authority of the Group ALM Committee, this platform was implemented in 2011 in order to secure the Group's financing and optimize the management and allocation of liquidity within the Group in accordance with predefined rules, in particular with the aim of limiting the use of market financing and reducing funding costs.

The purpose of the overall liquidity risk management policy is to:

- ensure that Natixis meets its loan commitments while ensuring that its funding needs and maturity transformation are in line with the Group's short- and medium-term refinancing capacities;
- optimize funding costs within established risk constraints to help reach profitability targets;
- observe the internal limits set in close cooperation with BPCE and adapted to the Group's ability to meet Natixis' ultimate liquidity needs;
- comply with national and international regulations;
- help diversify the sources of funding raised by Groupe BPCE (by geographic area, product and counterparty); and in particular promote inflows of non-financial resources.

Monitoring system

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

Liquidity risk is controlled, managed and monitored as follows:

- management of each business line's funding needs: to manage the bank's funding needs, liquidity budgets are allocated for each business line as part of the budgetary procedure and approved by the ALM Committee. Consumption is monitored weekly for CIB business lines and monthly for other business lines;
- management of the bank's contribution to Groupe BPCE's net market footprint: the objective is to match the liquidity allocation system with the Group's strategic ambitions and operational oversight;
- management of short-term maturity transformation, which is measured using liquidity gaps. This indicator is produced daily for a 365-day period in one-day intervals for all parent company transactions, including some subsidiaries. It is governed by four permanent limits validated by the ALM Committee and monitored on a daily basis;
- management of medium-term maturity transformation, which is performed using coverage ratios that are defined by maturity tranche, such as the ratio of assets that have not yet matured to liabilities that have not yet matured. These ratios are calculated for long-term cash assets, credit subsidiaries housing medium-term activities, and for Natixis on a consolidated basis, and are restricted by the minimum coverage ratios approved by the ALM Committee and monitored monthly;
- management of the Bank's contribution to the short-, medium- and long-term transformation of Groupe BPCE. This is measured on the basis of Natixis' consolidated liquidity gaps. These indicators are produced on a monthly basis;
- simulations of liquidity stress scenarios: the purpose of these scenarios is to measure the Group's ability to continue meeting its commitments and operating in the event of a liquidity crisis. Natixis periodically simulates its contribution to the Group's stress results based on different crisis scenarios (systemic, specific, combined, etc.) and different levels of intensity (moderate, strong, extreme, etc.) over one-, two- and three-month periods for which assumptions are set by BPCE;
- funding structure: the funding structure is monitored to ensure that resources are well diversified, by type of counterparty, by market segment and by geographic area, in order to mitigate all concentration risk *(see section on funding principles and structure on the following page)*;
- market depth tests conducted by the Joint Refinancing Pool: these liquidity tests aim to explore the limits established by our counterparties on our issues.

Contingency funding plan under liquidity stress

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

The aim of this Contingency Funding Plan ("CFP under Liquidity Stress") is to ensure that, in the event of a liquidity crisis altering the Group's ability to obtain funding, all resources are used in a coordinated and optimized manner to allow the Group to meet its current and future financial obligations and thus maintain business continuity.

Given the Group's liquidity management organization, which remains under the authority of the central body, the Group's CFP is unique, covers all affiliates and reports to the Strategic ALM Committee. It describes in particular:

- the Group's monitoring system based in particular on a sample of advanced quantitative and qualitative indicators of crisis occurrence (the "Early Warning Indicators") supplemented by a system of thresholds in order to facilitate the decision-making and escalation process regarding the activation or deactivation of the CFP;
- the organization and governance to be implemented in the event of activation;
- the description of the action levers to be taken to deal with liquidity stress situations.

Funding principles and structure

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

Funding strategy

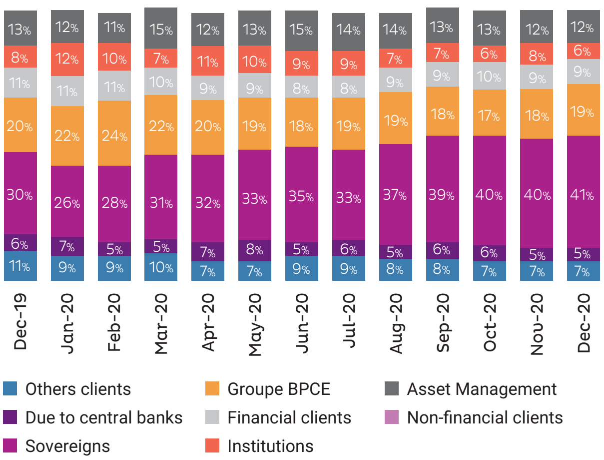
Natixis' funding structure relies on a Joint Refinancing Pool shared by Natixis and BPCE. Placed under the authority of the Group ALM Committee, this platform was implemented in order to secure the Group's financing and optimize the management and allocation of liquidity within the Group in accordance with predefined rules, with the aim of limiting the use of market financing and reducing funding costs.

The diversification strategy is rolled out Group-wide. The strategy aims to extend the Group's financing sources by geographic zone, currency, product and counterparty, to limit its stock market footprint while restricting the so-called "market" liquidity needs of consumer business lines. As for Natixis, implementing this strategy will notably involve structured issues made via private placement, as well as deposit taking via corporate bonds in Europe, Asia and the US.

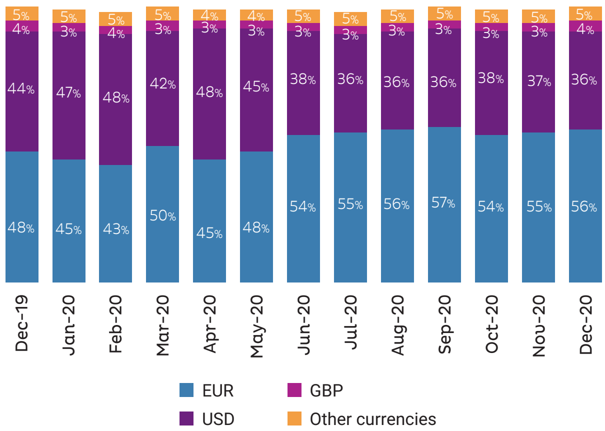
The following charts are established for information purposes on the basis of management data at year-end.

Funding structure for 2020

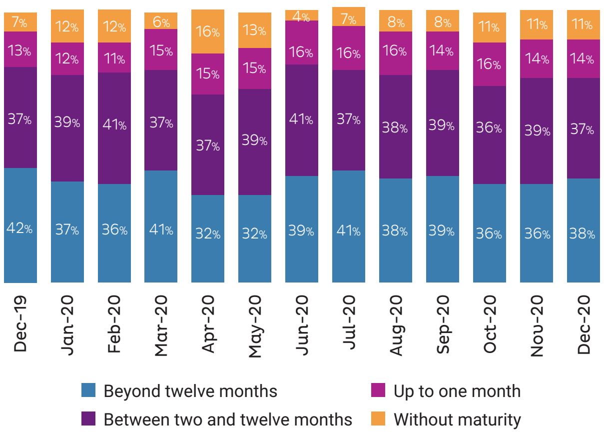
By main counterparty category



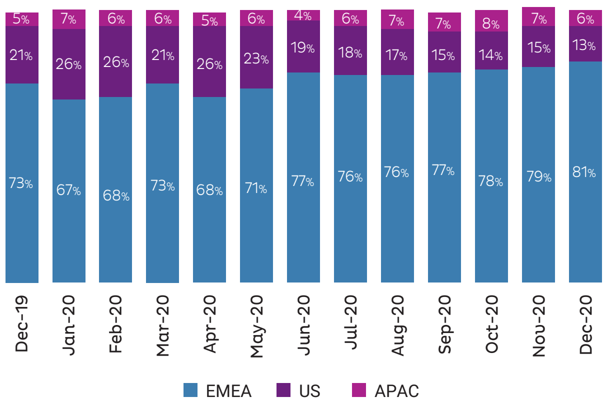
By currency



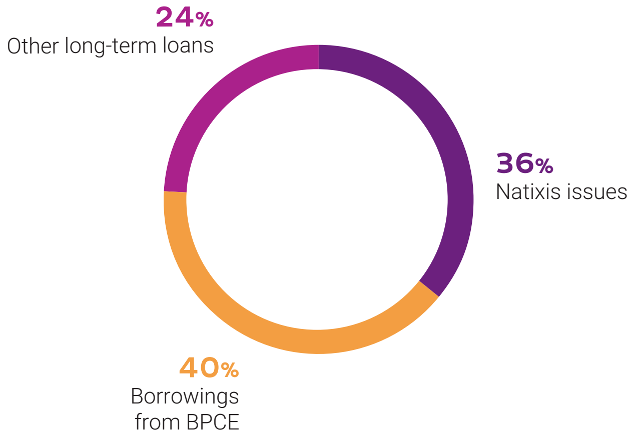
By maturity



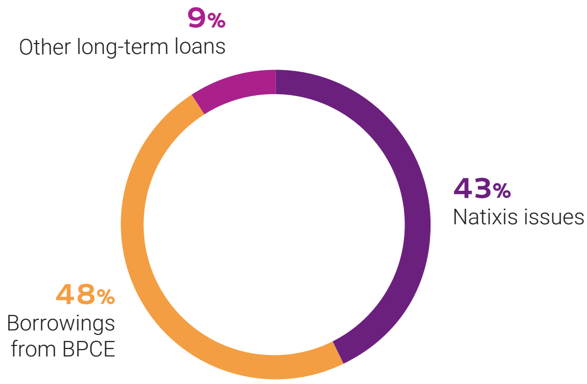
By platform



2020 MLT funding program



2019 MLT funding program



Sources: Management data.

In 2020, under its annual medium-term funding program, Natixis raised €12.3 billion net (and €8.7 billion net the value of PPS buybacks and calls) in resources compared with €11.5 billion (€7.4 billion net the value of buybacks and calls). Natixis benefited from the TLTRO resources provided by BPCE to finance the GBLs.

Term deposits were partially backed at more than one year by cash flows, thus creating an additional resource of €3 billion, which explains the increase in resources compared to last year.

Comments on the Bank's funding

Short-term funding

The year 2020 was very mixed on the short-term debt markets. It was marked by the COVID-19 pandemic that affected the financial markets, but also by the formidable reaction of the political and monetary authorities to provide the fastest and most appropriate response possible.

From the beginning of March, many companies preferred to withdraw from their investments in money management companies to build up a liquidity buffer to cope with the inevitable loss of revenue caused by the pandemic. These withdrawal movements affected the liquidity of the money markets, which closed very quickly due to a lack of bank debt buyers. This situation caused the very significant attrition of the Group's stock of monetary debt, largely offset by an increase in deposits in corporate bank accounts, as a result of them building up their buffer.

This movement was only very temporary, however, since the actions of central banks quickly led to a return of confidence and liquidity in the money markets. Companies were also able to benefit from a State-guaranteed loan scheme which reassured them that they would be able to maintain their cash flow during the crisis and some of them were able to reduce the amount of their reserves to reinvest in the money market via Asset Management companies.

As proof of the return of this confidence and of the current strong appetite of investors for monetary assets, interbank rates (Euribor) have eased steadily from the month of April 2020 and remained below or very close to the deposit facility of the European Central Bank (-0.50%).

Over the year 2020, the outstanding amount of our short-term debt programs expressed in euros decreased by almost 10 billion (9.861), reflecting both lower refinancing requirements within the Group due to the liquidity provided to the market by central banks, the desire to reallocate issues to BPCE programs in the United States in particular and, to a lesser extent, the fall in the exchange rate of the dollar against the euro.

Natixis' short-term issuance program outstandings

(in millions of euros or euro equivalents)	Deposit certificates	Commercial papers
Program ceiling*	45,000	24,224
Outstandings at 31/12/2020	19,693	10,389

** For certificates of deposit, NEU CP program ceiling only.*

Long-term funding

The year 2020 was marked by the COVID-19 crisis which, dramatically slowed down global economic activity.

Containing the economic effects of the COVID-19 pandemic and supporting the smooth operation of the market required central bank intervention.

The measures announced in the first quarter by the ECB (deposit rate unchanged but more favorable conditions for the TLTRO III, implementation of the PEPP) were increased in size and the deadline for their application was extended during the year. As a result, the PEPP budget, which initially amounted to €750 billion, was increased to €1,850 billion. The program was also extended until March 2022 (vs. June 2021 initially).

The Fed for its part reduced its Fed Funds Rate twice (-50 bps and -100 bps) at its inter-meeting (0%-0.25%) and announced a near-unlimited quantitative easing program (in the form of purchases of treasury securities and MBS) as well as other facilities (PMCCF and SMCCF programs over the medium-to-long term).

The actions of the central banks drove rates down with a clear reduction in yields and spreads, a favorable move for the valuation of all assets.

In the credit market, the ECB continued purchases of non-financial corporate debt (CSPP) in euros as part of the Asset Program Purchase, thus supporting the primary market. In this segment, the amount issued in 2020 was approximately €484 billion (vs. €449 billion in 2019). Investment Grade (IG) funds recorded net inflows in 2020: €10 billion for IG euro funds and $139 billion for IG funds in US dollars. On the secondary market, euro-denominated senior preferred credit spreads returned to their levels of the beginning of the year. The Itraxx Fin index. Senior Eur, after peaking in March 2020 at 164, ended at 59, i.e. an increase of only 7 bps in 2020.

The recovery plans put in place by states also helped to support economic activity.

Against this market backdrop, Natixis raised €11.7 billion in funding in 2020 (of which €520 million 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 €2.74 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	Bond issues
Issues at 31/12/2020	3,980	0	13	4,999
Outstandings at 31/12/2020	13,023	432	108	12,967

3.2.7.3 Structural foreign exchange risk

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

Targets and policy

Given its risk exposure to many currencies (including the US Dollar), Natixis' CET1 ratio is sensitive to changes in exchange rates. Natixis' general policy for managing structural exchange risk consists in immunizing the CET1 ratio (CET1 in currency, in relation to RWAs in the same currency) against changes in exchange rates. To this end, it establishes a "structural" foreign-exchange position when it purchases foreign currencies to fund net sustainable, strategic investments abroad, in proportion to the consumption of RWA in the currency in question.

Monitoring system

The CET 1 ratio's sensitivity to exchange rate fluctuations is regularly assessed by the ALM Committee.

Structural foreign exchange position

	Structural change	
Currencies (cv €m)	Position at market opening (01/01/2020)	Position at market close (31/12/2020)
USD	4,166	3,846
DZD	181	154
AUD	127	103
GBP	247	103
CAD	123	89
CNY	41	40
HKD	70	30
RUB	46	24
SGD	99	14
LBP	14	14
Other	140	23

3.2.7.4 Overall interest rate risk

General policy

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

Natixis' policy for managing overall interest rate risk is not aimed at structurally holding directional interest rate positions in the banking book over the long term.

Barring exceptions, fixed-rate financial assets and liabilities are returned against bank offered rates via interest rate swaps and are predominantly housed in Treasury portfolios subject to ongoing management of interest rate risk. Accounting treatment of the hedging system is in accordance with international accounting standards.

Overall interest rate risk management system

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

In 2019 the system for measuring and monitoring interest rate risk was adapted to factor in the new July 2018 guidelines of the European Banking Authority (EBA), "EBA-GL-2018-02". It dovetails with the implementation of the IRRBB framework within Groupe BPCE, and includes calculations and limits that are adapted to Natixis' prudential banking scope.

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 joint refinancing pool, and the head of financial management of Natixis and his BPCE counterpart.

The indicators are:

- a static interest rate gap calculation;
- sensitivity of economic value calculations: to measure changes in this value according to scenarios defined by the EBA, this indicator measures the change in this value under different yield curve distortion scenarios (including those defined by the EBA);
- changes in net interest income calculations: to calculate the sensitivity of net interest income.

Limits were approved by the Natixis ALM Committee for these indicators. They are part of the Groupe BPCE system but also into Natixis' internal RAF system, with a low level of materiality.

The metrics are calculated by financial management with second-level control and monitoring of limits operated by the SBSR (Structural Balance Sheet Risk) Department of the risk division. They are reported to the ALM Committee and recorded in the risk dashboard.

Complementing this system is a set of operational interest rate risk calculations (interest rate sensitivity and stress tests) which are managed daily by the market risk department, and monthly for credit subsidiaries that have a management responsibility.

Quantitative disclosures

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

The interest rate gap below factors in all fixed-rate asset and liability positions and adjustable/variable-rate positions until the next date on which the rate is set. This indicator is calculated on a quarterly basis.

Interest rate gap by maturity at December 31, 2020

Maturity *(in millions of euros)*	**1 year**	**3 years**	**5 years**	**7 years**
Interest rate gap (fixed-rate)	(1,656)	(551)	(429)	(206)

The table below shows the sensitivity of the economic value (ΔEVE) and the interest margin (MNI) 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)

	ΔEVE		**ΔNII**	
Period *(in millions of euros)*	**31/12/2020**	**31/12/2019**	**31/12/2020**	**31/12/2019**
Parallel upward shift	(152)	12	27	124
Parallel downward shift	27	(12)	(1)	(79)
Steepening	(63)	(125)		
Flattening	(13)	74		
Rise in short rates	(59)	73		
Fall in short rates	(2)	(103)		
Maximum				
Period	**31/12/2020**		**31/12/2019**	
Tier-1 capital	**14,194**		**13,311**	

Stress tests are calculated using the progressive regulatory floor approach as well as the multi-currency aggregation method as per the EBA Guidelines of July 2018. The sensitivity presented below relating to NII 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 stress scenarios set by the European Banking Authority (200 bps parallel upward or downward shift in yield curves, steepening, flattening, rise or fall in short rates with a progressive floor) would lead to a variation of -€152 million in the economic value of the banking book (using the EBA's currency offsetting rules) based on the upward yield curve scenario of +200 bps at December 31, 2020.

The sensitivity of Natixis' NII to interest rate variations under various stress scenarios in 2020 was relatively stable. In the event of a parallel upward shift of +200 bps in the yield curves, sensitivity was positive and represented less than 1.5% of CET1.

3.2.7.5 Breakdown of financial liabilities by contractual maturity

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

Breakdown of financial liabilities by contractual maturity

	31/12/2020									
(in billions of euros)	Total	Demand	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Undated
Due to central banks	0.0									0.0
Other financial liabilities held for trading purposes – excluding trading derivatives	131.8	4.3	81.0	8.9	2.4	4.0	2.0	4.3	4.2	20.6
o/w repurchase agreements	*95.3*	*4.3*	*80.6*	*7.9*	*1.3*	*0.9*	*0.2*	*0.0*	*0.1*	*0.0*
Secured debt	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Unsecured debt	*0.3*	*0.0*	*0.0*	*0.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Financial liabilities designated at fair value through profit or loss	27.9	0.0	1.1	6.0	2.5	3.6	4.4	8.7	1.6	0.0
o/w repurchase agreements	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Secured debt	*0.1*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Unsecured debt	*23.9*	*0.0*	*1.0*	*2.5*	*2.4*	*3.6*	*4.4*	*8.7*	*1.4*	*0.0*
Trading derivatives	49.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	49.9
Hedging derivatives	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Amounts due to credit institutions	84.7	12.8	3.7	17.5	10.1	14.1	7.9	17.4	1.1	0.1
o/w repurchase agreements	*9.1*	*0.0*	*4.5*	*1.2*	*1.4*	*1.0*	*0.9*	*0.0*	*0.0*	*0.0*
Amounts due to customers	30.2	20.7	2.9	2.2	0.8	0.9	0.2	0.2	1.1	1.3
o/w repurchase agreements	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Debt securities	35.7	0.0	6.6	11.8	6.6	8.0	0.7	0.6	1.4	0.0
o/w covered bonds	*1.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.3*	*0.5*	*0.3*	*0.0*
Revaluation adjustment on portfolios hedged against interest rate risk	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Subordinated debt	4.1	0.0	0.0	0.0	0.9	0.6	1.1	1.0	0.2	0.3
TOTAL	**365.1**	**37.8**	**95.3**	**46.3**	**23.2**	**31.2**	**16.3**	**32.2**	**9.7**	**73.0**

The information contained in the above table excludes Insurance activities.

	31/12/2019									
(in billions of euros)	TOTAL	Demand	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Undated
Due to central banks	0									0
Other financial liabilities held for trading purposes – excluding trading derivatives	129.9	8.1	72	11.5	3.7	4.9	2.4	4	4.8	18.6
o/w repurchase agreements	*96.1*	*8.1*	*71.9*	*11.2*	*2.5*	*1.3*	*0.6*	*0.4*	*0.1*	
Secured debt	-	-	-	-	-	-	-	-	-	
Unsecured debt	-	-	-	-	-	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	30.7	-	1.5	6.7	2.1	4	4.1	8.8	3.4	
o/w repurchase agreements	-	-	-	-	-	-	-	-	-	
Secured debt	*1*	-	-	*0.9*	*0.1*	*0*	*0*	*0*	*0*	
Unsecured debt	*25.6*	-	*1.4*	*2.2*	*2*	*4*	*4.1*	*8.8*	*3*	
Trading derivatives	59.7									59.7
Hedging derivatives	0.7									0.7
Amounts due to credit institutions	72.9	8.8	10.1	15	5.6	7.6	8.7	16.1	1	0.1
o/w repurchase agreements	*6.9*	*0.6*	*0.8*	*4.2*	*0.6*	*0.8*	-	-	-	
Amounts due to customers	30.4	17	3.2	4.2	1.2	1.9	0.1	0.3	1	1.4
o/w repurchase agreements	*0.1*	*0*	*0.1*	-	-	-	-	-	-	
Debt securities	47.7	-	5.2	14.3	12.9	11.7	0.5	2	1.2	
o/w covered bonds	*1.3*	-	*0*	*0*	*0*	*0*	*0.2*	*0.8*	*0.3*	
Revaluation adjustment on portfolios hedged against interest rate risk	0.2									0.2
Subordinated debt	4.2	-	0	0	0	0	1.4	2	0.7	0
TOTAL	**376.3**	**33.9**	**92**	**51.7**	**25.5**	**30.1**	**17.3**	**33.1**	**12.1**	**80.7**

The information contained in the above table excludes Insurance activities.

3.2.8 Non-compliance risk

For a definition of non-compliance risk, *see 3.2.2 Governance and risk management system – Risk typology*.

3.2.8.1 Organisation of the Compliance Department

The Compliance Department is responsible for managing the risk of non-compliance, coordinating the first-level permanent control system and is responsible for carrying out second-level controls. It also includes the supervision of technological risk and business continuity (ISS-CA), as well as the protection of personal data. Its scope of action encompasses Natixis and its subsidiaries and branches in France and abroad, thanks to its functional structure.

Responsibilities

The Compliance Department advises and assists all Natixis employees on how to prevent compliance risks when performing their duties. It plays a key role in implementing the principles set out in the Natixis Code of Conduct *(see 6.2 The Natixis Code of Conduct)*, which have been adapted for compliance in the Compliance Manual.

The scope of the compliance function covers non-financial risks and, in particular, the legislative and regulatory provisions specific to banking and financial activities, as well as professional standards aimed at preventing any risk of non-compliance. It includes the compliance of the products or services provided, the integrity of the markets, financial security and the prevention of fraud, the supervision of technological risks and the processing of personal data.

In this context, the Compliance Department participates in the implementation of standards, policies and procedures and issues opinions, in particular for the management of new activities, new products or new organizations by ensuring their compliance with the applicable texts.

The Compliance Department also monitors regulations and carries out training and awareness-raising actions on the numerous regulatory changes, particularly concerning the fight against money laundering and the financing of terrorism, tax evasion and information security.

The Compliance Department coordinates first-level permanent controls of compliance risks. In addition, it sets up and implements second-level permanent controls to ensure that procedures are applied within the business lines and that compliance risks are managed, as part of a risk-based approach *(see 3.2.1 Natixis internal control system)*. To this end, Compliance maps non-compliance risks. Lastly, it ensures that any dysfunctions noted by the businesses concerned are corrected.

Governance

The Compliance Department performs its duties independently of the operational departments. It reports to the Secretary General of Natixis, a member of the General Management Committee, who is responsible for permanent control declared to the ACPR (French Prudential Supervisory Authority for the banking and insurance sector). Natixis' Head of Compliance is a member of the Executive Committee.

The Compliance Department reports to the members of Natixis' Senior Management Committee and the Board of Directors (Risk Committee) on the main risks detected, and on the implementation and effectiveness of the measures to address these risks. It participates in the preparation of various reports for the regulators.

The compliance function applies the operating and reporting principles of Groupe BPCE.

The operating rules of the Compliance Department are set out in a charter approved by Natixis' Senior Management Committee. This charter, updated in 2020, constitutes the minimum framework to be applied by the entire sector.

Global oversight

Natixis organizes its control functions on a global basis in order to ensure that the internal control mechanism is consistent throughout the Company. This organization aims to ensure compliance with the principle of strict independence between, on the one hand, the operational and functional units responsible for initiating and validating transactions, and, on the other hand, the units that control them.

The Natixis Compliance Department provides guidance, leadership and oversight to the compliance managers of the entities as part of its operations. This role is carried out through hierarchical reporting to Natixis, the parent company, and direct links to the branches and subsidiaries.

The compliance function is deployed across all Natixis entities, whether or not the activities or entities are regulated, provided that the entities concerned are under sole or joint control.

At least one Compliance Officer is appointed for each country in which Natixis operates.

Tools

The Compliance Department is equipped with a set of tools to cover all the areas within its remit, namely:

- operational analysis tools used in conjunction with KYC tools to detect money laundering and internal fraud and prevent terrorist financing;
- data-comparison systems to verify client databases and screen transactions to ensure compliance with embargoes;
- tools to track sensitive transactions, keep insider lists, manage conflicts of interest and detect instances of market abuse;
- tools to ensure all permanent level 2 controls incumbent on the compliance function.

3.2.8.2 Employees and Professional Ethics

Conflicts of interest

Conflicts of interest are prevented by:

- using risk maps to identify situations posing a risk of conflict of interest;
- setting up and monitoring of information barriers;
- checking compensation policies;
- being compliant with the rules of good conduct applicable to Natixis staff; and
- staff training.

Conflict of interest is managed through:

- compliance with the conflict of interest prevention framework;
- cooperation among the business lines, Compliance and Management in order to identify and manage conflicts of interest;
- close monitoring by Compliance with the help of a transactional conflict detection tool; and
- an escalation process for mediating unresolved conflicts of interest if needed.

Whenever the risk of compromising a customer's interests becomes unavoidable in spite of the internal procedures in place, Natixis informs the customer of the nature of the conflict of interest before taking action on the customer's behalf. This allows the customer to make an informed decision on whether to proceed with the transaction.

Circulation of information

Information barriers are put in place and reviewed each time the organizational structure changes in order to prevent the unwarranted circulation of confidential information. These barriers function as partitions between business lines and departments. They limit the circulation of information on a "need-to-know" basis, which means that information is transmitted only in the customer's interest and only to employees who absolutely require the information to carry out their duties. These barriers may be organizational, physical or electronic and may be permanent or temporary. Natixis has set up a permanent information barrier separating its Asset Management business activities within Natixis Investment Managers from its other activities.

Pursuant to regulations in force, the entry of sensitive transactions into a special tool that allows Compliance to rapidly identify issuers to be placed on the watchlist or on the prohibition list, as well as employees to be placed on the insider list.

Market integrity

In accordance with the requirements of the EU Regulation on market abuse, Natixis has set up a framework for detecting transactions likely to constitute market abuse. This framework is incorporated within its internal control system. Alerts are processed and potential cases of market abuse are analyzed by a surveillance tool and dedicated teams. Transactions that could constitute market abuse are reported to the Autorité des Marchés Financiers (AMF – French Financial Markets Authority) or to local regulators, in accordance with the regulations in force.

3.2.8.3 Protection of clients and investors

The protection of customers' interests is a core concern for Natixis that is reflected in the policies of every entity in France and abroad, as well as being included in its Code of Conduct. In all circumstances, employees are required to serve customers with diligence, loyalty, honesty and professionalism, and to offer financial products and services that are appropriate to customers' abilities and needs.

Accordingly, and in the interest of maintaining a high level of customer protection, Natixis strengthened its procedures and introduced additional controls.

This resulted in the implementation of various systems used to manage KYC and other information, establish governance for products offered to clients and preserve their assets. For more information on the GDPR and the protection of clients' personal data *see section 3.2.8.6 Protection of personal data.*

Client information

There is a client information procedure encompassing all the MiFID 2 obligations with respect to client onboarding, as well as the pre- and post-trade information due to clients based on their status as non-professional clients, professional clients or eligible counterparty as defined by regulations.

There is also a specific procedure for cost and expense information, and key information documents for packaged products to be provided to non-professional clients, thus ensuring Natixis' compliance with PRIIPS obligations.

Know Your Customer (KYC)

The procedures for customer onboarding are in line with the various regulatory requirements governing the prevention of money laundering and terrorist financing and compliance with embargoes and sanctions (AML-CTF), the prevention of corruption (Sapin II) and the prevention of tax avoidance (FATCA, AIE, DAC6). The onboarding procedures are also designed to protect customers through compliance with MiFID, EMIR and the Dodd-Frank Act.

The customer contact entry tool has been rolled out across all Major Clients Banking locations.

Protection of client financial instruments and funds

If financial instruments or funds belonging to clients are held, the clients' ownership rights to these assets are maintained and guaranteed. The use of client-owned financial instruments for the institution's own purposes is only permitted if clients have previously given their express consent. Similarly, regulations prohibit the signing of title transfer collateral arrangements with non-professional clients.

Product governance

MiFID 2 and IDD (Insurance Distribution Directive) established the principle of product governance, which aims to define and regularly review a target market for all financial instruments and insurance products sold by Natixis and to ensure that the product was sold to the intended target. This includes ensuring that the distribution strategy is consistent with and appropriate for the target market. Product governance applies to all kinds of clients, regardless of their classification, and all products regardless of their level of complexity or trading venue.

Adapting product governance, especially the definition and validation of the target market, to operations is handled through dedicated Committees.

Handling of customer complaints

This framework ensures that:

- customers receive transparent information on how their complaints are being handled;
- complaints are handled effectively; and
- corrective action is enforced to remedy any problems identified.

3.2.8.4 Financial security

The Financial Security Department reports to Compliance and manages the anti-money laundering and counter-terrorist financing (AML/CTF), corruption and fraud prevention framework, and ensures that Natixis and its branches and subsidiaries comply with financial sanctions and embargoes.

2020 was a year marked by the continuation of the work undertaken concerning:

- managing the financial security system;
- indicators used by the Financial Security Supervisory Committee (AMLSOC) were harmonized for the parent company, subsidiaries and branches, both in France and abroad;
- increase the number of Natixis financial security teams;
- the international sanction compliance framework, especially the system for screening transactions and client databases;
- the KYC system, notably through revised and harmonized governance and the launch of new KYC optimization and digitization projects;
- the implementation of an automated daily media watch on Natixis S.A.'s business relationships;
- work on the convergence of the financial security systems of the Asset Management entities and the Natixis M&A stores with the Natixis global system;
- the strengthening of the corruption risk mapping methodology, in conjunction with BPCE, in line with AFA recommendations.

Anti-money laundering and counter-terrorist financing

As part of its efforts to combat money laundering and terrorist financing, in 2020 Natixis enhanced its AML-CTF framework by integrating the new requirements from texts and reports issued by French, European and international authorities and public bodies.

In accordance with the regulations in force, Natixis' AML-CTF system primarily consists of the following items:

- in-depth and up-to-date information about the business relationship, both before onboarding and throughout the relationship;
- a risk-based approach allowing clients to be classified according to the money laundering and terrorist financing risks identified;
- a screening system for client databases and transactions that uses automated tools or requests;
- an oversight system using permanent and periodic controls;
- internal transmission of alerts and suspicions to the department authorized to report suspicions to the relevant financial intelligence units;
- a system for archiving and storing data relating to business relationships and operations;
- an employee training and information system.

In 2020, Natixis' Financial Security enhanced steering tools.

Furthermore, the a priori AML-CTF referral criteria used by Natixis S.A.'s Financial Security were strengthened and redefined as part of reinforcing monitoring across the consolidated scope of Natixis S.A. and its subsidiaries. Accordingly, before a transaction or financing can be prepared, an opinion on cases that meet one or more criteria on the list of referral criteria must be provided by Natixis S.A.'s Financial Security.

As for counter-terrorist financing, Natixis continued its work on the CTF risk map based on an assessment of the exposure of Natixis' business lines, branches and subsidiaries. In addition, the geopolitical watch report is distributed internally, thereby keeping people informed of the latest developments in this area and providing them with guidelines on implementing appropriate vigilance measures and dedicated controls.

Compliance with financial sanctions and embargoes

Natixis has a framework of internal policies and procedures, screening tools, training and permanent supervision controls ensuring compliance with the financial sanction and embargo regulations to which it is subject.

The framework draws on measures for verifying client databases and screening transactions with a view to identifying, on an ongoing basis, any person or entity subject to financial sanctions, specifically account freezes or restricted access to bank financing. It makes it possible to freeze the accounts of Natixis customers as quickly as possible. It is also able to prevent any transactions linked to sectors, goods or technologies that are subject to restrictions or bans pursuant to embargo measures. Jurisdictions subject to embargo undergo constant supervision and heightened diligence as part of a prudent and restrictive approach.

A team of experts dedicated to financial sanctions provides specific assistance and advice to the Bank's business lines and entities.

In 2020, Natixis continued to strengthen its compliance system with international sanctions, notably with the implementation of new changes to its screening tools and new processes for training and supervising the system.

Prevention of fraud

Anti-fraud measures are steered by the Anti-fraud Coordination Unit in collaboration with the relevant business lines. This unit is also in charge of drafting and implementing standards and principles for fraud risk management and of coordinating the anti-fraud officers' network across Natixis' branches and subsidiaries in France and abroad.

More specifically, risk linked to capital market activities is closely monitored and subject to specific first- and second-level controls overseen and implemented by a dedicated team within CIB Compliance. Social engineering-type payment fraud is also subject to constant vigilance and specific prevention measures, including dedicated training. Finally, the risk of information leaks, which has become a major risk, is the subject of a specific control and investigation system involving experts in fraud and IT security as well as the legal and HR functions where applicable.

Prevention of corruption

In accordance with the requirements set out in Article 17 of the law of December 9, 2016 on transparency, the prevention of corruption and the modernization of the economy (known as "Sapin II"), Natixis has strengthened and added certain rules and procedures to its compliance framework to align them with the highest international standards in corruption prevention.

Natixis' Chief Executive Officer is responsible for the corruption prevention program. The anti-corruption framework as a whole is managed and coordinated by a dedicated team within Compliance's Financial Security Department. It relies on a network of anti-corruption officers within all of Natixis' business lines, subsidiaries and branches, in France and abroad. Governance is provided through existing Risk Management and Control Committees and through the introduction of specific Committees.

The anti-corruption system includes:

- **a regularly updated corruption risk map**;
- **standards and procedures**. This includes a policy intended to prevent and detect corruption that is shared with all employees, as well as internal rules on this theme. The various high-risk situations are also managed through dedicated procedures, such as the procedures for preventing and managing conflict-of-interest situations, conducting anti-corruption due diligence when initiating business relationships with third parties and prior to forming partnerships or carrying out merger and acquisition transactions, and supervising recruitment. High-risk practices, including giving/accepting gifts or invitations, patronage initiatives, sponsoring, donations and third-party compensation, are also governed by specific procedures;
- **a control system.** The corruption aspects are fully incorporated within the existing permanent control system, particularly through specific controls covering high-risk situations and practices;
- **a whistleblowing system.** The corruption prevention program is based on Natixis' alert system. Natixis employees can use the alert system to report any facts or events they encounter that may indicate corruption or influence peddling;
- **a training system.** To ensure that these rules and procedures are disseminated and adopted, compulsory e-learning training has been rolled out and specific training sessions have been held for the members of Natixis' Executive Committee and employees who are most likely to be exposed to corruption risk.

In addition to the French regulations that apply to all Natixis entities, Natixis ensures strict compliance with the local regulations applicable to its foreign operations, such as the UK Bribery Act and the US Foreign Corrupt Practices Act.

The main corruption prevention program rules and procedures can be found in Natixis' anti-corruption policy, available at *www.natixis.com* .

3.2.8.5 Technological risks

In accordance with the directives of the European Banking Authority on information and communication technology risks, Natixis has strengthened its technological risk management system. In particular, Natixis has set up two lines of defense, the effective coordination of which is guaranteed by the holding of regular "Cyber security and continuity" Steering Committee Meetings. The IT Department and business line correspondents make up the first level. The Information Systems Security and Business Continuity (ISS-BC) Department, which reports to the Compliance Department, forms the second line of defense. Natixis is also part of Groupe BPCE's Information Systems Security and Business Continuity divisions. As such, it applies the policies and methods defined by Groupe BPCE.

Information Systems Security

The ISS-BC Department coordinates its activities based on risks. It employs a method which identifies, in terms of operational risk, the risk situations of concern to the business lines and their vulnerable IT assets. Risk assessments may be conducted during the annual review or may be completed as part of work done to support another project. The business projects monitored by ISS-BC generally give rise to specific security requirements in order to better control risks.

In light of these risks, the ISS-BC Department implements an annual second-level permanent control plan covering all areas of IT system security. Particular attention is paid to checks on access rights and intrusion tests on information assets exposed on the Internet.

The risk-based approach was also used to help define the 2018-2020 strategic program. This program, named *NewSec*, is intended to convert the current model, which is mainly based on perimeter security, into an "airport"-type model. 2020 therefore saw the effective implementation of structuring projects to improve the protection of Natixis' information assets and the detection of possible attacks. Given the scale of the transformation, residual work is expected to continue until 2022.

Business continuity

Natixis' business continuity framework combines incident management based on their consequences (unavailability of the IT system, sites, or critical skills or suppliers) with emergency measures specific to each scenario (overflowing of the Seine, cyberattack, etc.).

Natixis now has a large inventory of laptops that enable it to respond appropriately in the event of a slow-moving crisis (Seine flood, strikes, etc.) This enabled it to effectively manage the COVID-19 crisis by relying heavily and securely on remote working.

Natixis regularly tests this entire framework using first- and second-level controls, crisis management exercises and backup solution tests. In this context, Natixis carries out a multi-year test plan of its resilience capacities in the event of cyber-attacks.

Control of IT processes

Natixis has extended its technological risk management system to include risks related to IT processes (IT governance and strategy, IT production, IT system development management).

The ISS-BC department has modified its risk mapping accordingly and has drawn up operational policies aimed at controlling all these risks. Their deployment should take place in 2021, as well as the associated second-level controls.

3.2.8.6 Personal data protection

Reporting to the Chief Compliance Officer, the Natixis Data Protection Officer coordinates a community of "data privacy liaisons" distributed across all Natixis entities and business lines.

This unit aims to ensure that Natixis complies with all regulations relating to the protection of personal data and, more specifically, to ensure compliance with the European Regulation on the protection of personal data (GDPR). A Data Privacy Committee meets regularly to monitor the function's activities and manage the remaining alignment measures required. These include the launching by the IT Department of a multi-year project for the remediation of the relevant IT assets.

Natixis has a personal data register and procedures for key processes, such as handling data leaks, processing requests by individuals to exercise their rights, dealing with referrals to the authorities, updating and annually reviewing the register, carrying out the first and second-level control plan, managing training needs, conducting the regulatory watch and ensuring Privacy by Design/Default in projects. The processing register, as well as the first and second level controls, will be subject to a full review in 2021.

Internationally, in the EMEA and APAC regions, gap analysis and remediation projects related to GDPR and applicable local regulations were conducted and will continue in 2021.

3.2.9 Legal risk

Like many banking groups, Natixis and its consolidated subsidiaries are involved in litigation before the courts and may be investigated by regulatory authorities.

As assessed at December 31, 2020, the financial consequences of litigation deemed likely to have, or which have in the recent past had, a material impact on the financial position of Natixis and/or Natixis and its consolidated subsidiaries as a whole, or on their profitability or their business, have been included in Natixis' consolidated financial statements.

The most significant disputes are described below. Their inclusion in the list does not indicate that they will necessarily have an impact on Natixis and/or its consolidated subsidiaries. The other disputes are deemed unlikely to have a material impact on Natixis' financial position or profitability and/or that of Natixis and its consolidated subsidiaries as a whole, or have not reached a stage where it can be determined whether they will have such an impact.

3.2.9.1 Legal and arbitration proceedings

Madoff fraud

Outstanding assets exposed to the Madoff affair as expressed in euros were estimated at €503.4 million at December 31, 2020 and were fully provisioned for at that date. The effective impact of this exposure will depend on both the extent of recovery of assets 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.

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 $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. The case will be referred back to the Second Circuit Court of the bankruptcy court. The liquidator of BMIS seeks the suspension of outstanding actions for restitution pending the settlement of specific actions on the concept of good faith in the restitution request.

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 the 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(e) 546 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. This decision, which may result in the rejection of claw back requests, is subject to appeal.

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. Maintaining that no offense was committed, Natixis will present its defense, and the Criminal Court will render its judgment.

MMR claim

In 2007, Ixis Corporate & Investment Bank (the predecessor of Natixis) issued EMTNs (Euro Medium Term Notes) indexed to a fund that invested in the Bernard Madoff Investment Securities fund. Renstone Investments Ltd (the apparent predecessor of MMR Investment Ltd) is alleged to have subscribed, via a financial intermediary acting as the placement agent, for these bonds in the amount of $50 million.

In April 2012, MMR Investment Ltd filed a joint claim against Natixis and the financial intermediary before the Commercial Court of Paris, claiming not to have received the bonds, despite having paid the subscription price to the financial intermediary. The claim mainly concerns the reimbursement of the subscription price of the bonds and, as an alternative, the annulment of the subscription on the grounds of defect in consent.

On February 6, 2017, the Commercial Court of Paris dismissed all of MMR Investment Ltd's claims. This ruling was upheld by the Paris Court of Appeal on October 22, 2018. An appeal was lodged by MMR Investment Ltd. The case is ongoing.

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 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 USD 820 million, Natixis believes that the claims against it are unfounded for a number of reasons. In particular because the actions against it are time-barred (and because the plaintiffs do not have standing) to act.

EDA – Selcodis

Through two complaints filed on November 20, 2013, Selcodis and EDA also brought claims before the Commercial Court of Paris against Natixis and two other banking institutions for unlawful agreements, alleging that such actions led to the refusal to grant a guarantee to EDA and to the termination of various loans.

Selcodis is asking for compensation for the losses purportedly suffered as a result of the court-ordered liquidation of its subsidiary EDA, and is requesting that the defendants be ordered to pay damages and interest, which it assesses to be €32 million. For its part, EDA is requesting that the defendants be ordered to bear the asset shortfall in its entirety, with its amount being calculated by the court-appointed receiver.

Natixis considers all of these claims to be unfounded.

On December 6, 2018, after consolidating these claims, the Commercial Court of Paris found them to have expired and deemed them closed. The plaintiffs filed an appeal against this ruling in January 2019.

The judgment was handed down on June 24, 2020. The Court of Appeal ruled out the expiry of the current proceedings.This judgment is subject to appeal. If no party is served with the appeal judgment, the time limit for appeal does not run and an appeal is therefore still possible.

MPS Foundation

In June 2014, MPS Foundation (Fondazione Monte dei Paschi di Siena), an Italian foundation, filed a claim against 11 banks, including Natixis, which granted it financing in 2011 at the request of its previous executive officers, on the grounds that the financing thus granted was in violation of its bylaws, which state that MPS Foundation cannot hold debt exceeding 20% of its total balance sheet. The damages claimed by MPS Foundation against the banks and its former directors amount to €285 million.

Natixis considers these accusations to be unfounded.

Following an objection as to jurisdiction, the Tribunal of Siena referred the case to the Tribunal of Florence on February 23, 2016. The case is ongoing.

Formula funds

Following an inspection by the AMF in February 2015 with regard to Natixis Asset Management's (now Natixis IM International) compliance with its professional obligations, particularly the management of its formula funds, the AMF's Enforcement Committee delivered its decision on July 25, 2017, issuing a warning and a fine of €35 million. The Enforcement Committee found a number of failings concerning the redemption fees charged to funds and structuring margins.

Natixis IM International filed an appeal against this ruling with the French Council of State. In its decision of November 6, 2019, the French Council of State overturned the Enforcement Committee's decision, reducing the fine to €20 million. It let the warning stand.

In addition, UFC-QUE CHOISIR, in its capacity as a consumers' rights non-profit, brought claims before the Paris District Court on March 5, 2018 against the Asset Management company to obtain compensation for the financial losses suffered by the holders of the formula funds in question. The case is ongoing.

Société Wallonne du Logement

On May 17, 2013, Société Wallonne du Logement (SWL) filed a complaint against Natixis before the Charleroi Commercial Court (Belgium), contesting the legality of a swap agreement entered into between SWL and Natixis in March 2006 and requesting that it be annulled.

All of SWL's claims were dismissed in a ruling by the Charleroi Commercial Court on November 28, 2014. On September 12, 2016, the Mons Court of Appeal annulled the contested swap agreement and ordered Natixis to repay to SWL the amounts paid by SWL as part of the swap agreement, less any amounts paid by Natixis to SWL under the same agreement and taking into account any amounts that would have been paid had the previous swap agreement not been terminated. The Court of Cassation of Belgium overturned this ruling on June 22, 2018. In February 2019, SWL lodged an appeal procedure with a Court of Appeal.

On April 22, 2020, the Court of Appeal of Liège annulled the contested swap agreement and ordered Natixis to repay to SWL an amount corresponding to the difference between the execution cost of the contested swap agreement and the many amounts that would have been paid had the previous swap agreement not been terminated, in addition to interest at the legal rate.

Natixis appealed to the French Supreme Court against this decision.

SFF/Contango Trading S.A.

In December 2015 the South African Strategic Fuel Fund (SFF) entered into agreements to sell certain oil reserves to several international oil traders. Contango Trading S.A. (a Natixis subsidiary) provided funding for the deal.

In March 2018, SFF filed a lawsuit before the South African Supreme Court (Western Cape division, Cape Town), primarily against Natixis and Contango Trading S.A., with a view to having the agreements invalidated, declared null and void, and to obtain fair and equitable compensation.

A judgment was handed down on November 20, 2020 declaring the transactions null and void and awarding Contango Trading S.A. refunds and reparations in the amount of US$208,702,648. On December 22, 2020, the judge authorized SFF and Vitol to appeal this judgment and at the same time SFF paid Contango Trading S.A. the sum of US$123,865,600 in execution of the uncontested part of the judgment.

This judgment was partially appealed.

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. The case is ongoing.

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 thousand for each bank of group of banks. This decision is subject to appeal.

Lucchini Spa appealed against the judgment. The case is ongoing.

Competition Authority/Natixis Intertitres and Natixis

On October 9, 2015, a company operating in the meal voucher industry lodged a complaint with the Competition Authority to contest industry practices with respect to the issuance and acceptance of meal vouchers. The complaint targeted several French companies operating in the meal voucher industry, including Natixis Intertitres.

In its decision of December 17, 2019, the Competition Authority ruled that Natixis had participated in two practices designed to keep new entrants out of the restaurant voucher market: the exchange of confidential information and the adoption of a series of agreements intended to lock up the market.

Natixis Intertitres received a fine of €4,360,000, along with two other fines totaling €78,962,000, jointly and severally with Natixis.

This decision was the subject of a press release from the Competition Authority dated December 18, 2019.

Natixis and Natixis Intertitres are appealing this decision.

Bucephalus Capital Limited/Darius Capital Partners

On June 7, 2019, the company Bucephalus Capital Limited (a UK law firm), together with other firms, brought claims against Darius Capital Partners (a French law firm, now operating under the name Darius Capital Conseil, and 70%-held subsidiary of Natixis Investment Managers) 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.

Darius Capital Partners consider these claims to be unfounded. 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 at this stage.

Natixis intends to continue to defend itself vigorously, both on the merits and procedurally, against these allegations that it considers unfounded.

Disputes of receivables offset

On July 17, 2020, a case was brought against Natixis and another defendant before the English courts in order to request a declaratory judgment recognizing the merits of a set-off made on a transaction financed by Natixis. The plaintiff is also contesting the transfer to Natixis of the payment rights under the transaction. Natixis counterclaimed for payment in the amount of US$55,396,323.46.

The case is ongoing.

In March 2020, cases were brought before the courts of the State of New York following a set-off made by Natixis upon the payment of a standby letter of credit, the set-off taking into account a debt of the recipient of a standby letter of credit. Natixis asks the Court to uphold the merits of the set-off and to dismiss the demand for payment made against the bank in the amount of US$46,076,165.15.

The hearing was held on November 29, 2020 and a decision is expected in the coming months.

3.2.9.2 Situation of dependency

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

3.2.10 Other risks

3.2.10.1 Risks related to Insurance activities

Natixis Assurances

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

- the personal Insurance business, focused on developing portfolios of life insurance and endowment policies for investment and retirement purposes, as well as personal protection insurance portfolios;
- the Non-Life Insurance business, focused on developing portfolios for auto and multi-risk home insurance, personal accident insurance, legal protection, healthcare and property and casualty insurance.

Given the predominance of the Investment Solutions activity, the main risks to which Natixis Assurances is exposed are financial. The Company is also exposed to underwriting risks (for both Life and Non-Life Insurance), as well as counterparty risk.

Market risk

Market risk is in large part borne by the subsidiary BPCE Vie on the financial assets that underpin its commitments with guaranteed principal and returns (euro-denominated policies: €59.8 billion on the main fund balance sheet). The Company is exposed to asset impairment risk (fall in the equity or real estate market, widening spreads, interest rate hikes) as well as the risk of lower interest rates which would generate insufficient income to meet its guaranteed principal and returns. To manage this risk, BPCE Vie has only sold policies with a minimum guaranteed return in recent years: more than 95% of the policies have a zero minimum guaranteed return. The minimum guaranteed return averages 0.12%.

To manage market risk, the sources of return have been diversified, namely via investments in new asset classes (financing the economy, infrastructure, etc.). This diversification is managed by a strategic allocation, defined on a yearly basis, that takes into account regulatory constraints, commitments to policyholders and commercial requirements.

Credit risk

Credit risk is monitored and managed in compliance with Natixis Assurances' standards and internal limits. At December 31, 2020, 63% of the fixed-income portfolio is invested in securities rated equal to or higher than A.

Life insurance underwriting risk

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

Non-life insurance underwriting risk

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

- premium risk: to ensure that the premiums paid by the policyholders match the transferred risk, BPCE Assurances implemented a portfolio monitoring policy whereby each policy is given a score based on its track record over three years. Factored in are types of claims, number of claims, their cost and other variables specific to the activity in question (degree of liability and bonuses/penalties for auto insurance, for instance). This monitoring policy also contributes to detecting potential risks arising from large claims, and to arranging adequate reinsurance cover;
- risk of loss: each time inventory is taken, an actuarial assessment of the reserves for claims to be paid is conducted based on analytical methods recognized by the profession and required by the regulator;
- catastrophe risk: catastrophe risk is the exposure to an event of significant magnitude generating a multitude of claims (storm, civil liability risk, etc.). This risk is therefore reinsured either through the government in the event of a natural disaster or an attack, for example, or through private reinsurers, specifically in the event of a storm or a civil liability claim, or through reinsurance pools.

Counterparty risk

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

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

Coface

Through its activities, Coface is exposed to five types of risk: credit risk, financial risk, strategic risk, reinsurance risk, operational risk, and compliance risk. The two main types of risk are credit risk and financial risk.

Credit risk

Credit risk is defined as the risk of loss, due to non-payment by a debtor, of a receivable owed to a policyholder of the group. Coface manages credit risk through a number of procedures, whose scope includes the approval of the terms of policies relating to products, pricing, monitoring of credit risk hedges and portfolio diversification. The concentration of exposure (country, sector, debtors, etc.) may exacerbate credit risk. Traditionally, Coface makes a distinction between frequency risk and event risk:

- frequency risk represents the risk of a sudden material increase in delinquency by numerous debtors. This risk is measured for each region and country by monitoring the instantaneous loss ratio[1]. As regards exposure and portfolio monitoring, the group has set up a refined management of its risks. Accordingly, delinquent payments are analyzed weekly by the senior management committee and monthly by the group underwriting committee. Loss ratios for the different underwriting regions are also monitored at the consolidated Coface level;

(1) *The instantaneous loss ratio is a weekly indicator that reproduces the change in the loss ratio. It is monitored for each region and each country and is reported weekly by Coface to allow underwriters to monitor the change in their portfolio and detect any deterioration and therefore introduce corrective actions as early as possible.*

- event risk represents the risk of abnormally high losses recorded for the same debtor or group of debtors, or of an accumulation of losses for the same country. Event risk is covered by Coface Re reinsurance.

In addition to weekly and monthly monitoring of each region and country, Coface has implemented a system based on:

- the centralization of reserves for claims exceeding a certain amount per debtor which are then analyzed ex-post to improve the information, underwriting and recovery activity's performance;
- a Debtor Risk Assessment (DRA) system covering all debtors;
- monitoring at the risk underwriting level, which, above a given level of outstandings based on the DRA, generates an approval and the establishment of an overall budget by Coface's underwriting department; and

Diversification of the credit risk portfolio

Coface maintains a diversified credit risk portfolio, in order to minimize the risk of debtor default, a slowdown in a given business sector, or an adverse event in a given country having a disproportionate impact on its overall claims expense. The insurance policies also contain clauses allowing credit limits to be changed mid-contract: the credit insurer may reduce or cancel its credit insurance cover for new sales to the debtor in question. As an exception to this rule, and depending on the policyholder's expertise, Coface may grant certain policyholders a certain amount of autonomy in setting credit limits, for outstandings which do not exceed the amount set in the contract.

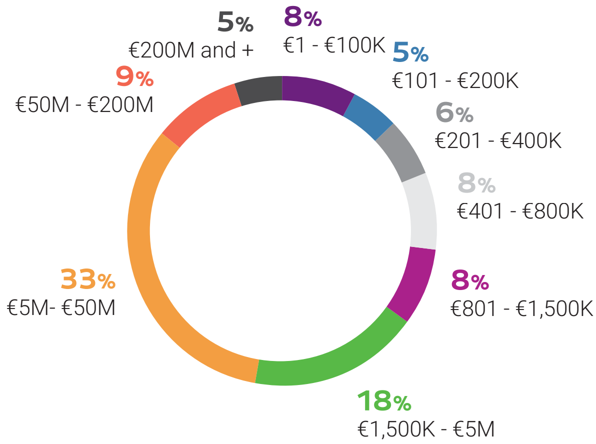
Underwriting decisions are made by groups of underwriters in various underwriting centers, who work in real time and on a network with the advanced ATLAS arbitration system. These underwriting decisions are part of the overall risk underwriting policy placed under the responsibility of the group underwriting department.

The overall quality of the insured receivables portfolio is monitored by an indicator which compares the volume of exposure weighted by the risk assessment with the estimated volume of premiums. This indicator is broken down by geographic area.

Furthermore, the fact that the vast majority of Coface's risks are short-term (95% of total outstandings) allows it to reduce the risk covered for a debtor or a group of debtors relatively quickly and to anticipate a decrease in their solvency.

Level 2 controls are set up to ensure adherence to the Group's credit risk standards.

The following chart shows the breakdown of debtors by total credit risk exposure incurred by Coface at December 31, 2020:



Financial risk

The group has implemented an investment policy that incorporates the management of financial risk through the definition of its strategic allocation, regulations governing insurance companies and investment constraints related to the management of its liabilities. The investment strategy implemented must ensure that the group's commitments to its policyholders are met while optimizing investments and performance within a defined risk framework.

Management of financial risks is thus based on a rigorous system of standards and controls which is regularly reviewed:

- interest rate risk and credit risk: The majority of Coface's allocations are in fixed-income products, ensuring stable and recurring revenues. The overall maximum sensitivity of the bond portfolio has been deliberately capped at 5 and stood at 4.17 at December 31, 2020. There is still no exposure to Greek sovereign debt. As part of the strategic allocation and due to the health crisis, Coface implemented actions aimed at reducing the investment portfolio exposure from the start of the crisis. The risk was controlled thanks to the review of all portfolio counterparties, starting at the end of February, and the reduction in exposure to Italian and Spanish government debt, emerging market debt and high-yield debt, BBB-rated investment grade corporate bonds and equities, with a preference for the money market;
- foreign exchange risk: the majority of Coface's investment instruments are denominated in euros. Subsidiaries and branches using other currencies must observe the same principles of congruence. In addition, for the majority of the portfolio, which includes all of the group's European entities, foreign exchange risk is systematically hedged for investments in foreign currencies that do not comply with the matching principle. As a result, as of December 31, 2020, investments in bonds denominated in US dollars, pounds sterling, yen, Norwegian krone and Swedish krona in this portfolio were systematically hedged against euros by the managers in charge of the relevant portfolios. Foreign currency transactions carried out by the subsidiaries are monitored by the Group to decide on a case-by-case basis whether an associated hedge is required;
- equity risk: exposure is capped at less than 10% of the portfolio and is concentrated in the euro zone, in connection with its core business. At December 31, 2020, equities represented 5.3% of the investment portfolio, including 5% of equities listed on a euro zone market. These investments were partially hedged on the Eurostoxx 50 index. This hedging can be adjusted in line with investments and the amount of unrealized capital gains or losses on shares held;

- counterparty risk: the maximum exposure to any given counterparty is set at 5% of assets under management, with exceptional exemptions for short-term exposures. At December 31, 2020, more than 95% of the bonds held by the group had a median rating equal to or higher than BBB- and no exposure rated CCC by at least one internationally recognized rating agency;
- liquidity risk: short-term exposure decreased slightly to 38.8% (compared to 48% in 2019) of securities in the bond portfolio with a maturity of less than three years as at December 31, 2020 and an increase in securities with a maturity greater than five years (39.8% compared to 31.6% in 2019) due to the increase in maturities of the bond portfolio. The vast majority of the portfolio is listed on OECD markets and carries a liquidity risk that is currently considered as low.

Level 2 controls on compliance with Coface's investment policy are also carried out.

Exposure to sovereign risk

(This information forms an integral part of the financial statements certified by the Statutory Auditors).

Exposure to sovereign debt (Natixis Assurances and Coface) is presented in the following table as net carrying amount before application of the sharing mechanism between policyholders and insurers specific to life insurance.

Exposure *(in millions of euros)*	**31/12/2020[(a)]**	**31/12/2019**
Germany	387	328
Austria	-	107
Belgium	1,308	1,094
Spain	837	818
United States	102	236
France	8,730	9,057
Italy	618	955
Luxembourg	660	679
Portugal	190	199
Poland	117	122
Hong Kong	-	111
Austria	80	-
Singapore	-	100
Slovakia	102	102
Other countries	290	592
TOTAL	**13,420**	**14,499**

(a) Excluding Coface exposure, consolidated by the equity method at December 31, 2020

3.2.10.2 Strategic risk

Strategy risks is defined as:

- the risk inherent to the strategy chosen; or
- resulting from Natixis' inability to implement its strategy.

Strategy risks are monitored by the Board of Directors, supported by its Strategic Committee, which examines the strategies guiding Natixis' activities at least once a year. The Board of Directors also approves strategic investment projects and any transactions, particularly acquisitions and disposals, that are likely to significantly affect Natixis' results, the structure of its balance sheet or its risk profile.

Senior Management is in charge of defining and steering Natixis' strategy, with assistance from the Senior Management Committee.

The membership of these various bodies is presented in Chapter [2] of this universal registration document. The Internal Rules of the Board of Directors, including the procedure for calling meetings, can be found in Chapter [2] paragraph [2.3.1].

3.2.10.3 Climate risk

Pursuant to Article 173 of the energy transition act, as of the 2016 fiscal year Natixis is required to report on the risks linked to climate change and on its low-carbon strategy.

The identification and management of risks linked to social and climate change are presented in Chapter [6] of this universal registration document.

3.2.10.4 Environmental and social risks

The identification and management of these risks are presented in Chapter [6] of this universal registration document.

3.3 Basel 3 Pillar III disclosures

Regulatory framework for the Pillar III report

The Pillar 3 report is prepared in accordance with the Capital Requirements regulation and the Capital Requirements Directive (CRR and CRD IV). In particular, Articles 431 to 455 of the CRR specify the framework requirements for Pillar 3. The CRD IV legislative package entered into force on January 1, 2014. The information required under Pillar 3 has also been prepared in accordance with the "European Banking Authority Guidelines on materiality, proprietary ownership and confidentiality and frequency of disclosures under Articles 432(1), 432(2) and 433 of the CRR" and the EBA. "Guidelines on the disclosure obligations under Part Eight of Regulation (EU) No. 575/2013" as amended by Regulation (EU) 2019/876 in force at the time of declaration.

Policy, validation and approval

Throughout the financial year ended December 31, 2020, and to date, Natixis has implemented a framework for controls and disclosure procedures to ensure the completeness and accuracy of the information provided in Natixis' Pillar 3.

3.3.1 Capital management and capital adequacy

Regulation (EU) No. 575/2013 of the European Parliament and Council of June 26, 2013 (Capital Requirement Regulation or CRR) requires reporting companies (notably lending institutions and investment firms) to publish quantitative and qualitative information on their risk management activities. The framework in place to manage Natixis' risks and risk exposure is described in this section and in the "Risks Management" section of this registration document.

Natixis has chosen to provide information in respect of Pillar III disclosures in a separate section to that on risk factors and risk management in order to single out items concerning regulatory publication requirements.

3.3.1.1 Regulatory framework

Since January 1, 2014, the Capital Requirements Directive (CRD) IV and the Capital Requirements regulation (CRR) have applied Basel 3 regulations in Europe. The CRD IV was enacted into French law by the French Ministerial Order of November 3, 2014.

This regulatory framework, aimed at reinforcing the financial strength of banking institutions, has resulted in:

- 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 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. The rate applied in France has been zero since Q2 2020.
  - a systemic risk buffer, i.e. an additional requirement for global systemically important banks (G-SIBs), such as BPCE. Natixis is not subject to this buffer;
- 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).

All of these new provisions were accompanied by a phase-in mechanism, with the aim of gradually implementing the new requirements.

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: a mechanism governing the role of the banking supervisory authorities, allowing them to define specific regulatory capital requirements for each institution in accordance with their risks and internal governance and oversight systems;
- 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. This mechanism was considerably enhanced in 2016 with the publication of new guidelines by the EBA.

Finally, as of November 2014, the European Central Bank is directly responsible for supervising significant European banks. The implementation of this new supervisory framework has continued since then. Drawing on the Supervision Review and Evaluation Process (SREP), the ECB is setting ratio levels for each institution to observe. Each institution under its purview is assigned a Pillar 2 Requirement (P2R) as well as Pillar 2 Guidance (P2G).

In the very specific context of the health crisis, the ECB intervened to make the regulatory framework more flexible, in particular by applying in advance certain provisions due to come into force with CRR2 and CRDV, as well as by reducing the requirement to be covered by CET1, which refers to Tier one and total capital.

At the end of the SREP process and after application of these new provisions, Natixis must therefore meet a CET1 ratio of 8.3%, of which 1.27% for Pillar II (excluding P2G), 2.5% for the capital conservation buffer and 0.03% for the countercyclical buffer.

3.3.1.2 Prudential consolidation scope

In accordance with Article 19 of the CRR, the regulatory consolidation scope is established based on the following principles:

Entities, excluding insurance companies, that are fully consolidated or consolidated under the equity method in the statutory consolidation scope (see – Note 17 of Chapter 5.1) are included in the regulatory consolidation scope; the Group's insurance companies are accounted for under the equity method in the regulatory consolidation scope.

Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories (EU LI 1)

			Carrying values of items				
Assets *(in millions of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to regulatory capital requirements or subject to deduction from capital
Cash, central banks	30,637	30,637	30,637	-	-	-	-
Financial assets at fair value through profit or loss	210,378	210,472	26,419	134,838	642	180,330	-
Hedging derivatives	259	230	-	230	-	-	-
Financial assets at fair value through other comprehensive income	13,194	13,194	13,194	-	526	-	-
Debt instruments at amortized cost	1,930	1,901	1,901	-	-	-	-
Loans and receivables due from banks and similar items at amortized cost	44,691	44,429	41,673	2,755	-	-	-
Customer loans and receivables at amortized cost	67,939	66,908	62,705	4,203	-	1,302	-
Revaluation adjustments on portfolios hedged against interest rate risk	-	-	-	-	-	-	-
Insurance business investments	112,669	-	-	-	-	-	-
Current tax assets	270	233	233	-	-	-	-
Deferred tax assets	1,196	1,232	422	-	-	-	809
Accrual accounts and other assets	5,081	4,933	4,933	-	-	-	-
Non-current assets held for sale	728	728	728	-	-	-	-
Deferred profit-sharing	-	-	-	-	-	-	-
Investments in associates	879	3,152	3,057	-	-	-	95
Investment property	-	-	-	-	-	-	-
Property, plant and equipment	1,272	1,253	1,253	-	-	-	-
Intangible assets	665	501	70	-	-	-	432
Goodwill	3,533	3,439	-	-	-	-	3,439
TOTAL ASSETS	**495,320**	**383,241**	**187,225**	**142,026**	**1,168**	**181,631**	**4,775**

Note: Carrying values under scope of regulatory consolidation do not equal the sum of risk type breakdown. An exposure can be subject to several risk types.

Liabilities *(in millions of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to regulatory capital requirements or subject to deduction from capital
Due to central banks	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss	208,467	207,837	497	145,687	497	157,143	40,904
Hedging derivatives	530	525	-	-	-	-	525
Deposits and loans due to banks and similar items	84,408	80,242	-	5,093	-	2,711	75,149
Deposits and loans due to customers	29,798	30,054	-	17	-	-	30,037
Debt securities	35,652	32,867	-	-	-	-	32,867
Revaluation adjustments on portfolios hedged against interest rate risk	183	183	-	-	-	-	183
Current tax liabilities	391	390	-	-	-	-	390
Deferred tax liabilities	438	424	-	-	-	-	424
Accrual accounts and other liabilities	6,274	6,004	-	-	-	-	6,004
Liabilities on assets held for sale	55	55	-	-	-	-	55
Liabilities related to insurance policies	104,178	-	-	-	-	-	-
Provisions	1,615	1,580	892	-	-	-	688
Subordinated debt	3,934	3,683	-	-	-	-	3,683
Shareholders' equity Group share	19,229	19,229	-	-	-	-	19,229
Share capital & reserves	11,036	11,036	-	-	-	-	11,036
Consolidated reserves	7,393	7,393	-	-	-	-	7,393
Gains and losses recognized directly in equity	799	799	-	-	-	-	799
Non-recyclable gains and losses recognized directly in equity	(100)	(100)	-	-	-	-	(100)
Income/(loss) for the year	101	101	-	-	-	-	101
Non-controlling interests	167	167	-	-	-	-	167
TOTAL LIABILITIES	**495,320**	**383,241**	**1,389**	**150,797**	**497**	**159,854**	**210,306**

Note: Carrying values under scope of regulatory consolidation do not equal the sum of risk type breakdown. An exposure can be subject to several risk types.

Differences between consolidation scopes (entity by entity) (EU LI3)

The table below lists the subsidiaries for which the method of regulatory consolidation is different from the method of accounting consolidation.

Name of entity	Method of accounting consolidation	Method of regulatory consolidation	Description of the entity	Country
Versailles	Full consolidation	Equity method	Securitization vehicle	United States
NATIXIS ASSURANCES	Full consolidation	Equity method	Insurance company holding company	France
NATIXIS LIFE	Full consolidation	Equity method	Life insurance	Luxembourg
BPCE PRÉVOYANCE	Full consolidation	Equity method	Personal protection insurance	France
FRUCTIFONCIER	Full consolidation	Equity method	Insurance real estate investments	France
BPCE Vie	Full consolidation	Equity method	Insurance	France
REAUMUR ACTIONS	Full consolidation	Equity method	Insurance investment mutual fund	France
Nami Investment	Full consolidation	Equity method	Insurance real estate investments	France
BPCE RELATION ASSURANCES (GIE)	Full consolidation	Equity method	Service provider	France
FCT TULIP NOTE – compartment 1	Full consolidation	Equity method	Insurance investments (Securitization funds)	France
FCT NA F ECO IMM II	Full consolidation	Equity method	Insurance investments (Securitization funds)	France
AAA Actions Agro Alimentaire	Full consolidation	Equity method	Insurance investment mutualfund	France
Fructifonds Immobilier	Full consolidation	Equity method	Insurance real estate investments	France
OPCI FRANCEUROPE IMMO	Full consolidation	Equity method	Insurance investment mutual fund	France
SELECTIZ	Full consolidation	Equity method	Insurance investment mutual fund	France
SELECTIZ PLUS	Full consolidation	Equity method	Insurance investment mutual fund	France
Allocation Pilotée Équilibre C	Full consolidation	Equity method	Insurance investment mutual fund	France
MIROVA EUROPE ENVIRONNEMENT C	Full consolidation	Equity method	Insurance investment mutual fund	France
BPCE ASSURANCES	Full consolidation	Equity method	Insurance company	France
BPCE APS	Full consolidation	Equity method	Service provider	France

3.3.1.3 Composition of capital

In accordance with the provisions introduced by the CRR and with the national provisions defined by the ACPR, regulatory capital (calculated on the basis of book equity), comprises three categories, as described below.

Each category comprises liability items extracted from the consolidated financial statements and restated by automatically applying deductions, either directly or subject to thresholds.

Until 2021, regulatory capital is subject to phase-in arrangements and grandfathering provisions to support the roll-out of the CRR. Since January 1, 2019, only the grandfathering arrangements are still active, the phasing having ended.

Common Equity Tier One (CET1)

CET1 is calculated using shareholders' equity (excluding reclassified hybrid securities), with the following restatements:

- estimated dividend;
- goodwill and intangible assets, in accordance with CRR2 provisions for the latter, in advance;
- recyclable unrealized gains and losses on hedging derivatives;
- own credit risk on debts issued and financial instruments (Debit Value Adjustment);
- prudent valuation adjustments;
- expected loss on equity positions and shortfall of provisions on expected losses on credit positions;
- revaluation adjustments on defined-benefit plan commitments;
- non-bank minority interests;
- bank minority interests exceeding the limits set by regulations;
- recyclable gains or losses on available-for-sale assets;
- company-controlled stock and cross-shareholdings;
- amount exceeding threshold 1 on non-material holdings of capital instruments issued by financial entities;
- amount exceeding threshold 2 on material holdings of capital instruments issued by financial entities;
- amount exceeding threshold 2 on deferred tax assets dependent on future earnings and resulting from temporary differences;
- amount exceeding threshold 3 common to amounts not deducted in respect of threshold 2;
- any surplus deduction of Additional Tier One capital *(see below)*;
- deferred tax assets dependent on future earnings, but not related to temporary differences.

Additional Tier One (AT1) Capital

AT1 capital comprises:

- subordinated debt instruments recognized as AT1 after applying phase-in arrangements;
- deductions made from this category;
- any surplus deduction of Tier 2 capital *(see below)*.

Detailed information on the debt instruments recognized in Additional Tier 1 capital and their characteristics at December 31, 2020, as required by Commission Implementing Regulation No. 1423/2013 (Annex II), is available on the Natixis website (www.natixis.com).

Tier Two (T2) Capital

T2 capital comprises:

- subordinated debt instruments recognized as T2 capital after applying phase-in arrangements;
- deductions made from this category;
- any surplus provisions related to expected losses.

Detailed information on debt instruments recognized in Tier 2 capital and their characteristics at December 31, 2020, as required by Commission Implementing Regulation No. 1423/2013 (Annex II) is available on the Natixis website (*www.natixis.com*).

At December 31, 2020, the transition from shareholders' equity to regulatory CET1 capital, Tier 1 capital and total capital after applying phase-in arrangements, is summarized in the table below.

Transition from shareholder's equity to prudential capital after applying phase-in arrangements

(in millions of euros)	**31/12/2020**
Shareholder's equity	
Capital	5,050
Issue premium	4,251
Retained earnings	7,152
Treasury shares	(2)
Other, including items of comprehensive income	699
Other instruments to be reclassified as Additional Tier 1 capital	1,978
Income/(loss) for the year	101
Total shareholders' equity – Group share	**19,229**
Reclassification as Additional Tier 1 capital	(1,978)
Translation adjustments	60
Restatement of dividend forecast (dividend for previous year)	0
Prudential filters	
Own credit risk: Gain on reclassification of hybrid securities	(144)
Own credit risk: liabilities and derivatives net of deferred taxes	91
Prudent valuation adjustment	(389)
Unrealized gains and losses	(13)
Total prudential filters	**(456)**
Deductions	
Dividend proposed for current year and related expenses	(189)
Goodwill	
Amount as per accounting base	(3,439)
Amount of related deferred tax liabilities	321
Amount included in value of investments in associates	(95)
Intangible assets	
Amount as per accounting base	(432)
Non-controlling interests	
Amount as per accounting base	167
Prudential adjustment	(167)
Deferred tax assets (tax loss carry-forwards)	
Amount as per accounting base	(1,232)
o/w portion not including tax loss carry-forwards and impact of netting	542
Prudential adjustment	0
Shortfall of provisions to expected losses	0
Investments in the share capital of financial sector entities	0
Other prudential adjustments	(189)
Total deductions	**(4,712)**
Total Common Equity Tier 1 (CET1)	**12,143**
Hybrid capital instruments	
Amount as per accounting base	
Other equity instruments	1,978
Residual gain on reclassification as equity	144
Nominal value adjustment during the period	(49)
Early redemption through exercise of call option	0
Cap due to grandfathering limit	0
Total hybrid instruments	2,073
Deductions	(22)
Other prudential adjustments including phase-in arrangements	0
Total additional Tier 1 capital	**2,051**
Total Tier 1 capital	**14,194**
Subordinated debt instruments	
Amount as per accounting base	3,720
Regulatory adjustment	(519)
Transfer of grandfathering cap on hybrid capital instruments	0
Total Tier 2 instruments	3,201
Surplus of provisions to expected losses	51
Deductions	(1,110)
Other prudential adjustments including phase-in arrangements	0
Total Tier 2 capital	**2,142**
TOTAL REGULATORY CAPITAL	**16,337**

Pursuant to Commission Implementing regulation (EU) No. 1423/2013, the audit trail of regulatory capital as described in Appendix IV of the regulation is provided below.

Regulatory capital Appendix IV

Row number	Aggregate wording	Amount on publication date	Regulation (EU) No. 575/2013 Article reference treatment
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	9,300	26 (1), 27; 28, 29, EBA list, 26 (3)
	o/w ordinary shares	9,300	EBA list, 26 (3)
	o/w instrument type 2		EBA list, 26 (3)
	o/w instrument type 3		EBA list, 26 (3)
2	Retained earnings	5,502	26 (1) (C)
3	Accumulated other comprehensive income (and other reserves, to include unrealized gains and losses under the applicable accounting standards)	2,321	26 (1)
3a	Fund for general banking risks	0	26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	0	486 (2)
5	Minority interests (amount allowed in consolidated CET1)	0	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**17,124**	**Sum of lines 1 to 5a**
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(389)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(3,645)	36 (1) (b), 37
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)	(689)	36 (1) (C), 38
11	Fair value reserves related to gains or losses on cash flow hedges	(13)	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	(89)	36 (1) (d), 40, 159
13	Any increase in equity that results from securitized assets (negative amount)	0	32 (1)
14	Gains or losses on liabilities at fair value resulting from changes in own credit standing	(53)	33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	0	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(2)	36 (1) (f), 42
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 inflate artificially the own funds of the institution (negative amount)	0	36 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of CET1 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)	0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings of CET1 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)	0	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Empty set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for deduction		36 (1) (k)
20b	o/w qualifying holdings outside the financial sector (negative amount)	0	36 (1) (k) (i), 89 to 91
20c	o/w securitization positions (negative amount)	0	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
20d	o/w free deliveries (negative amount)	0	36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 17.65% threshold (negative amount)	0	48 (1)
23	o/w direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities;	0	36 (1) (i), 48 (1) (b)
24	Other deductions	(100)	
25	o/w deferred tax assets arising from temporary differences	0	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current fiscal year		36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	36 (1) (j)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(4,980)**	**Sum of lines 7 to 20a, 21, 22 and 25a to 27**
29	**Common Equity Tier 1 (CET1)**	**12,143**	**Line 6 plus line 28**
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	1,717	51, 52
31	o/w classified as equity under applicable accounting standards	1,717	
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 subject to phase out from AT1	356	486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	85, 86
35	o/w instruments issued by subsidiaries subject to phase out		486 (3)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**2,073**	**Sum of lines 30, 33 and 34**
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	0	52 (1) (b), 56 (a), 57
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	56 (b), 58
39	Direct, indirect and synthetic holdings by the institution 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)	0	56 (c), 59, 60, 79

Row number	Aggregate wording	Amount on publication date	Regulation (EU) No. 575/2013 Article reference treatment
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)	(22)	56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(22)**	**Sum of lines 37 to 42**
44	**Additional Tier 1 (AT1) capital**	**2,051**	**Line 36 + line 43**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**14,194**	**Sum of lines 29 and 44**
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	3,156	62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	45	486 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	87, 88
49	o/w instruments issued by subsidiaries subject to phase out	0	486 (4)
50	Credit risk adjustments	51	62 (c) and (d)
51	**Tier 2 (T2) capital before regulatory adjustments**	**3,252**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	63 (b) (i), 66 (a), 67
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)	0	66 (b), 68
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)	0	66 (c), 69, 70, 79
55	Direct and indirect holdings by the institution 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)	(1,110)	66 (d), 69, 79
56	Empty set in the EU		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(1,110)**	**Sum of lines 52 to 56**
58	**Tier 2 (T2) capital**	**2,142**	**Line 51 plus line 57**
59	**Total capital (TC = T1 + T2)**	**16,337**	**Sum of lines 45 and 58**
60	**Total risk weighted assets**	**104,985**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	11.57%	92 (2) (a)
62	Tier 1 (as a percentage of risk exposure amount)	13.52%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	15.56%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer expressed as a percentage of risk exposure amount)	2.531%	CRD 128, 129, 130, 131, 133
65	o/w capital conservation buffer requirement	2.500%	
66	o/w countercyclical buffer requirement	0.031%	
67	o/w systemic risk buffer requirement	0.000%	
67a	o/w global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.000%	
68	Common Equity Tier 1 available to meet buffer requirements (as a percentage of risk exposure amount)	5.31%	CRD 128
69	(not relevant in EU Regulation)		
70	(not relevant in EU Regulation)		
71	(not relevant in EU Regulation)		
Capital ratios and buffers			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	199	36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70
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 and net of eligible short positions)	609	36 (1) (i), 45, 48
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)	423	36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0	62
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	11,026	62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	51	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	45,679	62
Capital instruments subject to phase-out arrangements (only applicable between January 1, 2013 and January 1, 2022)			
80	Current cap on CET1 instruments subject to phase-out arrangements	0	484 (3), 486 (2) et (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	484 (3), 486 (2) et (5)
82	Current cap on AT1 instruments subject to phase-out arrangements	363	484 (4), 486 (3) et (5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	484 (4), 486 (3) et (5)
84	Current cap on T2 instruments subject to phase-out arrangements	437	484 (5), 486 (4) et (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	484 (5), 486 (4) et (5)

3.3.1.4 Changes in regulatory capital, regulatory own fund requirements and ratios in 2020

Regulatory capital and capital adequacy ratio

The 2020 CET1, Tier 1 and total ratios are presented below by major component. The same ratios for 2019 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 7.03%, 8.53% and 10.53%, respectively for 2020, and of 7.04%, 8.54% and 10.54%, respectively for 2021.

Total capital ratio

(in millions of euros)	31/12/2020	31/12/2019
Shareholders' equity Group share	**19,229**	**19,396**
Deeply subordinated notes (DSNs)	1,978	1,978
Perpetual subordinated notes (PSN)	0	0
Consolidated shareholders' equity (Group share) net of DSNs and PSNs	**17,251**	**17,418**
Minority interests (amount before phase-in arrangements)	167	286
Intangible assets	(432)	(479)
Goodwill	(3,213)	(3,385)
Dividends proposed to the General Shareholders' Meeting and expenses	(189)	(977)
Deductions, prudential restatements and phase-in arrangements	(1,440)	(1,696)
Total Common Equity Tier 1 capital	**12,143**	**11,168**
Deeply subordinated notes (DSNs) and preference shares	2,073	2,165
Additional Tier 1 capital	0	0
Tier 1 deductions and phase-in arrangements	(22)	(22)
Total Tier 1 capital	**14,194**	**13,311**
Tier 2 instruments	3,201	2,996
Other Tier 2 capital	51	26
Tier 2 deductions and phase-in arrangements	(1,110)	(760)
Overall capital	**16,337**	**15,573**
Total risk-weighted assets	**104,985**	**98,990**
Credit risk-weighted assets	78,869	73,084
Market risk-weighted assets	13,128	11,141
Operational risk-weighted assets	12,988	13,733
Other risk-weighted assets	0	1,031*
Capital adequacy ratios		
Common Equity Tier 1 ratio	11.6%	11.3%
Tier 1 ratio	13.5%	13.4%
Total capital ratio	15.6%	15.7%

** Securitization linked to the old framework.*

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

Breakdown by country *(in millions of euros)*	Countercyclical capital buffer rate	Value of exposures and/or RWA used to determine the CCyB: Value of exposures	RWA	CCyB rate specific to Natixis	CCyB requirement specific to Natixis
BG – BULGARIA	0.50%	3	1		
CZ – CZECH REPUBLIC	0.50%				
HK – HONG KONG	1.00%	3,186	1,302		
LU – LUXEMBOURG	0.25%	38,568	3,210		
NO – NORWAY	1.00%	432	117		
SK – SLOVAKIA	1.00%	18	1		
Sub-total		**42,207**	**4,630**		
Other countries with a 0% risk weight		152,898	68,205		
TOTAL AT 31/12/2020		**195,105**	**72,836**	**0.0305%**	**32**
TOTAL AT 31/12/2019		**184,868**	**68,950**	**0.2108%**	**209**

Prudential valuation adjustments (PV1)

(in millions of euros)	Equity	Interest rates	FX	Credit	Commodity	Total	o/w: in trading book	o/w: in banking book
Closeout uncertainty, of which:	225	14	6	13		258	239	20
Mid-market value	43	6	2	6		57	41	16
Closeout cost	51	7	5	6		69	67	2
Concentration	131	1		1		132	130	2
Early termination								
Model risk	36	2	1			39	25	14
Operational risk	9	1	1	1		13	12	1
Investing funding costs						11	11	
Unearned credit spreads						18	18	
Future administrative costs	17	22	7	1		47	25	23
Other								
TOTAL ADJUSTMENTS	**287**	**39**	**16**	**15**		**386**	**329**	**57**

Non-deducted participations in insurance undertakings (EU INS1)

(in millions of euros)	Value
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	3,074
TOTAL RWA	**10,539**

The change in prudential capital under Basel 3/CRR over the period is shown below:

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

(in millions of euros)	2020
Common Equity Tier 1 (CET1)	
Amount at start of period	11,168
New instruments issued (including issue premiums)	5
Instruments redeemed	0
Retained earnings from previous periods	932
Net income/(loss) for the period	101
Gross dividend proposed	(189)
Dividend payout in new shares	0
Changes in other comprehensive income	
Translation adjustments	(395)
Available-for-sale assets	83
Cash flow hedging reserve	11
Other	120
Others (including irrevocable SRF (Single Resolution Fund) and FGDR (Deposit Guarantee and Resolution Fund) payment commitments)	23
Non-controlling interests	0
Filters and deductions not subject to the phase-in arrangements	
Goodwill and intangible assets	219
Own credit risk	7
Other comprehensive income CFH	(11)
Prudent valuation adjustment	1
Other items	23
Other, including prudential adjustments and phase-in arrangements	
Deferred tax assets that rely on future earnings (excluding temporary differences)	7
Deductions in respect of breaches of capital thresholds	0
Other	39
Impact of phase-in arrangements	0
o/w impact of changes in phase-in rate	0
o/w impact of change in basis subject to phase-in arrangements	0
Amount of Common Equity Tier 1 (CET1) at end of period	**12,143**
Additional Tier 1 (AT1) capital	
Amount at start of period	2,143
New eligible instruments issued	0
Redemptions during the period	0
Other, including prudential adjustments and phase-in arrangements	(92)
o/w impact of changes in phase-in rate	0
o/w other impact of changes in base	(92)

(in millions of euros)	2020
Amount of Additional Tier 1 (AT1) capital at end of period	**2,051**
Tier 1 (Tier1) capital	**14,194**
Tier 2 (Tier2) capital	
Amount at start of period	2,262
New eligible instruments issued	350
Redemptions during the period	0
Other, including prudential adjustments and phase-in arrangements	(470)
o/w impact of changes in phase-in rate	0
o/w other impact of changes in base	(470)
Amount of Tier 2 capital at end of period	**2,142**
TOTAL REGULATORY CAPITAL	**16,337**

Common Equity Tier 1 (CET1) totaled €12.1 billion at December 31, 2020, up +€1.0 billion over the period. This increase is mainly due to the following changes:

- cancellation, pursuant to the decision of the Board of Directors, of the payment of the ordinary dividend in respect of the 2019 fiscal year following the recommendation of the ECB on March 27, 2020 for an increase of +€1.0 billion;
- profit for the fiscal year of €0.1 billion;
- changes in other items of comprehensive income (recyclable gains and losses directly recognized in shareholders' equity and exchange rate effect relating to changes in the euro/dollar exchange rate) for -€0.1 billion;
- prudential deductions relating to goodwill and intangible assets (+€0.1 billion), the inadequacy of adjustments for credit risk compared to expected losses according to the internal approach on doubtful exposures (-€0.1 billion) and, following the decision of the European Court of Justice of September 9, 2020, the cancellation of the deduction of security deposits to the SRF and FGDR for (+€0.1 billion);
- proposed payment of a dividend of six cents per share, i.e. -€0.2 billion.

Additional Tier 1 capital fell by -€0.1 billion to €2.1 billion due to a currency effect.

Tier 2 capital came to -€2.1 billion, the discount on issuance totaling -€0.1 billion for the period. The new issue of €0.4 billion in the fourth quarter had no impact on equity due to the fact that a loan of the same amount was granted to Natixis Assurances and deducted from Tiered capital. 2.

At €105.0 billion, risk-weighted assets increased by +€6 billion in 2020.

Risk-weighted assets (NX07)

(in billions of euros)	Credit risk	CVA	Market risk	Operational risks	Total RWA
31/12/2019	**72.7**	**1.3**	**11.2**	**13.7**	**99.0**
Changes in exchange rates	(1.4)				(1.4)
Change in business activity	4.8	1.0		(0.8)	5.0
Change in risk parameters	4.9		1.9		6.8
Acquisitions and disposals of investments	(1.9)				(1.9)
Impact of guarantees	(2.5)				(2.5)
31/12/2020	**76.6**	**2.3**	**13.1**	**13.0**	**105.0**

The +€3.9 billion increase in credit risk over the period was primarily due to the following factors:

- an increase in outstandings (+€4.8 billion) concentrated in Corporate & Investment Banking;
- the impact of risk imputs (+€4.9 billion) mainly due to an increase in calculation parameters;
- the impact from the appreciation of the dollar against the euro (-€1.4 billion);
- the use of the equity method for accounting Coface's factoring activities following the announcement of its sale (-€1.9 billion);
- a guarantee impact of -€2.5 billion.

The +€1,0 billion increase in CVA can primarily be attributed to changes in by lower exposures at end-2020.

Market risks were up +€1.9 billion, mainly due to market conditions in view of the health crisis, totaling €13.1 billion at December 31, 2020.

Operational risk decreased by -€0.8 billion. This change is attributable the replacement of the benchmark indicator for 2020 with that of 2017, the standard calculation using the average indicator for the previous three years.

Basel 3 RWA by main Natixis business line (NX02)

		Basel 3 RWA at 31/12/2020		
Division (in millions of euros)	Total	Credit [a]	MarkeT [b]	Operational
Corporate & Investment Banking [c]	69,206	50,875	12,265	6,066
Asset & Wealth Management	14,192	9,528	181	4,483
Insurance	8,824	8,824		
Payments	1,128	343		785
Corporate Center	9,881	5,262	2,965	1,654
Coface	1,754	1,754		
TOTAL AT 31/12/2020	**104,985**	**76,585**	**15,412**	**12,988**
TOTAL AT 31/12/2019	**98,989**	**72,684**	**12,573**	**13,733**

(a) *Including counterparty risk.*
(b) *Including €6 million in settlement-delivery risk and €2,284 million in CVA RWA.*
(c) *Including Treasury & Collateral Management.*

3.3.1.5 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.

Accordingly, under the New Dimension strategic plan, the fully loaded CET1 ratio beat its 11.0% target by end-2020 by reaching 11.2% at the plan's completion. The full CET1 ratio of 11.6 % as of December 31, 2020 is above this target.

The capital planning system adapts all processes with the aim of ultimately meeting the requirements of the supervisory authorities, shareholders and investors:

- continuously maintaining the targets set in terms of capital adequacy;
- developing an internal approach for measuring capital requirements (normative and economic) and overseeing Natixis' resilience under stress scenarios (ICAAP);
- projecting capital requirements specific to business line activity, within the framework of Natixis' overall capital adequacy policy;
- anticipating regulatory changes and their impact on Natixis' various business lines;
- implementing a system for analyzing the capital consumption of the businesses and their profitability on the basis of Basel 3/CRR 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 core business divisions.

Outlook

Capital planning today serves to pre-empts short- to medium-term changes: the entry into force of the new CRR2/CRD5 package, and the implementation of the new BRRD2/SRMR2 resolution provisions as part of the SRB policies.

Together with Groupe BPCE as a whole, Natixis contributes to collecting detailed information on liabilities, as required by the SRB in 2018. The mechanisms for monitoring and anticipating this new ratio have yet to be defined, in conjunction with Groupe BPCE.

3.3.2 Other regulatory ratios

3.3.2.1 Leverage ratio

The Basel Committee has set up a system for managing leverage risk. The system was included in the CRR, defining leverage as being equal to Tier 1 capital divided by on-balance sheet exposures (after certain restatements, notably on derivatives and repurchase agreements) and off-balance sheet exposures (after applying balance sheet equivalent conversion factors). The CRR was amended by a Delegated Act, which entered into force on March 31, 2015. The reporting templates that take those amendments into account have only been used since September 30, 2016, in accordance with the implementation deadlines.

Under Pillar II, the leverage ratio must be calculated and reported to the supervisor as of January 1, 2014. Its publication is mandatory as of January 1, 2015.

Natixis calculates and publishes its leverage ratio (according to the rules set out in the Delegated Act) and to implement the actions needed to converge towards the target ratio under consideration.

Comparison of accounting exposures and leverage exposures (LR1)

Category *(in millions of euros)*	31/12/2020	31/12/2019
Total consolidated assets reported in the financial statements	**495,320**	**513,170**
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(112,079)	(105,920)
(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measurement, in accordance with Article 429 (13) of Regulation (EU) No. 575/2013 "CRR")		
Adjustments for derivative financial instruments	(20,928)	(28,956)
Adjustment for securities financing transactions (repurchase transactions and other types of collateralized loans)	(1,575)	(15,612)
Adjustment for off-balance sheet items (i.e. conversion of off-balance sheet exposures to credit equivalent amounts)	41,795	38,494
Other adjustments	(31,863)	(19,300)
LEVERAGE RATIO EXPOSURE	**370,669**	**381,876**
o/w exposure related to affiliates	59,708	56,614
Excluding exposure related to affiliates	*310,961*	*325,262*

3.3.2.2 Oversight of the leverage ratio

Under the French Ministerial Order of November 3, 2014 on internal control by companies in the banking, payment services and investment services sector subject to the supervision of the ACPR, the companies in question are required to set overall limits and establish policies and processes to detect, manage and monitor excessive leverage risk.

Since 2015, Natixis has kept its "Financial Communication" leverage ratio (excluding transactions with BPCE and other affiliates of the Groupe BPCE) above 4% at the end of each quarter. This threshold set by the ALM Committee aims to ensure compliance with the minimum regulatory requirement of 3% applied to the "strict" ratio (including transactions with BPCE and other affiliates of Groupe BPCE). This system was supplemented from the summer of 2020 by "strict" monthly measures as part of the implementation of the COVID-19 report requested by regulatory authorities.

Natixis complied with its internal rules governing leverage risk throughout the year. Their management was facilitated this year, on the one hand, by the retention of the 2019 dividend from March, and by the exclusion (under certain conditions) from the exposure base of the cash invested in the Banque de France deposit facility.

Leverage ratio (LR2)

Provisions governing the leverage ratio *(in millions of euros)*	31/12/2020	31/12/2019
On-balance sheet exposures		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	241,972	250,582
(Asset amounts deducted in determining Tier 1 capital)	(4,858)	(5,166)
TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS) (SUM OF LINES 1 AND 2)	**237,114**	**245,416**
Derivative exposures		
Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	9,215	7,618
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	19,253	20,578
Exposure determined under Original Exposure Method		
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(14,505)	(14,134)
(Exempted CCP leg of client-cleared trade exposures)		
Adjusted effective notional amount of written credit derivatives	18,205	13,078
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(13,649)	(9,010)
TOTAL DERIVATIVE EXPOSURES (SUM OF LINES 4 TO 10)	**18,520**	**18,130**
Securities financing transaction exposures (SFT)		

Provisions governing the leverage ratio *(in millions of euros)*	31/12/2020	31/12/2019
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	87,317	95,448
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(7,909)	(22,150)
Counterparty credit risk exposure for SFT assets	6,334	6,538
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013		
Agent transaction exposures		
(Exempted CCP leg of client-cleared SFT exposure)		
TOTAL SECURITIES FINANCING TRANSACTION EXPOSURES (SUM OF LINES 12 TO 15A)	**85,741**	**79,836**
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	83,457	81,622
(Adjustments for conversion to credit equivalent amounts)	(41,662)	(43,128)
OTHER OFF-BALANCE SHEET EXPOSURES (SUM OF LINES 17 AND 18)	**41,795**	**38,494**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off-balance sheet)		
(Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on and off-balance sheet))		
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on and off-balance sheet))	(12,501)	
Capital and total exposures		
Tier-1 capital	14,283	13,312
Total leverage ratio exposures (sum of lines 3, 11, 16 and 19)	370,669	381,876
Leverage ratio		
Basel 3 leverage ratio	3.9%	3.5%
Choice on phase-in arrangements and amount of derecognized fiduciary items		
Choice on phase-in arrangements for the definition of the capital measure		
Amount of derecognized fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013		
EXPOSURE RELATED TO AFFILIATES	**59,708**	**56,614**
LEVERAGE RATIO EXCLUDING EXPOSURE RELATED TO AFFILIATES	**4.6%***	**4.1%**

* *Leverage ratio: based on delegated act rules, without phase-in measures (presentation including 2019 earnings, net of dividends (1) declared) and with the assumption that non-eligible subordinated notes under Basel 3 are renewed by eligible notes. Repo transactions with central counterparties are offset in accordance with IAS 32 rules without maturity or currency criteria. The ratio is presented after canceling transactions with affiliates, pending ECB authorization. [1] In accordance with the ECB's recommendations, the 2019 dividend was reintegrated into the share capital of Natixis and no dividend accrual was made in the first nine months of the year 2020 - see press release dated March 31, 2020. Proposed dividend for 2020 deducted from regulatory capital as from the fourth quarter of 2020.*

3.3.2.3 Large exposures ratio

Large exposures ratio

Regulations on the monitoring of large exposures were revised in 2014 and are now part of the CRR.

The objective of these regulations is to limit Natixis' exposure to the risks associated with a set of counterparties, grouped under a banner known as "Head of Group". Compliance with these regulations is measured daily, ensuring that risk-weighted assets (RWA) relating to each Head of Group are systematically lower than the Large Exposure Limit, currently set at 10% of Natixis' total capital. Natixis complied with this regulation throughout 2020.

3.3.3 Breakdown and changes in risk-weighted assets

3.3.3.1 Credit and counterparty risks

RWA overview (EU OV1)

	RWA		Regulatory capital requirement
(in millions of euros)	31/12/2020	31/12/2019	31/12/2020
Credit risk (excluding CCR)	**64,200**	**62,392**	**5,136**
o/w the standardized approach	8,725	11,183	698
Of which the foundation IRB (F-IRB) approach	984	914	79
Of which the advanced IRB (A-IRB) approach	37,929	33,892	3,034
o/w equity IRB under the simple risk-weighted approach or the IMA	16,563	16,402	1,325
Counterparty risk	**9,763**	**7,704**	**781**
o/w mark to market	1,592	1,496	127
o/w original exposure			
o/w the standardized approach			
o/w internal model method (IMM)	4,191	3,037	335
o/w risk exposure amount for contributions to the default fund of a CCP	152	234	12
o/w CVA	2,284	1,336	183
Settlement risk	**6**	**32**	
Securitization exposures in the banking book (after the cap)*	**3,384**	**2,684**	**271**
o/w IMA	823	*	66
o/w SEC-ERBA external rating approach	643	*	51
o/w standardized approach (SEC-SA)	1,589	*	127
o/w default approach	329	*	26
Market risk	**13,122**	**11,204**	**1,050**
o/w the standardized approach	5,975	5,378	478
o/w IMA	7,147	5,826	572
Large exposures			
Operational risks	**12,988**	**13,733**	**1,039**
o/w basic indicator approach			
o/w standardized approach	12,988	13,733	1,039
o/w advanced measurement approach			
Amounts below the thresholds for deduction (subject to 250% risk weight)	**1,522**	**1,240**	**122**
Floor adjustment			
TOTAL	**104,985**	**98,990**	**8,399**

* *Following the implementation of the new securitization framework, only subtotal securitization for 2019 is presented in this report.*

EAD by rating source – Standardized approach (NX11 Bis)

Exposure class *(in millions of euros)*	Fitch	Moody's	STP	BDF	Total
Business			**85**	**26**	**111**
Institutions	**16**	**117**	**234**		**366**
Governments and central banks	**521**	**213**	**1,368**	**78**	**2,180**
Governments and central banks	3	30	611		644
International Organizations					
Multilateral Development Banks					
Regional governments or local authorities	113	4	64		181
Public sector entities	405	179	693	78	1,355
Retail				**1**	**1**
SMEs included in Retail category				1	1
Other exposures included in Retail category					
Exposures secured by mortgages on immovable property					
SMEs treated in the category of exposures guaranteed by a mortgage on property					
Other exposures secured by mortgages on immovable property					
Defaulted exposures				9	9
Exposures to institutions and corporates with a short-term credit assessment	11	45	109	1	166
TOTAL AT 31/12/2020	**548**	**375**	**1,796**	**115**	**2,834**
TOTAL AT 31/12/2019	**310**	**436**	**954**	**443**	**2,142**

Guaranteed exposures by type and internal rating of guarantor (NX17)

	Type of guarantor			
(in%)	Institutions	Business	Central governments and central banks	Retail
AAA			1.8%	
AA+, AA, AA-	30.5%	24.0%	82.5%	
A+, A, A-	66.1%	60.5%	5.7%	
BBB+, BBB, BBB-	3.2%	9.1%	9.8%	
BB+, BB, BB-	0.2%	3.3%	0.2%	
B+, B, B-		0.7%		
C				
Not rated*		2.5%		
TOTAL AT 31/12/2020	**100.0%**	**100.0%**	**100.0%**	

** Unrated: excludind exposures guaranted by BPCE Group affiliates.*

3.3.3.2 Credit risks

A – Credit risk mitigation techniques

Credit risk mitigation techniques (CR3)

(in millions of euros)	Exposures unsecured – Carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
IRB Approach							
Governments and central banks	36,267			5,082	5,014		
Institutions	6,943	8	8	638	618		
Business	65,439	29,018	26,481	11,681	7,524	1,187	1,187
o/w SME	*963*	*216*	*136*	*118*			
o/w Specialized Lending	*786*	*17,248*	*16,727*	*274*	*44*		
Retail							
Secured by real estate property							
o/w SME							
Non-SME							
o/w Qualifying revolving							
Other Retail							
o/w SME							
o/w Non-SME							
Equity	5,757						
Other assets							
Sub-total IRB 31/12/2020	**114,406**	**29,025**	**26,488**	**17,402**	**13,155**	**1,187**	**1,187**
Sub-total IRB 31/12/2019	**110,989**	**30,671**	**27,548**	**17,280**	**12,494**	**1,263**	**1,263**
Standardized approach							
Governments and central banks	7,274			180	180		
Regional governments or local authorities	206			1	1		
Public sector entities	746			24	23		
Multilateral Development Banks							
International Organizations	977						
Institutions	50,190			4,037	4,037		
Business	1,785	836	795	111	78		
o/w SME	*297*	*129*	*102*	*32*			
Retail	249	748	469	8			
o/w SME	*79*	*29*	*16*	*8*			
Secured by mortgages on immovable property		282	282				
o/w SME		*140*	*140*				
Defaulted exposures	45	10	5	2			
Exposures to institutions and corporates with a short-term credit assessment	89	4	4	1	1		
Collective investments undertakings							
Equity							
Other assets	6,330						
Sub-total SA 31/12/2020	**67,892**	**1,880**	**1,554**	**4,364**	**4,320**		
Sub-total SA 31/12/2019	**67,726**	**1,846**	**1,548**	**4,924**	**4,897**		
TOTAL AT 31/12/2020	**182,298**	**30,905**	**28,042**	**21,766**	**17,475**	**1,187**	**1,187**
TOTAL AT 31/12/2019	**178,715**	**32,517**	**29,096**	**22,205**	**17,391**	**1,263**	**1,263**

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

(in millions of euros)	Pre-credit derivatives RWA	RWA
Exposures under Foundation IRB	**984**	**984**
Central governments and central banks	357	357
Institutions	38	38
Corporates – SME	225	225
Corporates – Specialized Lending		
Corporates – Other	364	364
Exposures under Advanced IRB	**42,807**	**37,929**
Central governments and central banks	206	206
Institutions	1,070	1,070
Corporates – SME	872	872
Corporates – Specialized Lending	4,181	4,181
Corporates – Other	36,478	31,600
Retail – Secured by real estate SME		

(in millions of euros)	Pre-credit derivatives RWA	RWA
Retail – Secured by real estate non-SME		
Retail – qualifying revolving		
Retail – SME		
Other retail exposures		
Equity IRB	**18,085**	**18,085**
Other assets		
TOTAL AT 31/12/2020	**61,875**	**56,997**
TOTAL AT 31/12/2019	**60,419**	**52,448**

B – Credit risk exposures

Credit quality of assets by asset class (CR1-A)

	a	b	c	d
(in millions of euros)	Defaulted exposures	Non-defaulted exposures	Allowances/impairments	Net values (a + b - c)
IRB Approach				
Governments and central banks	49	41,351	52	41,349
Institutions	23	7,596	29	7,589
Business	4,244	105,128	2,047	107,325
o/w SME	*78*	*1,271*	*52*	*1,298*
o/w Specialized Lending	*649*	*17,881*	*221*	*18,309*
Retail				
Secured by real estate property				
o/w SME				
Non-SME				
o/w Qualifying revolving				
Other Retail				
o/w SME				
o/w Non-SME				
Equity	4	5,753		5,757
Other assets				
Sub-total IRB 31/12/2020	**4,320**	**159,828**	**2,128**	**162,019**
Sub-total IRB 31/12/2019	**3,020**	**159,179**	**1,996**	**160,203**
Standardized approach				
Governments and central banks		7,455		7,455
Regional governments or local authorities		212	5	207
Public sector entities		770		770
Multilateral Development Banks				
International Organizations		977		977
Institutions		54,227		54,227
Business		2,736	4	2,732
o/w SME		*460*	*1*	*459*
Retail		1,015	10	1,005
o/w SME		*117*	*1*	*116*
Secured by mortgages on immovable property		282		282
o/w SME		*140*		*140*
Defaulted exposures	168		111	57
Items associated with particularly high risk				
Covered Bonds				
Exposures to institutions and corporates with a short-term credit assessment		95		95
Collective investments undertakings				
Equity				
Other assets		6,330		6,330
Sub-total S.A. 31/12/2020	168	74,098	130	74,137
Sub-total S.A. 31/12/2019	263	74,419	185	74,497
TOTAL AT 31/12/2020	**4,488**	**233,926**	**2,258**	**236,156**
TOTAL AT 31/12/2019	**3,283**	**233,597**	**2,181**	**234,700**

Credit quality of assets by business sector (CR1-B)

(in millions of euros)	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a + b – c)
Administrations	50	43,864	58	43,856
Aeronautics/weapons		2,042	2	2,040
Food industry	118	2,556	109	2,565
Automobile	19	4,290	26	4,283
Consumer goods	47	4,891	55	4,883
Construction	59	3,359	52	3,367
Int. commod. trading	357	11,440	143	11,655
Communications	49	2,372	22	2,399
Electrical mecan. construct.	59	3,000	73	2,986
Distribution	178	3,184	98	3,264
Electricity	12	9,481	28	9,466
Finance	827	78,973	794	79,006
Holdings	40	3,129	15	3,154
Hotel/tourism/leisure	425	812	14	1,223
Real estate	282	12,071	110	12,243
Base industries	56	4,503	32	4,526
Oil & Gas	781	14,521	313	14,989
Pharmacy/Health	64	1,876	16	1,924
Services	380	3,630	39	3,971
Utilities	25	3,869	16	3,878
Technology	58	1,742	50	1,751
Telecom	15	3,172	17	3,170
Securitization		1,531	1	1,530
Transportation	577	7,062	159	7,481
Other	9	6,555	16	6,548
TOTAL AT 31/12/2020	**4,488**	**233,926**	**2,258**	**236,156**
TOTAL AT 31/12/2019	**3,283**	**233,597**	**2,181**	**234,700**

Credit quality of assets by geographic area (CR1-C)

(in millions of euros)	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a + b - c)
European Union	**1,975**	**156,788**	**894**	**157,868**
France	1,060	120,359	535	120,885
Luxembourg	502	6,959	114	7,347
United Kingdom*	65	6,459	24	6,501
Netherlands	8	5,023	15	5,015
Italy	154	4,567	82	4,639
Spain	56	4,386	40	4,402
Ireland	67	2,919	10	2,976
Germany	38	2,280	59	2,259
Belgium	11	1,583	6	1,588
Other	13	2,252	9	2,256
North America	**811**	**34,694**	**261**	**35,244**
USA	784	33,256	241	33,799
Canada	27	1,438	20	1,445
Asia	**266**	**19,335**	**89**	**19,512**
Japan	68	7,579	20	7,628
Singapore	164	4,492	48	4,608
Hong Kong	13	4,027	7	4,032
China	-	1,227	-	1,227
Other	21	2,009	13	2,018
Europe	**121**	**7,515**	**38**	**7,597**
Switzerland	29	4,159	30	4,157
Other	92	3,357	9	3,440
Latin America	**896**	**5,854**	**738**	**6,012**
Cayman Islands	393	2,046	366	2,073
Other	503	3,808	371	3,939
Middle East	**181**	**4,479**	**92**	**4,568**
United Arab Emirates	171	1,508	80	1,600
Saudi Arabia	-	1,021	-	1,021
Other	9	1,950	12	1,947
Africa	**221**	**3,730**	**127**	**3,824**
Other	221	3,730	127	3,824
Oceania	**18**	**1,531**	**19**	**1,531**
Australia	18	1,276	18	1,277
Other	-	255	1	254
TOTAL	**4,488**	**233,926**	**2,258**	**236,156**

** Still considered in the EU as of 31/12/2020.*

Total and average net amount of exposures (CRB-B)

(in millions of euros)	Net exposure at the end of the period	Average net exposure over the period*
IRB Approach		
Governments and central banks	37,058	31,251
Institutions	7,001	8,607
Business	114,995	117,891
o/w SME	*1,541*	*1,734*
o/w Specialized Lending	*21,624*	*22,160*
Retail		
Secured by real estate property		
o/w SME		
Non-SME		
o/w Qualifying revolving		
Other Retail		
o/w SME		
o/w Non-SME		
Equity	5,757	5,566
Other assets		
Sub-total IRB 31/12/2020	**164,811**	**163,316**
Sub-total IRB 31/12/2019	**162,385**	**168,299**
Standardized approach		
Governments and central banks	7,274	6,516
Regional governments or local authorities	206	230
Public sector entities	787	834
Multilateral Development Banks		
International Organizations	977	809
Institutions	50,190	50,986
Business	2,628	3,438
o/w SME	*647*	*434*
Retail	1,324	1,674
o/w SME	*164*	*515*
Secured by mortgages on immovable property	282	242
o/w SME	*140*	*135*
Defaulted exposures	66	64
Exposures to institutions and corporates with a short-term credit assessment	93	106
Collective investments undertakings		
Equity		
Other assets	6,330	6,317
Sub-total S.A. 31/12/2020	**70,158**	**71,216**
Sub-total S.A. 31/12/2019	**71,051**	**70,696**
TOTAL AT 31/12/2020	**234,969**	**234,532**
TOTAL AT 31/12/2019	**233,437**	**238,995**

* *Quarterly average realized over 1 year.*

Geographic breakdown of exposures (CRB-C)

	European Union							North America		Asia				Latin America	Europe		Africa	Middle East	Oceania	Total
(in millions of euros)	France	Other	Spain	United Kingdom*	Italy	Luxembourg	Netherlands	USA	Other	Other	Singapore	Japan	Hong Kong	Other	Switzerland	Other	Other	Other	Other	
IRB Approach																				
Central government or central banks	17,509	2,173	453	38	10	328	178	12,530	90	288	675	608	63	287		85	1,022	693	27	37,058
Institutions	952	688	253	330	38	229	441	1,173	77	1,107	76	239	378	23	77	232	278	247	164	7,001
Business	39,706	4,543	3,657	4,829	4,539	4,950	4,381	18,738	1,075	1,316	3,846	991	2,997	5,648	3,939	3,122	1,839	3,598	1,281	114,995
o/w SME	*821*	*36*	*76*	*86*	*57*	*28*		*51*	*5*				*53*		*3*	*13*	*263*		*47*	*1,541*
o/w specialized loans	*4,232*	*1,797*	*781*	*1,251*	*2,122*	*1,046*	*670*	*4,126*	*213*	*382*	*39*	*707*	*64*	*1,440*	*95*	*855*	*64*	*1,053*	*685*	*21,624*
Retail																				
Secured by real estate property																				
o/w SME																				
Non-SME																				
o/w Qualifying Revolving																				
Other Retail																				
o/w SME																				
o/w Non-SME																				
Equity	4,170	95	3	59	22	346	12	758	74	4	9	4		54	23	1	86	12	24	5,757
Other assets																				
Sub-total IRB 31/12/2020	**62,337**	**7,499**	**4,366**	**5,257**	**4,609**	**5,852**	**5,012**	**33,199**	**1,316**	**2,716**	**4,606**	**1,842**	**3,438**	**6,012**	**4,040**	**3,440**	**3,224**	**4,551**	**1,496**	**164,811**
Sub-total IRB 31/12/2020 by geographic area		**94,932**							**34,515**		**12,602**			**6,012**	**7,480**		**3,224**	**4,551**	**1,496**	**164,811**
Sub-total IRB 31/12/2019 by geographic area		**85,999**							**33,676**		**15,847**				**8,068**	**7,456**	**3,717**	**6,016**	**1,607**	**162,385**
Standardized approach																				
Central government or central banks	486					427				227		5,671	463							7,274
Regional governments or local authorities	175	30																		206
Public sector entities	416	148							125						46		40		11	787
Multilateral Development Banks																				
International Organizations						977														977
Institutions	48,945	130	34	284	28	55	3	358		15	1	86	128		60		49		15	50,190
Business	1,880	35				24				277			1		9		402			2,628
o/w SME	*600*	*30*				*8*									*9*					*647*
Retail	1,213	10	2	3	2	1			2				2	1	2		77	1	9	1,324
o/w SME	*88*				*2*	*1*											*74*			*164*
Secured by mortgages on immovable property	277			3									1				1			282
o/w SME	*140*																			*140*
Defaulted exposures	54																5	7		66
Items associated with particularly high risk																				
Covered Bonds																				
Exposures to institutions and corporates with a short-term credit assessment	9	39				9		10	1	9		6						10		93
Collective investments undertakings																				
Equity																				
Other assets	5,093			954		2		232				22					27			6,330
Sub-total S.A. 31/12/2020	**58,548**	**394**	**36**	**1,244**	**30**	**1,495**	**3**	**601**	**128**	**528**	**1**	**5,786**	**594**	**1**	**118**		**600**	**17**	**35**	**70,158**
Sub-total S.A. 31/12/2020 by geographic area		**61,750**							**729**	**6,909**				**1**	**118**		**600**	**17**	**35**	**70,158**
Sub-total S.A. 31/12/2019 by geographic area		**63,513**							**1,100**	**5,089**				**2**	**89**		**1,222**	**1**	**34**	**71,051**
Total at 31/12/2020	**120,885**	**7,893**	**4,402**	**6,501**	**4,639**	**7,347**	**5,015**	**33,799**	**1,445**	**3,244**	**4,608**	**7,628**	**4,032**	**6,012**	**4,157**	**3,440**	**3,824**	**4,568**	**1,531**	**234,969**
TOTAL AT 31/12/2020 BY GEOGRAPHIC AREA		**156,682**							**35,244**		**19,512**				**6,012**	**7,597**	**3,824**	**4,568**	**1,531**	**234,969**
TOTAL AT 31/12/2019 BY GEOGRAPHIC area		**149,514**							**34,776**		**20,936**				**8,069**	**7,545**	**4,939**	**6,017**	**1,641**	**233,437**

Included in category A: Other countries for which the sum (Exposure + Provision) is less than €4 billion.

* *Still considered in the EU as of 31/12/2020.*

Concentration of exposures by industry or counterparty types (CRB-D)

(in millions of euros)	Admini-strations	Int. commod. trading	Electricity	Finance	Real estate	Base industries	Oil & Gas	Transpor-tation	Consumer goods	Other (Exposures net of provisions < €4bn)	Automobile	Total
IRB Approach												
Governments and central banks	34,856			1,822						380		37,058
Institutions	18			6,286						161	536	7,001
Business	64	11,651	9,136	11,919	11,670	4,520	14,759	7,386	4,877	35,268	3,745	114,995
o/w SME		*5*	*4*	*45*	*248*	*26*	*25*	*7*	*15*	*1,158*	*8*	*1,541*
o/w Specialized Lending		*211*	*3,533*	*204*	*7,785*	*406*	*3,009*	*3,358*		*3,117*		*21,624*
Retail												
Secured by real estate property												
o/w SME												
Non-SME												
o/w Qualifying revolving												
Other Retail												
o/w SME												
o/w Non-SME												
Equity			2	4,789	52	2		2	6	903	1	5,757
Other assets												
Sub-total IRB 31/12/2020	**34,938**	**11,651**	**9,138**	**24,816**	**11,722**	**4,522**	**14,759**	**7,388**	**4,883**	**36,712**	**4,282**	**164,811**
Sub-total IRB 31/12/2019	**25,568**	**13,336**	**7,668**	**31,519**	**11,843**	**4,768**	**18,770**	**7,639**	**4,267**	**37,006**		**162,385**
Standardized approach												
Governments and central banks	7,274											7,274
Regional governments or local authorities	206											206
Public sector entities	448			93			180	40		26		787
Multilateral Development Banks												
International Organizations	977											977
Institutions				50,190								50,190
Business	1		328	956	322		42	53		927		2,628
o/w SME				*62*	*164*		*5*			*416*		*647*
Retail	1			7	85	4	3			1,224		1,324
o/w SME	*1*			*3*	*17*	*4*	*3*			*136*		*164*
Secured by mortgages on immovable property				12	110		3			157		282
o/w SME					*84*		*3*			*52*		*140*
Defaulted exposures				14	4					48		66
Exposures to institutions and corporates with a short-term credit assessment				85						8		93
Collective investments undertakings												
Equity												
Other assets	11	4		2,834						3,481		6,330
Sub-total S.A. 31/12/2020	**8,917**	**4**	**328**	**54,190**	**521**	**4**	**229**	**93**		**5,871**		**70,158**
Sub-total S.A. 31/12/2019	**7,380**		**258**	**56,526**	**553**	**61**	**285**	**126**	**3**	**5,858**		**71,051**
TOTAL AT 31/12/2020	**43,856**	**11,655**	**9,466**	**79,006**	**12,243**	**4,526**	**14,989**	**7,481**	**4,883**	**42,583**	**4,283**	**234,969**
Total at 31/12/2019	**32,948**	**13,336**	**7,926**	**88,045**	**12,396**	**4,829**	**19,055**	**7,766**	**4,270**	**42,864**		**233,437**

Maturity of exposures (CRB-E)

(in millions of euros)	On demand	< = 1 year	> 1 year < = 5 years	> 5 years	Maturity unspecified	Total balance sheet
IRB Approach						
Governments and central banks	25,310	2,852	4,851	3,081		36,093
Institutions	2,081	1,236	891	323		4,530
Business	2,571	19,881	22,308	9,471		54,231
o/w SME	*66*	*341*	*586*	*70*		*1,063*
o/w Specialized Lending	*367*	*1,255*	*4,402*	*6,849*		*12,873*
Retail						
Secured by real estate property						
o/w SME						
Non-SME						
o/w Qualifying revolving						
Other Retail						
o/w SME						
o/w Non-SME						
Equity		5,404		172		5,576
Other assets						
Sub-total IRB 31/12/2020	**29,961**	**29,373**	**28,050**	**13,046**		**100,431**
Sub-total IRB 31/12/2019	**22,152**	**29,683**	**30,290**	**15,018**		**97,143**
Standardized approach						
Governments and central banks	6,626	225	423			7,274
Regional governments or local authorities	5	1	31	169		206
Public sector entities		26	267	271		565
Multilateral Development Banks						
International Organizations		75	539	364		977
Institutions	26,322	91	7,682	9,757		43,852
Business	248	490	537	264		1,540
o/w SME	*6*	*130*	*323*	*111*		*569*
Retail	47	368	614	132		1,161
o/w SME	*18*	*25*	*50*	*19*		*113*
Secured by mortgages on immovable property		33	89	155		276
o/w SME		*4*	*42*	*89*		*136*
Defaulted exposures	25	3	14	7		49
Exposures to institutions and corporates with a short-term credit assessment	77	12				89
Collective investments undertakings						
Equity						
Other assets	5,078			1,253		6,330
Sub-total S.A. 31/12/2020	**38,428**	**1,325**	**10,195**	**12,372**		**62,320**
Sub-total S.A. 31/12/2019	**29,073**	**7,185**	**12,654**	**13,149**		**62,060**
TOTAL AT 31/12/2020	**68,390**	**30,698**	**38,246**	**25,418**		**162,751**
TOTAL AT 31/12/2019	**51,226**	**36,868**	**42,944**	**28,167**		**159,204**

Sovereign exposures (GOV)

Country *(in millions of euros)*	Banking book: Assets at amortized cost	Banking book: Financial assets at fair value through equity	Banking book: Financial assets under the fair value option	Trading book: Financial assets to be at fair value through profit or loss	Trading book: Transaction financial assets (excluding derivatives)	Trading book: Derivative financial instruments	Total
Germany		1,328.80			2,757.2	799.3	4,885.3
Austria		439.6			68.7	150.9	659.2
Belgium		1,265.30		0.1	153.0	291.7	1,710.1
Spain		902.3		4.5	196.0	5.8	1,108.6
Finland		612.2			1.2	298.9	912.2
France	1,695.30	4,023.80		38.7	13,907.4	1,226.2	20,891.5
Ireland		457.2				1.2	458.5
Italy				16.5	3,238.5	121.6	3,376.5
Luxembourg		1,331.10			82.6	(1,721.8)	(308.2)
Netherlands		355.7			223.1	(31.5)	547.4
Portugal		288			0.2	1.4	289.6
Other euro zone countries		106.5			18.4	(110.6)	14.2
Total euro zone	**1,695.30**	**11,110.50**		**59.8**	**20,646.2**	**1,033.1**	**34,544.9**
Other European Economic Area countries		38.9				(168.4)	(129.6)
Total EEE	**1,695.30**	**11,149.40**		**59.8**	**20,646.2**	**864.6**	**34,415.4**
Algeria	385.8						385.8
Canada		265					265.0
China		17.7			6,328.8	(62.7)	6,283.8
United Arab Emirates	314.5				7,992.5	67.2	8,374.3
USA	980.6	2,362.30		3.9	3,324.9	(511.7)	6,160.0
United Kingdom		38.2			1,688.8	33.1	1,760.1
Japan	5,670.90	1,212.90		3.4	22.7		6,909.8
Singapore		749.7					749.7
Taiwan	1.8	450.6					452.3
Other	688.5	1,635.00		4.5	58.2	(175.6)	2,210.5
TOTAL	**9,737.40**	**17,880.80**		**71.6**	**40,062.1**	**214.9**	**67,966.8**

Credit quality of forborne exposures (NPL1)

	Gross carrying value/nominal amount for exposures subject to renegotiation calculations				Accumulated impairments, accumulated negative fair value variations due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Non-performing forborne						
(in millions of euros)	Performing forborne		o/w defaulted	o/w depreciated	On performing forborne exposures	On non-performing forborne exposures		Of which collaterals and financial guarantees received on non-performing exposures to which forbearance measures have been extended
Loans and receivables	**275**	**1,481**	**1,481**	**1,475**	**(3)**	**(446)**	**799**	**592**
Due to central banks	*-*	*4*	*4*	*4*	*-*	*(4)*	*-*	*-*
Government institutions	*-*	*2*	*2*	*2*	*-*	*(2)*	*-*	*-*
Banks	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Other financial companies	*-*	*65*	*65*	*65*	*-*	*(39)*	*16*	*16*
Non-financial companies	*275*	*1,409*	*1,409*	*1,403*	*(3)*	*(399)*	*783*	*576*
Households	*-*	*0*	*0*	*0*	*-*	*(0)*	*-*	*-*
Debt securities	**-**	**76**	**76**	**76**	**-**	**(55)**	**-**	**-**
Loan commitments given	**31**	**17**	**17**	**17**	**0**	**2**	**18**	**11**
TOTAL	**305**	**1,574**	**1,574**	**1,568**	**(3)**	**(499)**	**817**	**602**

Credit quality of performing and non-performing exposures by days past due (NPL3)

	Gross carrying value/nominal amount											
	Performing exposures			Non-performing exposures								
(in millions of euros)		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
Loans and receivables	**106,022**	**105,757**	**265**	**3,631**	**2,899**	**85**	**141**	**229**	**144**	**44**	**89**	**3,631**
Due to central banks	*12*	*12*	*-*	*19*	*1*	*-*	*-*	*4*	*0*	*-*	*13*	*19*
Government institutions	*2,167*	*2,167*	*-*	*57*	*3*	*-*	*-*	*-*	*29*	*-*	*26*	*57*
Banks	*40,026*	*40,026*	*-*	*11*	*10*	*-*	*-*	*-*	*-*	*-*	*0*	*11*
Other government institutions	*12,550*	*12,549*	*1*	*179*	*148*	*-*	*0*	*0*	*1*	*-*	*30*	*179*
Non-financial companies	*50,386*	*50,132*	*254*	*3,349*	*2,726*	*83*	*141*	*224*	*114*	*43*	*18*	*3,349*
o/w SME	*3,196*	*3,004*	*193*	*113*	*54*	*8*	*9*	*21*	*8*	*4*	*10*	*113*
Households	*881*	*871*	*10*	*16*	*11*	*1*	*0*	*1*	*0*	*1*	*1*	*16*
Debt securities outstanding	**16,129**	**16,129**	**-**	**193**	**193**	**-**	**-**	**-**	**-**	**-**	**-**	**193**
Due to central banks	*202*	*202*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Government institutions	*8,207*	*8,207*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Banks	*4,299*	*4,299*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Other government institutions	*2,693*	*2,693*	*-*	*83*	*83*	*-*	*-*	*-*	*-*	*-*	*-*	*83*
Non-financial companies	*730*	*730*	*-*	*110*	*110*	*-*	*-*	*-*	*-*	*-*	*-*	*110*
Off-balance sheet amount	**91,539**			**492**								**492**
Due to central banks	*180*			*-*								*-*
Government institutions	*1,658*			*-*								*-*
Banks	*14,337*			*-*								*-*
Other government institutions	*20,541*			*0*								*0*
Non-financial companies	*54,701*			*491*								*491*
Households	*123*			*1*								*1*
TOTAL	**213,690**	**121,886**	**265**	**4,316**	**3,093**	**85**	**141**	**229**	**144**	**44**	**89**	**4,316**

Performing and non-performing exposures and corresponding provisions (NPL4)

	Gross carrying value/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	
	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
(in millions of euros)		o/w step 1	o/w step 2		o/w step 2	o/w step 3		o/w step 1	o/w step 2		o/w step 2	o/w step 3			
Loans and receivables	**106,022**	**91,417**	**14,605**	**3,631**		**3,631**	**(213)**	**(62)**	**(151)**	**(1,201)**		**(1,201)**	**-**	**34,556**	**1,158**
Due to central banks	*12*	*-*	*12*	*19*		*19*	*(0)*	*-*	*(0)*	*(19)*		*(19)*	*-*	*-*	*-*
Government institutions	*2,167*	*1,489*	*678*	*57*		*57*	*(7)*	*(0)*	*(7)*	*(30)*		*(30)*	*-*	*559*	*25*
Banks	*40,026*	*39,832*	*194*	*11*		*11*	*(5)*	*(1)*	*(4)*	*(11)*		*(11)*	*-*	*340*	*-*
Other government institutions	*12,550*	*11,317*	*1,234*	*179*		*179*	*(16)*	*(6)*	*(10)*	*(72)*		*(72)*	*-*	*3,701*	*16*
Non-financial companies	*50,386*	*37,926*	*12,460*	*3,349*		*3,349*	*(181)*	*(54)*	*(127)*	*(1,059)*		*(1,059)*	*-*	*29,130*	*1,116*
o/w SME	*3,196*	*2,252*	*944*	*113*		*113*	*(9)*	*(4)*	*(5)*	*(75)*		*(75)*	*-*	*2,080*	*17*
Households	*881*	*854*	*27*	*16*		*16*	*(4)*	*(1)*	*(3)*	*(10)*		*(10)*	*-*	*826*	*1*
Debt securities outstanding	**16,129**	**15,800**	**330**	**193**		**193**	**(6)**	**(5)**	**(0)**	**(142)**		**(142)**	**-**	**3**	**-**
Due to central banks	*202*	*202*	*-*	*-*		*-*	*-*	*-*	*-*	*-*		*-*	*-*	*-*	*-*
Government institutions	*8,207*	*8,200*	*7*	*-*		*-*	*(4)*	*(4)*	*(0)*	*-*		*-*	*-*	*-*	*-*
Banks	*4,299*	*4,299*	*-*	*-*		*-*	*(0)*	*(0)*	*-*	*-*		*-*	*-*	*-*	*-*
Other government institutions	*2,693*	*2,370*	*323*	*83*		*83*	*(1)*	*(1)*	*(0)*	*(83)*		*(83)*	*-*	*3*	*-*
Non-financial companies	*730*	*730*	*-*	*110*		*110*	*(1)*	*(1)*	*-*	*(59)*		*(59)*	*-*	*-*	*-*
Off-balance sheet amount	**91,539**	**83,191**	**8,348**	**492**		**492**	**131**	**38**	**93**	**37**		**37**	**-**	**25,105**	**361**
Due to central banks	*180*	*180*	*-*	*-*		*-*	*-*	*-*	*-*	*-*		*-*		*-*	*-*
Government institutions	*1,658*	*1,423*	*235*	*-*		*-*	*0*	*0*	*0*	*-*		*-*		*280*	*-*
Banks	*14,337*	*14,148*	*189*	*-*		*-*	*2*	*2*	*0*	*0*		*0*		*6*	*-*
Other government institutions	*20,541*	*19,079*	*1,461*	*0*		*0*	*29*	*2*	*27*	*0*		*0*		*7,784*	*0*
Non-financial companies	*54,701*	*48,240*	*6,460*	*491*		*491*	*100*	*34*	*66*	*36*		*36*		*16,983*	*360*
Households	*123*	*121*	*2*	*1*		*1*	*0*	*0*	*-*	*0*		*0*		*51*	*0*
TOTAL	**213,690**	**190,408**	**23,282**	**4,316**		**4,316**	**(88)**	**(30)**	**(58)**	**(1,307)**		**(1,307)**	**-**	**59,664**	**1,519**

C – Credit risk: standardized approach

Risk weights used under SA by category of exposure and by rating grade (CRD-D)

Asset classes	Agency		Grade	Bucket	Risk weight *(in %)*
Central governments and central banks	FITCH	Long term	1	AAA to AA-	0
					20*
		Short term		F1+ to F1	20*
		Long term	2	A+ to A-	0
			3	BBB+ to BBB-	50
	MOODY'S	Long term	1	Aaa to Aa3	0
					20*
		Short term		P-1	20*
		Long term	2	A1 to A3	20
			3	Baa1 to Baa3	50
			4	Ba1 to Ba3	100
			6	Caa, Ca, C	150
	S&P	Short term	1	A-1+	0
					20*
		Long term		AAA to AA-	0
					20*
			2	A+ to A-	4
					20
					50
			3	BBB+ to BBB-	10
					50
					100*
	BDF	Long term/Short term	1	3++	0
					20*
			2	3+, 3	20
					50*
			3	4+	0
					50
					100*
			4	4, 5+	100
					150*
			5	5, 6	100
					150*
Retail	BDF	Long term	1	3++	75
			2	3+, 3	75
			3	4+	75
			4	4, 5+	75
			5	5, 6	75
			6	7, 8, 9, P	75
Business	FITCH	Long term	5	B+ to B-	150
	MOODY'S	Long term	1	Aaa to Aa3	20
			2	A1 to A3	50
			3	Baa1 to Baa3	100
			4	Ba1 to Ba3	100
			5	B1 to B3	150
			6	Caa, Ca, C	150
	S&P	Long term	1	AAA to AA-	20
			2	A+ to A-	50
			3	BBB+ to BBB-	100
			5	B+ to B-	150
			6	CCC, CC, R, SD/D	150
	BDF	Long term/Short term	1	3++	20
			2	3+, 3	50
			3	4+	100
			4	4, 5+	100
			5	5, 6	150
			6	7, 8, 9, P	150

Asset classes	Agency		Grade	Bucket	Risk weight (in %)
Institutions	FITCH	Long term	2	A+ to A-	20
					50
			4	BB+ to BB-	100
			5	B+ to B-	100
	MOODY'S	Long term	1	Aaa to Aa3	20
			2	A1 to A3	20
					50
			3	Baa1 to Baa3	50
	S&P	Long term	1	AAA to AA-	20
			2	A+ to A-	20
					50
			3	BBB+ to BBB-	20
					50
					100
	BDF	Long term	1	3++	20
			2	3+, 3	20
			4	4, 5+	50
Defaulted exposures	BDF	Long term/Short term	1	3++	100
					150
			2	3+, 3	100
					150
			3	4+	100
					150
			4	4, 5+	100
					150
			5	5, 6	100
					150
			6	7, 8, 9, P	100
					150
Exposures secured by mortgages on immovable property	S&P	Long term	1	AAA to AA-	50
			2	A+ to A-	50
	BDF	Long term	1	3++	50
			2	3+, 3	50
			3	4+	50
			4	4, 5+	50
			5	5, 6	50
			6	7, 8, 9, P	50
Exposure to institution and corporate with short-term credit assessment	FITCH	Short term	1	F1+ to F1	50
			3	F3	100
	MOODY'S	Short term	1	P-1	20
			2	P-2	50
	S&P	Short term	1	A-1+	20
			2	A-1	50
			3	A-2 to A - 3	20
					100
	BDF	Short term	1	3++	20
			2	3+, 3	50
			3	4+	100
			4	4, 5+	100
					150
			5	5, 6	150
			6	7, 8, 9, P	150

* *Concerns third parties classified as RGLA or PSE.*

Credit risk exposures: standardized approach
SA – Credit risk exposure and crm effects (EU CR4)

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
(in millions of euros)	On-balance sheet amount	Off-balance sheet amount	On-balance sheet EAD	Off-balance sheet EAD	RWA	RWA density
Central governments and central banks	7,366	89	7,366	44	1,065	14%
Regional governments or local authorities	211		206		35	17%
Public sector entities	546	224	546	112	75	11%
Multilateral Development Banks						
International Organizations	977		977			
Institutions*	44,966	9,262	44,965	4,702	344	1%
Business	1,716	1,019	1,539	351	1,186	63%
Retail	907	107	492	22	333	65%
Secured by mortgages on immovable property	276	5	276	3	112	40%
Defaulted exposures	151	17	36	8	53	120%
Items associated with particularly high risk						
Covered Bonds						
Exposures to institutions and corporates with a short-term credit assessment	90	5	86	1	51	58%
Collective investments undertakings						
Equity						
Other assets	6,330		6,330		5,470	86%
TOTAL AT 31/12/2020	**63,538**	**10,729**	**62,820**	**5,242**	**8,725**	**13%**
** O/w affiliates*	*96%*	*100%*	*96%*	*100%*		
TOTAL AT 31/12/2019	**63,336**	**11,345**	**62,540**	**5,651**	**11,183**	**16%**
** o/w affiliates*	*96%*	*100%*	*96%*	*100%*		

SA – exposures (EAD) by asset classes and risk weights (CR5)

Exposure classes	Risk Weight																Total	Un-rated*
(in millions of euros)	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1,250%	Other	Deducted		
Central governments and central banks	6,980									8		423					7,410	6,343
Regional governments or local authorities	30				176												206	176
Public sector entities	357				255		43			3							658	28
Multilateral Development Banks																		
International Organizations	977																977	977
Institutions	47,986	1,079			349					253							49,667	49,318
Business	352				11	396	81	154		886	8						1,890	1,776
Retail									514								514	514
Secured by mortgages on immovable property						181	98										279	279
Defaulted exposures										27	17						44	35
Items associated with particularly high risk																		
Covered Bonds																		
Exposures to institutions and corporates with a short-term credit assessment					39		21			16	11						87	
Collective investments undertakings																		
Equity																		
Other assets	23	4								4,709					1,593		6,330	6,321
TOTAL AT 31/12/2020	**56,706**	**1,083**			**830**	**577**	**244**	**154**	**514**	**5,902**	**36**	**423**			**1,593**		**68,062**	**65,767**
TOTAL AT 31/12/2019	**53,688**	**1,293**			**706**	**453**	**1,568**	**267**	**774**	**7,256**	**104**	**410**			**1,675**		**68,192**	**65,103**

* *Of which €48,293 million in exposure to Groupe BPCE affiliates and excluding exposures to the French Government at 31/12/2020.*

Detailed exposures under roll-out plan (EU CRE-E)

	31/12/2020				
	% of RWA				% of exposure class involved in roll-out plan
Exposure class	SA	FI	IA	Total	
Governments and central banks	67.6%	20.5%	11.9%	100%	0.0%
Retail	100.0%	0%	0,0%	100%	0.0%
Business	3.1%	1.5%	95.4%	100%	0.3%
Institutions	23.7%	2.6%	73.7%	100%	0.1%
Defaulted exposures	100%	0%	0%	100%	0.0%
Exposures secured by mortgages on immovable property	100.0%	0%	0.0%	100%	0.0%
Exposures to institutions and corporates with a short-term credit assessment	100%	0%	0%	100%	10.6%
Securitization	47.5%	27.3%	25.2%	100%	0.0%
Share	0%	100%	0%	100%	0.0%
TOTAL	**7.6%**	**31.4%**	**61.0%**	**100%**	**0.2%**

D – Credit risk: internal ratings-based approach

PD and LGD by geographic area (NX16)

Geographic area *(in %)*	EAD *(in millions of euros)*	PD MP	LGD MP
Africa	3,713	6.8%	34.4%
Europe (outside EU)	8,503	0.9%	28.5%
Other	10,728	2.0%	28.5%
Asia	13,631	2.9%	34.9%
European Union*	42,247	2.4%	21.9%
North & South America	42,595	4.5%	20.1%
France	62,124	1.8%	18.7%
TOTAL AT 31/12/2020	**183,541**	**2.7%**	**22.3%**
TOTAL AT 31/12/2019	**171,405**	**2.2%**	**21.7%**

* *As of 31/12/2020 the United Kingdom is still considered in the EU.*

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

(in millions of euros)	RWA	Regulatory capital requirement
RWA AT 31/12/2019	**52,448**	**4,196**
Asset size	4,534	363
Asset quality	2,369	190
Model updates		
Methodology and policy		
Acquisitions and disposals		
Foreign exchange movements	(531)	(42)
Guarantees	(632)	(51)
Other	(1,192)	(95)
RWA AT 31/12/2020	**56,997**	**4,560**

IRB – credit risk exposures by portfolio and PD range (CR6)

PD scale (in millions of euros)	Original on-balance sheet gross exposure	Off -balance sheet exposures pre-CCF	CCF (in %)	EAD	Average PD (in %)	Number of obligors	Average LGD (in %)	Average maturity (in days)	RWA	RWA density (in %)	Expected loss	Provisions
F-IRB												
Central governments and central banks												
0.00 to < 0.15	3			3	0.0%	1	45%	1				
0.15 to <0.25												
0.25 to <0.50	550			550	0.4%	3	45%	1,366	357	65%	1	
0.50 to <0.75												
0.75 to <2.50												
2.50 to <10.00												
10 to <100												
100.00 (default)												
Sub-total Central governments or central banks	**553**			**553**	**0.0%**	**4**	**45%**	**1,358**	**357**	**64%**	**1**	
Institutions												
0.00 to < 0.15		10	50%	5	0.1%	10	45%	181	1	29%		
0.15 to <0.25		2	50%	1	0.2%	4	45%	410	1	57%		
0.25 to <0.50		155	75%	116	0.3%	5	11%	377	17	15%		
0.50 to <0.75		91	74%	67	0.5%	5	13%	1,569	15	22%		
0.75 to <2.50			50%		1.3%	4	45%	313		135%		
2.50 to <10.00	2		50%	2	2.7%	3	45%	689	3	163%		
10 to <100												
100.00 (default)												
Sub-total Institutions	**2**	**259**	**73%**	**192**	**0.4%**	**31**	**13%**	**792**	**38**	**20%**		**1**
Business												
0.00 to < 0.15					0.0%							
0.15 to <0.25					0.2%	1	45%	674		52%		
0.25 to <0.50												
0.50 to <0.75					0.6%	1	45%	342		65%		
0.75 to <2.50	145	27	23%	151	2.2%	62	44%	815	177	117%	1	
2.50 to <10.00	248	69	21%	262	4.5%	281	44%	371	337	129%	5	
10 to <100	38	14	20%	41	12.6%	126	44%	401	76	187%	2	
100.00 (default)	84	10	20%	86	100.0%	64	45%	1,485			39	
Subtotal Corporates	**515**	**120**	**21%**	**540**	**19.7%**	**535**	**44%**	**675**	**589**	**109%**	**48**	**78**
Corporates – SME												
0.00 to < 0.15					0.0%							
0.15 to <0.25					0.2%	1	45%	674		52%		
0.25 to <0.50												
0.50 to <0.75					0.6%	1	45%	342		65%		
0.75 to <2.50	28	14	25%	32	2.2%	42	42%	579	29	93%		
2.50 to <10.00	124	51	20%	135	4.8%	208	44%	308	156	116%	3	
10 to <100	21	11	20%	23	12.9%	92	44%	404	40	172%	1	
100.00 (default)	23	2	20%	23	100.0%	51	45%	757			10	
Sub-total Corporates – SME	**197**	**77**	**21%**	**213**	**15.8%**	**395**	**44%**	**408**	**225**	**106%**	**15**	**11**
Corporates – Other												
0.00 to < 0.15					0.0%							
0.15 to <0.25												
0.25 to <0.50												
0.50 to <0.75												
0.75 to <2.50	117	14	21%	119	2.2%	20	44%	878	147	123%	1	
2.50 to <10.00	123	18	24%	128	4.2%	73	44%	436	181	142%	2	
10 to <100	17	3	20%	17	12.1%	34	44%	396	36	208%	1	
100.00 (default)	61	9	20%	63	100.0%	13	45%	1,757			28	
Sub-total Corporates – Other	**318**	**43**	**22%**	**327**	**22.3%**	**140**	**44%**	**849**	**364**	**111%**	**33**	**67**
Equity	5,576	181	100%	5,757		455		160	18,085	314%	89	
Sub-total Equity	**5,576**	**181**	**100%**	**5,757**		**455**		**160**	**18,085**	**314%**	**89**	
F-IRB (excl. equity)												
0.00 to < 0.15	3	10	50%	8	0.0%	11	45%	110	1	17%		
0.15 to <0.25		2	50%	1	0.2%	5	45%	434	1	57%		
0.25 to <0.50	550	155	75%	666	0.4%	8	39%	1,194	374	56%	1	
0.50 to <0.75		91	74%	67	0.5%	6	13%	1,567	15	22%		
0.75 to <2.50	145	28	24%	151	2.2%	66	44%	815	177	117%	1	
2.50 to <10.00	250	69	21%	264	4.5%	284	44%	373	340	129%	5	
10 to <100	38	14	20%	41	12.6%	126	44%	401	76	187%	2	
100.00 (default)	84	10	20%	86	100.0%	64	45%	1,485			39	
TOTAL IRB-F (EXCL. EQUITY)	**1,070**	**379**	**57%**	**1,285**	**8.5%**	**570**	**40%**	**987**	**984**	**77%**	**49**	**79**

PD scale *(in millions of euros)*	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	CCF *(in %)*	EAD	Average PD *(in %)*	Number of obligors	Average LGD *(in %)*	Average maturity *(in days)*	RWA	RWA density *(in %)*	Expected loss	Provisions
A-IRB												
PD scale												
Central governments and central banks												
0.00 to < 0.15	38,939	1,716	74%	40,204	0.0%	288	8%	637	90			
0.15 to <0.25	71			71	0.2%	4	37%	156	17	23%		
0.25 to <0.50	9	10	100%	19	0.4%	4	35%	2,226	12	65%		
0.50 to <0.75												
0.75 to <2.50												
2.50 to <10.00	45	1	100%	46	3.2%	12	47%	1,732	69	150%	1	
10 to <100	6	1	100%	7	27.3%	6	45%	2,431	18	269%	1	
100.00 (default)	49			49	100.0%	7	104%	1,124			49	
Sub-total Central governments or central banks	**39,119**	**1,728**	**74%**	**40,396**	**0.1%**	**321**	**8%**	**639**	**206**	**1%**	**50**	**52**
Institutions												
0.00 to < 0.15	4,235	1,544	53%	5,054	0.0%	345	16%	473	289	6%		
0.15 to <0.25	58	77	62%	106	0.2%	41	29%	170	23	22%		
0.25 to <0.50	296	92	61%	352	0.3%	36	29%	261	125	35%		
0.50 to <0.75	57	442	28%	182	0.5%	29	47%	425	146	80%		
0.75 to <2.50	9	238	20%	58	1.6%	51	51%	193	72	124%		
2.50 to <10.00	115	171	20%	149	3.4%	98	85%	282	415	278%	4	
10 to <100		1	20%		19.4%	2	104%	540	1	662%		
100.00 (default)	23			23	100.0%	5	84%	682			22	
Sub-total Institutions	**4,793**	**2,565**	**44%**	**5,923**	**0.6%**	**607**	**21%**	**447**	**1,070**	**18%**	**28**	**28**
Business												
0.00 to < 0.15	15,003	20,480	67%	28,812	0.1%	882	32%	1,044	4,442	15%	5	
0.15 to <0.25	3,195	6,372	71%	7,703	0.2%	254	27%	1,015	2,006	26%	4	
0.25 to <0.50	6,527	7,046	62%	10,903	0.3%	324	27%	974	3,691	34%	9	
0.50 to <0.75	6,880	7,678	59%	11,381	0.6%	475	26%	1,060	4,819	42%	17	
0.75 to <2.50	10,587	11,245	52%	16,391	1.4%	864	27%	1,096	10,335	63%	60	
2.50 to <10.00	4,555	4,349	53%	6,846	4.2%	960	29%	1,103	6,600	96%	84	
10 to <100	303	367	69%	556	15.4%	345	29%	913	812	146%	24	
100.00 (default)	3,724	426	28%	3,842	100.0%	294	44%	994	3,948	103%	1,630	
Subtotal Corporates	**50,774**	**57,963**	**62%**	**86,435**	**5.3%**	**4,398**	**29%**	**1,046**	**36,653**	**42%**	**1,833**	**1,970**
Corporates – SME												
0.00 to < 0.15		3	20%	1	0.1%	10	44%	236		18%		
0.15 to <0.25	1		20%	1	0.2%	12	44%	2,884		64%		
0.25 to <0.50	65	34	77%	91	0.3%	19	51%	250	47	52%		
0.50 to <0.75	117	110	100%	227	0.6%	43	33%	965	121	53%		
0.75 to <2.50	299	103	89%	391	1.5%	112	40%	1,022	350	90%	2	
2.50 to <10.00	212	56	92%	263	3.6%	204	41%	704	284	108%	4	
10 to <100	7	17	46%	15	14.4%	70	38%	366	21	145%	1	
100.00 (default)	51	2	41%	52	100.0%	51	32%	831	48	93%	35	
Sub-total Corporates – SME	**750**	**325**	**89%**	**1,039**	**6.9%**	**521**	**39%**	**844**	**872**	**84%**	**43**	**41**
Corporates – Specialized Lending												
0.00 to < 0.15	1,056	805	81%	1,705	0.1%	64	9%	2,162	114	7%		
0.15 to <0.25	700	581	81%	1,169	0.2%	53	8%	1,718	111	9%		
0.25 to <0.50	1,114	1,033	73%	1,864	0.3%	112	9%	1,833	264	14%	1	
0.50 to <0.75	2,597	1,736	63%	3,693	0.5%	219	11%	1,874	791	21%	2	
0.75 to <2.50	3,798	3,455	54%	5,674	1.2%	288	14%	1,664	2,046	36%	10	
2.50 to <10.00	694	313	62%	888	3.3%	84	13%	2,027	394	44%	4	
10 to <100												
100.00 (default)	633	16	68%	644	100.0%	42	65%	1,480	460	71%	127	
Sub-total Corporates – Specialized Lending	**10,592**	**7,938**	**64%**	**15,637**	**4.9%**	**862**	**14%**	**1,805**	**4,181**	**27%**	**144**	**221**
Corporates – Other												
0.00 to < 0.15	13,947	19,672	67%	27,107	0.1%	808	34%	973	4,328	16%	5	
0.15 to <0.25	2,494	5,791	70%	6,533	0.2%	189	31%	889	1,895	29%	3	
0.25 to <0.50	5,349	5,978	60%	8,948	0.3%	193	30%	803	3,380	38%	8	
0.50 to <0.75	4,166	5,833	56%	7,461	0.6%	213	33%	660	3,907	52%	15	
0.75 to <2.50	6,490	7,688	50%	10,327	1.4%	464	33%	788	7,939	77%	48	
2.50 to <10.00	3,649	3,980	51%	5,695	4.4%	672	31%	978	5,921	104%	76	
10 to <100	296	351	70%	541	15.4%	275	28%	928	790	146%	23	
100.00 (default)	3,040	407	26%	3,147	100.0%	201	40%	898	3,440	109%	1,468	
Sub-total Corporates – Other	**39,432**	**49,700**	**61%**	**69,759**	**5.3%**	**3,015**	**33%**	**879**	**31,600**	**45%**	**1,647**	**1,707**

PD scale *(in millions of euros)*	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	CCF *(in %)*	EAD	Average PD *(in %)*	Number of obligors	Average LGD *(in %)*	Average maturity *(in days)*	RWA	RWA density *(in %)*	Expected loss	Provisions
Retail												
0.00 to < 0.15					0.0%							
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 to <100												
100.00 (default)												
Sub-total Retail												
Retail – qualifying revolving												
0.00 to < 0.15					0.0%							
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 to <100												
100.00 (default)												
Sub-total Retail – qualifying revolving												
Retail – SME												
0.00 to < 0.15					0.0%							
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 to <100												
100.00 (default)												
Sub-total Retail – SME												
Retail – Residential mortgage exposures												
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 to <100												
100.00 (default)												
Sub-total Retail – Residential mortgage exposures												
Other retail exposures												
0.00 to < 0.15					0.0%							
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 to < 100												
100.00 (default)												
Sub-total – Other retail exposures												
Equity												
Sub-total Equity												
A-IRB												
0.00 to < 0.15	58,177	23,740	67%	74,071	0.0%	1,515	18%	784	4,821	7%	5	
0.15 to <0.25	3,324	6,450	71%	7,880	0.2%	299	27%	996	2,046	26%	4	
0.25 to <0.50	6,832	7,148	62%	11,274	0.3%	364	27%	954	3,828	34%	9	
0.50 to <0.75	6,938	8,120	57%	11,562	0.6%	504	26%	1,051	4,965	43%	18	
0.75 to <2.50	10,596	11,483	51%	16,449	1.4%	915	27%	1,093	10,407	63%	61	
2.50 to <10.00	4,714	4,522	51%	7,041	4.2%	1,070	30%	1,090	7,084	101%	89	
10 to <100	309	368	69%	563	15.6%	353	29%	931	831	148%	25	
100.00 (default)	3,796	426	28%	3,914	100.0%	306	45%	994	3,948	101%	1,701	
TOTAL A-IRB	**94,686**	**62,256**	**61%**	**132,754**	**3.5%**	**5,326**	**23%**	**895**	**37,929**	**29%**	**1,912**	**2,050**

PD scale *(in millions of euros)*	Original on-balance sheet gross exposure	Off -balance sheet exposures pre-CCF	CCF *(in %)*	EAD	Average PD *(in %)*	Number of obligors	Average LGD *(in %)*	Average maturity *(in days)*	RWA	RWA density *(in %)*	Expected loss	Provisions
PD scale												
TOTAL												
0.00 to < 0.15	58,180	23,750	67%	74,079	0.0%	1,526	18%	784	4,822	7%	5	
0.15 to <0.25	3,324	6,452	71%	7,881	0.2%	304	27%	996	2,046	26%	4	
0.25 to <0.50	7,382	7,303	62%	11,940	0.3%	372	28%	967	4,202	35%	10	
0.50 to <0.75	6,938	8,211	57%	11,630	0.6%	510	26%	1,053	4,980	43%	18	
0.75 to <2.50	10,741	11,511	51%	16,601	1.4%	981	27%	1,091	10,584	64%	62	
2.50 to <10.00	4,964	4,590	51%	7,305	4.2%	1,354	31%	1,064	7,424	102%	94	
10 to <100	347	382	67%	603	15.4%	479	30%	895	906	150%	27	
100.00 (default)	3,880	436	28%	4,000	100.0%	370	45%	1,005	3,948	99%	1,740	
TOTAL AT 31/12/2020*	**95,756**	**62,634**	**61%**	**134,039**	**3.6%**	**5,896**	**23%**	**896**	**38,912**	**29%**	**1,960**	**2,128**

* *Total excluding other assets and specialized lending slotting criteria.*

IRB – Specialized lending and equities under the simple risk weight method (excluding impact of thresholds) (CR10)

Regulatory categories *(in millions of euros)*	Residual maturity	On-balance sheet exposure	Off-balance sheet exposure	Total risk weight	EAD	RWA	EL
Category 1	Equal to or more than 2.5 years			50			
Category 2	Equal to or more than 2.5 years			70			
Category 4	Equal to or more than 2.5 years			90			
TOTAL AT 31/12/2020							
TOTAL AT 31/12/2019							

* *Simple risk-weighted approach on specialized lending only applied by the SFS entities sold in BPCE in early 2019.*

CR10 Table – Equities

Equities under the simple risk-weighted approach *(in millions of euros)*	On-balance sheet exposure	Off-balance sheet exposure	Total risk weight	EAD	RWA	Regulatory capital requirement
Private Equity exposures	560	181	190	741	1,407	113
Exchange-traded equity exposures	1,439		290	1,439	4,174	334
Other equity exposures	2,968		370	2,968	10,981	879
TOTAL AT 31/12/2020	**4,967**	**181**		**5,148**	**16,563**	**1,325**
TOTAL AT 31/12/2019	**4,967**	**158**		**5,125**	**16,402**	**1,312**

Breakdown of equity exposures by main Natixis business line (NX23)

Division (in millions of euros)	31/12/2020 Fair value	31/12/2020 EAD	31/12/2019 Fair value	31/12/2019 EAD
Corporate & Investment Banking [(a)]	235	235	237	237
Asset & Wealth Management	2,171	2,352	2,028	2,185
Insurance	2,374	2,374	2,220	2,220
Payments	13	13	28	28
Corporate Center	177	177	268	268
Coface activities	605	605	678	682
TOTAL	**5,575**	**5,757**	**5,458**	**5,621**

(a) Including Treasury & Collateral Management.

3

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

Type and nature of exposure *(in millions of euros)*	Share	Mutual funds	Investments	Total at 31/12/2020	Total at 31/12/2019
Private Equity held in sufficiently diversified portfolios	741			741	757
Other equity exposures	236	80115	2,617	2,968	2,872
Listed equities	176	655	609	1,439	1,495
Equity – standardized approach					
TOTAL	**1,152**	**770**	**3,226**	**5,148**	**5,125**

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

Type and nature of exposure *(in millions of euros)*	IRB Approach	Standardized approach	Total at 31/12/2020	Total at 31/12/2019
Private Equity held in sufficiently diversified portfolios	1,407		1,407	1,439
Other equity exposures	10,981		10,981	10,627
Listed equities	4,174		4,174	4,337
Equity – standardized approach				
TOTAL	**16,563**		**16,563**	**16,402**

3.3.3.3 Counterparty risks

A – Counterparty risk exposure

Analysis of exposure using counterparty credit risk approach (CCR1)

(in millions of euros)	Notional	Replacement cost	Potential future exposure	EEPE	Multiplier	EAD post-CRM	RWA
Mark to market		657	3,762			4,419	1,445
Original Exposure							
Standardized approach – Counterparty risk							
Internal Model Method (for derivatives and SFTs)				12,28	1.4	17,260	4,181
Securities Financing Transactions							
Derivatives & Long Settlement Transaction							
From Contractual Cross Product Netting							
Financial collateral Simple method (SFTs)							
Financial collateral Comprehensive method (SFTs)						23,125	1,475
VaR for SFTs							
TOTAL AT 31/12/2020							**7,101**

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

	Risk Weight												
Exposure classes *(in millions of euros)*	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Other	**Total EAD**	Unrated*
Central governments or central banks													
Regional governments or local authorities	7				278							286	135
Public sector entities	496				552	4			66			1,117	392
Multilateral Development Banks													
International Organizations	74											74	74
Institutions *	2,780	10,694			50							13,523	13,506
Business	98	268				4			47			417	412
Retail													
Secured by mortgages on immovable property													
Defaulted exposures										1		1	1
Items associated with particularly high risk													
Covered Bonds													
Exposures to institutions and corporates with a short-term credit assessment					6	55			18			79	
Collective Investment undertakings (CIU)													
Equity													
Other assets													
TOTAL AT 31/12/2020	**3,456**	**10,962**			**887**	**63**			**130**	**1**		**15,498**	**14,520**
TOTAL AT 31/12/2019	**3,930**	**13,960**			**467**	**378**			**65**	**6**		**18,806**	**17,945**

* *Of which €2,776 million in exposure to Groupe BPCE affiliates at December 31, 2020.*

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

PD scale *(in millions of euros)*	EAD	Average PD *(in %)*	Number of obligors	Average LGD *(in %)*	Average maturity *(in days)*	RWA	RWA density *(in %)*
F-IRB							
Institutions							
0.00 to < 0.15	64	0.1%	27	45%	86	9	15%
0.15 to <0.25	7	0.2%	1	45%	2	2	32%
0.25 to <0.50		0.3%	3	45%	1,268		78%
0.50 to <0.75							
0.75 to <2.50							
2.50 to <10.00	6	2.7%	2	45%	2	8	130%
10.00 to <100.00							
100.00 (default)							
Sub-total	**77**	**0.3%**	**33**	**45%**	**74**	**20**	**26%**
Business							
0.00 to < 0.15	762	0.1%	40	45%	1,123	167	22%
0.15 to <0.25	26	0.2%	7	45%	132	6	25%
0.25 to <0.50	17	0.3%	2	45%	3,358	10	59%
0.50 to <0.75		0.6%	1	45%	5		55%
0.75 to <2.50	65	1.0%	1	45%	5	46	70%
2.50 to <10.00							
10.00 to <100.00							
100.00 (default)							
Sub-total	**870**	**0.1%**	**51**	**45%**	**1,054**	**230**	**26%**
Total F-IRB							
0.00 to < 0.15	827	0.1%	69	45%	1,045	177	21%
0.15 to <0.25	33	0.2%	8	45%	104	9	27%
0.25 to <0.50	17	0.3%	5	45%	3,342	10	59%
0.50 to <0.75		0.6%	1	45%	5		55%
0.75 to <2.50	65	1.0%	1	45%	5	46	70%
2.50 to <10.00	6	2.7%	2	45%	2	8	130%
10.00 to <100.00							
100.00 (default)							
Sub-total F-IRB	**949**	**0.2%**	**86**	**45%**	**976**	**249**	**26%**
A-IRB							
Central governments and central banks							
0.00 to < 0.15	8,437		61	17%	620	25	0%
0.15 to <0.25	299	0.2%	3	37%	14	60	20%
0.25 to <0.50	17	0.4%	3	47%	835	16	90%
0.50 to <0.75							
0.75 to <2.50							
2.50 to <10.00	36	3.2%	2	47%	1,368	58	162%
10.00 to <100.00							
100.00 (default)							
Sub-total	**8,790**		**69**	**18%**	**603**	**158**	**2%**
Institutions							
0.00 to < 0.15	12,201		326	19%	440	785	6%
0.15 to <0.25	952	0.2%	78	28%	548	226	24%
0.25 to <0.50	663	0.3%	75	27%	978	247	37%
0.50 to <0.75	134	0.5%	46	33%	427	71	53%
0.75 to <2.50	102	1.2%	32	52%	413	117	115%
2.50 to <10.00	28	2.9%	45	58%	787	49	174%
10.00 to <100.00							
100.00 (default)	1	100.0%	2	98%	300		
Sub-total	**14,081**	**0.1%**	**604**	**20%**	**473**	**1,495**	**11%**
Business							
0.00 to < 0.15	9,317		686	36%	327	697	8%
0.15 to <0.25	1,197	0.2%	167	29%	1,518	309	26%
0.25 to <0.50	983	0.3%	202	26%	1,727	307	31%
0.50 to <0.75	1,386	0.6%	359	27%	1,922	618	45%
0.75 to <2.50	2,701	1.4%	674	32%	1,272	1,877	70%
2.50 to <10.00	717	4.0%	645	38%	717	799	111%
10.00 to <100.00	65	14.5%	515	34%	1,110	108	166%
100.00 (default)	95	100.0%	43	46%	1,947	150	158%
Sub-total	**16,461**	**1.1%**	**3,291**	**34%**	**816**	**4,863**	**30%**

PD scale *(in millions of euros)*	EAD	Average PD *(in %)*	Number of obligors	Average LGD *(in %)*	Average maturity *(in days)*	RWA	RWA density *(in %)*
Corporates – SME							
0.00 to < 0.15			4	44%	1,383		
0.15 to <0.25	1	0.2%	2	44%	409		27%
0.25 to <0.50	3	0.4%	3	44%	643	1	50%
0.50 to <0.75	5	0.6%	27	44%	920	4	67%
0.75 to <2.50	7	1.4%	68	43%	439	6	80%
2.50 to <10.00	14	3.9%	85	24%	1,192	10	70%
10.00 to <100.00	7	12.0%	89	44%	1,606	13	207%
100.00 (default)	4	100.0%	11	38%	381	7	203%
Sub-total	**40**	**12.6%**	**289**	**36%**	**964**	**41**	**103%**
Corporates – Specialized Lending							
0.00 to < 0.15	225	0.1%	22	16%	3,460	36	16%
0.15 to <0.25	255	0.2%	34	11%	3,108	32	13%
0.25 to <0.50	414	0.3%	53	13%	2,933	85	21%
0.50 to <0.75	754	0.5%	152	14%	3,001	211	28%
0.75 to <2.50	852	1.3%	198	16%	2,781	361	42%
2.50 to <10.00	56	3.1%	23	14%	2,835	27	49%
10.00 to <100.00							
100.00 (default)	32	100.0%	5	66%	3,180	47	150%
Sub-total	**2,588**	**1.9%**	**487**	**15%**	**2,967**	**799**	**31%**
Corporates – Other							
0.00 to < 0.15	9,091		660	36%	249	661	7%
0.15 to <0.25	941	0.2%	131	34%	1,088	276	29%
0.25 to <0.50	567	0.3%	146	36%	852	220	39%
0.50 to <0.75	626	0.6%	180	43%	631	403	64%
0.75 to <2.50	1,842	1.4%	408	40%	578	1,511	82%
2.50 to <10.00	647	4.0%	537	40%	522	761	118%
10.00 to <100.00	59	14.8%	426	33%	1,055	94	161%
100.00 (default)	60	100.0%	27	36%	1,387	95	160%
Sub-total	**13,833**	**0.9%**	**2,515**	**37%**	**413**	**4,023**	**29%**
Total A-IRB							
0.00 to < 0.15	29,955		1,073	24%	455	1,506	5%
0.15 to <0.25	2,448	0.2%	248	30%	957	595	24%
0.25 to <0.50	1,664	0.3%	280	27%	1,419	569	34%
0.50 to <0.75	1,520	0.6%	405	28%	1,791	690	45%
0.75 to <2.50	2,803	1.3%	706	33%	1,241	1,994	71%
2.50 to <10.00	782	3.9%	692	39%	749	906	116%
10.00 to <100.00	65	14.5%	515	34%	1,110	108	166%
100.00 (default)	95	100.0%	45	47%	1,936	150	157%
Sub-total A-IRB	**39,332**	**0.5%**	**3,964**	**25%**	**645**	**6,517**	**17%**
TOTAL							
0.00 to < 0.15	30,782		1,142	24%	471	1,683	6%
0.15 to <0.25	2,481	0.2%	256	30%	946	603	24%
0.25 to <0.50	1,681	0.3%	285	27%	1,439	580	35%
0.50 to <0.75	1,520	0.6%	406	28%	1,790	690	45%
0.75 to <2.50	2,869	1.3%	707	33%	1,213	2,040	71%
2.50 to <10.00	788	3.9%	694	39%	743	914	116%
10.00 to <100.00	65	14.5%	515	34%	1,110	108	166%
100.00 (default)	95	100.0%	45	47%	1,936	150	157%
TOTAL AT 31/12/2020	**40,280**	**0.5%**	**4,050**	**26%**	**653**	**6,767**	**17%**

Credit derivatives exposures (CCR6)

	31/12/2020	
(in millions of euros)	Protection bought	Protection sold
Notional		
CDS	8,203	11,460
Credit-linked notes		
TRS	2,974	
CDO		
Index credit default swaps		
Other credit derivatives	11,041	5,602
CDS Single Name Hedge CVA	424	234
TOTAL NOTIONAL	**22,643**	**17,297**
Fair values		
Positive fair value (asset)	7	437
Negative fair value (liability)	(586)	(3)

RWA flow statements of CCR exposures under internal model method (IMM) (EU CCR7)

(in millions of euros)	RWA amounts	Capital requirements
RWAs as at the end of the previous reporting period (31/12/2019)	**3,037**	**243**
Asset size	702	56
Credit quality of counterparties	244	20
Model updates (IMM only)	14	1
Methodology and policy (IMM only)		
Acquisitions and disposals		
Foreign exchange movements		
Other	195	16
RWAs as at the end of the current reporting period (31/12/2020)	**4,191**	**335**

Exposures to CCPs (CCR8)

(in millions of euros)	EAD post CRM	RWA
Exposures to QCCPs (total)		**378**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	9,642	193
(i) OTC derivatives	1,564	31
(ii) Exchange-traded derivatives	4,656	93
(iii) SFTs	3,422	68
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin	1,352	33
Prefunded default fund contributions	297	152
Exposures to non-QCCPs (total)		
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		
(i) OTC derivatives		
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		

(in millions of euros)	EAD post CRM	RWA
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions:		

B – Capital requirements and risk-weighted assets

Capital requirements for credit valuation adjustments (EU CCR2)

(in millions of euros)	EAD post-CRM techniques	RWA
Total portfolios subject to the advanced method	**5,354**	**1,538**
i) VaR component (including the 3×multiplier)		186
ii) Stressed VaR component (including the 3×multiplier)		1,351
All portfolios subject to the standardized method	**2,523**	**746**
Based on Original Exposure Method		
TOTAL SUBJECT TO THE CVA CAPITAL CHARGE 31/12/2020	**7,877**	**2,284**
Total subject to the CVA capital charge 31/12/2019	**7,671**	**1,336**

3.3.3.4 Securitization

A – Accounting methods

(See Consolidated financial statements and notes – Note 5 Accounting principles and valuation methods.)

The securitization positions classified as “Loans and receivables” are measured at amortized cost using the effective interest rate method as described in Note 5.1 to the accounting principles which can be found in Section 5.1 “Consolidated financial statements and notes” to Chapter [5] “Financial data” of the consolidated financial statements. They are tested for impairment at each reporting date and an impairment charge is recorded in the income statement under “Provision for credit losses”.

Securitization positions classified under “Available-for-sale assets” are measured at their market value and any changes, excluding income recognized using the effective interest method, are recorded in a specific line in equity. Securitization positions (classified as debt instruments) are tested for impairment at each reporting date and an impairment charge is recorded under “Provisions for credit losses”.

In the event of a disposal of securitization positions (classified as debt instruments), Natixis transfers any changes in fair value for recognition in the income statement.

Positions classified under “Fair value through profit or loss” are measured at market value.

The market value is measured according to principles described in Note 5.6 of Accounting principles which can be found in Section 5.1 “Consolidated financial statements and notes” to Chapter [5] “Financial data”. Gains or losses on the disposal of securitization positions are recognized in line with the rules applicable to the category in which the positions sold were initially classified.

Synthetic securitization transactions in the form of Credit Default Swaps follow accounting rules specific to trading derivatives.

Securitized assets are derecognized when Natixis transfers the contractual rights to receive the financial asset’s cash flows and nearly all the risks and benefits of ownership.

B – Internal rating system

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

Natixis relies on four external rating agencies for securitization transactions: Moody’s, DBRS, Fitch IBCA and Standard & Poor’s. These agencies cover all types of exposures.

Banking book EAD by agency (NX33 BIS)

	EAD (in millions of euros)		
	IRB Approach	Standardized approach	Total
Moody's	91	5,192	5,282
DBRS	63	355	417
Fitch IBCA	21	212	233
Standard & Poor's	838	117	955
Unrated*	2,452	4,450	6,903
Transparency			
Regulatory method			
TOTAL	**3,464**	**10,326**	**13,790**

* *Includes securitization positions that do no require external valuation to calculate RWA.*

C – Natixis' securitization exposures

Securitization exposures in the banking book (SEC1)

	Bank acting as originator			Bank acting as sponsor			Bank acting as investor		
(in millions of euros)	Tradi-tional	Syn-thetic	**Sub-total**	Tradi-tional	Syn-thetic	**Sub-total**	Tradi-tional	Syn thetic	**Sub-total**
SPV with risk transfer									
RMBS							597		597
Consumer ABS							379		379
Consumer loans							142		142
Re-securitization									
Total Retail							**1,118**		**1,118**
Corporate loans	18	2,372	2,390	5,061		5,061	630		630
ABS							201		201
ABCP				3,456		3,456			
CDO				250		250	355		355
CMBS	297		297				32		32
Other									
Re-securitization									
Wholesale (total) – of which:	**315**	**2,372**	**2,687**	**8,766**		**8,766**	**1,218**		**1,218**
TOTAL UNCONSOLIDATED SPV	**315**	**2,372**	**2,687**	**8,766**		**8,766**	**2,337**		**2,337**
Consolidated SPV									
Consumer loans (Retail)									
Corporate loans (Wholesale)									
TOTAL CONSOLIDATED SPV									

Securitization exposures in the trading book (SEC2)

(in millions of euros)	Bank acting as originator			Bank acting as sponsor			Bank acting as investor		
	Traditional	Synthetic	**Sub-total**	Traditional	Synthetic	**Sub-total**	Traditional	Synthetic	**Sub-total**
RMBS							94		94
Consumer ABS							139		139
Consumer loans							3		3
Re-securitization									
RETAIL (TOTAL) – OF WHICH							**236**		**236**
Corporate loans							86		86
ABS							18		18
CDO							25		25
CMBS									
Other									
Re-securitization							1		1
WHOLESALE (TOTAL)							**130**		**130**

EAD and RWA according to natixis' role in the banking book (NX31-A)

(in millions of euros)	EAD	RWA	Regulatory capital requirement
Investor	**2,337**	**740**	**59**
Balance sheet	1,103	514	41
Off-balance sheet	1,234	226	18
Originator	**2,687**	**1,262**	**101**
Balance sheet	2,687	1,262	101
Sponsor	**8,766**	**1,382**	**111**
Balance sheet	-	-	-
Off-balance sheet	8,766	1,382	111
TOTAL AT 31/12/2020	**13,790**	**3,384**	**271**
TOTAL AT 31/12/2019	**10,832**	**2,684**	**215**

EAD according to Natixis' role in the securitization trading book (NX31-B)

	31/12/2019		
(in millions of euros)	**EAD**	**RWA**	**Regulatory capital requirement**
Investor	366	140	11
Originator			
Sponsor			
TOTAL AT 31/12/2020	**366**	**140**	**11**
TOTAL AT 31/12/2019	**515**	**203**	**16**

Re-securitization exposures before and after substitution (NX34)

Guarantor rating (in millions of euros)	Exposure	Protection	**EAD**
Sub-total			
Unsecured			
TOTAL AT 31/12/2020			
TOTAL AT 31/12/2019			

D – Regulatory capital requirements

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

	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Regulatory capital requirement			
(in millions of euros)	<= 20%	> 20% à 50%	> 50% à 100%	> 100% à 1,250%	= 1,250%	IRB RBA (inclu-ding IAA)	IRB SFA	SA	1,250%	IRB RBA (inclu-ding IAA)	IRB SFA	SA	1,250%	IRB RBA (inclu-ding IAA)	IRB SFA	SA	1,250%
Traditional securitization	**8,323**	**550**	**153**	**29**	**26**	**153**	**445**	**8,459**	**25**	**34**	**285**	**1,228**	**308**	**3**	**23**	**98**	**25**
o/w securitization	8,323	550	153	29	26	153	445	8,459	25	34	285	1,228	308	3	23	98	25
o/w retail underlying																	
o/w wholesale	8,323	550	153	29	26	153	445	8,459	25	34	285	1,228	308	3	23	98	25
o/w re-securitization																	
o/w senior debt																	
o/w non-senior																	
Synthetic securitization	**1,526**		**846**			**2,372**				**789**				**63**			
o/w securitization	1,526		846			2,372				789				63			
o/w retail underlying																	
o/w wholesale	1,526		846			2,372				789				63			
o/w re-securitization																	
o/w senior debt																	
o/w non-senior																	
TOTAL EXPOSURES	**9,849**	**550**	**999**	**29**	**26**	**2,525**	**445**	**8,459**	**25**	**823**	**285**	**1,228**	**308**	**66**	**23**	**98**	**25**

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

	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Regulatory capital requirement			
(in millions of euros)	<= 20%	> 20% à 50%	> 50% à 100%	> 100% à 1,250%	= 1,250%	IRB RBA (inclu-ding IAA)	IRB SFA	SA	1,250%	IRB RBA (inclu-ding IAA)	IRB SFA	SA	1,250%	IRB RBA (inclu ding IAA)	IRB SFA	SA	1,250%
Traditional securitization	**1,772**	**333**	**100**	**131**	**1**		**468**	**1,867**	**1**		**358**	**361**	**21**		**29**	**29**	**2**
o/w securitization	1,772	333	100	131	1		468	1,867	1		358	361	19		29	29	1
o/w retail underlying	755	281	2	80			289	829			83	200	1		7	16	
o/w wholesale	1,016	51	98	51	1		179	1,038	1		275	162	18		22	13	1
o/w re-securitization													2				
o/w senior debt													2				
o/w non-senior																	
Synthetic securitization																	
o/w securitization																	
o/w retail underlying																	
o/w wholesale																	
o/w re-securitization																	
o/w senior debt																	
o/w non-senior																	
TOTAL EXPOSURES	**1,772**	**333**	**100**	**131**	**1**		**468**	**1,867**	**1**		**358**	**361**	**21**		**29**	**29**	**2**

3.3.3.5 Market risk

A – Market risk measurement methodology

Market risk measurement methodologies are described in Section 3.2.5. "Risk management – Market risks".

B – Detailed quantitative disclosures

Market risk under the standardized approach (EU MR1)

Nature of risk *(in millions of euros)*	RWA	Regulatory capital requirement
SA	**5,501**	**440**
Interest rate risk (general and specific)	1,176	94
Equity risk (general and specific)	282	23
Foreign exchange risk	2,922	234
Commodity risk	1,112	90
Options	**334**	**27**
Simplified approach		
Delta-plus method	94	8
Scenario approach	240	19
Securitization	**140**	**11**
TOTAL AT 31/12/2020	**5,975**	**478**
TOTAL AT 31/12/2019	**5,283**	**423**

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

(in millions of euros)	FY20
VaR (10 day 99%)	
Maximum value	97.6
Average value	48.4
Minimum value	23.5
Value at end of period	33.4
Stressed VaR (10 day 99%)	
Maximum value	122.9
Average value	80.3
Minimum value	45.9
Value at end of period	70.3
Incremental Risk Charge (99.9%)	
Maximum value	26.5
Average value	13.6
Minimum value	9.0
Value at end of period	18.8

Backtesting within the regulatory scope (MR4)

Backtesting is presented in Section 3.2.5 "Risk management – Market risks".

Market risk under the IMA (EU MR2-A)

(in millions of euros)	RWA	EFP
Value at risk (Maximum of both values a and b)	**2,240**	**179**
Previous day's VaR (Article 365 (1))	440	35
Average of the daily VaR (Article 365 (1) of the CRR) on each of the preceding 60 business days x multiplication factor (in line with Article 366)	2,240	179
Stressed VaR (SVaR)	**4,473**	**358**
Latest SVaR (Article 365 (2))	933	75
Average of the daily SVaR (Article 365 (2) of the CRR) during the preceding 60 business days x multiplication factor (Article 366)	4,473	358
Additional default and migration risk	**434**	**35**
Most recent IRC value (incremental default and migration risks calculated in accordance with Section 3 of Articles 370/371)	434	35
Average of the IRC number over the preceding 12 weeks	424	34
Additional default risk on the correlation portfolio		
Most recent risk number for the correlation trading portfolio (Article 377)		
Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		
8% of the own funds requirement in the standardized approach on the most recent risk number for the correlation trading portfolio (Article 338 (4))		
TOTAL AT 31/12/2020	**7,147**	**572**
TOTAL AT 31/12/2019	**5,826**	**466**

3.3.3.6 Interest rate risk

The measurement and monitoring of interest rate risk is presented in section [3.2 "Risk management – Overall interest rate risk"].

3.3.3.7 Operational risk

The operational risk control system is presented in section [3.2.6 "Risk management – Operational risks"].

3.3.4 Encumbered and unencumbered assets

Template A – Encumbered and unencumbered assets *(in millions of euros)*	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		o/w theoretically-eligible EHQLA and HQLA		o/w theoretically-eligible EHQLA and HQLA		o/w EHQLA and HQLA		o/w EHQLA and HQLA
Assets of the reporting institution	**52,404**	**23,982**			**340,339**	**18,801**		
Other equity instruments issued	15,583	11,891			10,797	6,203		
Debt securities	17,651	11,358	17,651	11,358	18,064	12,628	18,064	12,628
of which: covered bonds	90	51	90	51	817	633	817	633
of which: asset-backed securities	10	0	10	0	306	0	306	0
of which: issued by general governments	11,414	11,259	11,414	11,259	10,004	11,427	10,004	11,427
of which: issued by financial corporations	5,225	0	5,225	0	6,129	0	6,129	0
of which: issued by non-financial corporations	995	90	995	90	1,481	568	1,481	568
Other assets	18,114	0			312,020	0		

Template B – Collateral received *(in millions of euros)*	Fair value of encumbered collateral and own encumbered debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
		o/w theoretically-eligible EHQLA and HQLA		o/w EHQLA and HQLA
Collateral received by the reporting institution	**164,077**	**140,749**	**49,000**	**15,625**
Call loans	0	0	0	0
Other equity instruments issued	38,769	24,982	25,034	1,923
Debt securities	125,327	115,642	18,879	13,052
of which: covered bonds	1,534	1,008	590	385
of which: asset-backed securities	5,302	1,806	1,453	411
of which: issued by general governments	111,665	111,161	11,419	10,643
of which: issued by financial corporations	3,360	0	2,711	0
of which: issued by non-financial corporations	2,670	250	2,502	871
Loans and receivables other than call loans	0	0	2,605	0
Other collateral received	0	0	1,940	0
of which:	0	0	0	0
Own debt securities issued besides own secured bonds or own asset-backed securities	**0**	**0**	**751**	**0**
Own secured bonds and asset-backed securities issued and not yet given as collateral			**0**	**0**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN ISSUED DEBT SECURITIES	**214,622**	**140,749**		

Template C – Sources of encumbrance *(in millions of euros)*	Associated liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued besides secured bonds or securities backed by encumbered assets
Carrying amount of selected financial liabilities	**132,568**	**127,955**

Template D – Additional information

At December 31, 2020, total balance sheet assets and encumbered guarantees received totaled €214,622 million. These can be broken down by type and source of liabilities:

- securities transactions, including in particular securities lending and repurchase agreements, for a total of €198,368 million;
- encumbered receivables securing covered bond vehicles (Natixis Pfandbriefbank), for a total of €1,132 million;
- encumbered receivables in vehicles other than covered bond asset pools, such as central bank refinancing or other market vehicles, for a total of €519 million;
- assets encumbered by the payment of margin calls on derivative positions, for a total of €16,461 million.

Natixis considers that the following assets may not be encumbered in the normal course of its business:

- loans on demand, i.e. 12% of unencumbered assets (€38,263 million);
- derivatives, i.e. 17% of unencumbered assets (€53,952 million).

3.3.5 Liquidity coverage ratio

A – Regulatory liquidity ratios

In 2010, the Basel Committee introduced new liquidity risk measures:

- the Liquidity Coverage Ratio (LCR, January 2013) is a short-term liquidity ratio whose aim is to ensure that, in stress scenarios, banks hold enough liquid assets to cover their net cash outflows for a 30-day period;
- the Net Stable Funding Ratio (NSFR, October 2014) is a long-term structural liquidity ratio developed to strengthen the resilience of the banking sector by requiring banks to maintain a stable funding profile and by limiting maturity transformation to less than one year.

These new rules were enacted in the European Union through Regulation (EU) No. 575/2013 of June 26, 2013, which laid down the filing obligations in force during the observation period from January 1, 2014 and set forth the conditions of implementation of these prudential requirements. For the LCR, Delegated Regulation (EU) No. 2015/61, published on October 10, 2014, entered into force on October 1, 2015. This regulation was amended by Delegated Regulation (EU) 2018/1620, published on July, 13 2018 and applicable as from April 30, 2020.

The NSFR, which the Basel Committee wants to have applied as a minimum requirement from January 1, 2018, was implemented in Europe via Regulation (EU) 2019/876 ("CRR2"), which will enter into force, in respect of the NSFR, on June 28, 2021.

To date, European Regulations require:

- compliance with the LCR as from October 1, 2015; required minimum ratio of 80% on January 1, 2017 and 100% from January 1, 2018;
- quarterly statements on stable funding, which are entirely descriptive (amounts and terms) without any weighting applied.

Natixis determines its LCR on a consolidated basis and operationally manages its liquidity position and liquidity coverage requirements relative to these new metrics, having set a minimum ratio of 100%. Natixis regularly assesses its contribution to the Group's NSFR based on its interpretation of known legislation.

LCR – Liquid asset buffers

Commission Delegated regulation (EU) 2015/61 of October 10, 2014 defines liquid assets and the criteria they must meet to be eligible for the liquidity buffer used to cover funding needs in the event of a short-term liquidity crisis.

Liquid assets must meet a number of intrinsic requirements (issuer, rating, market liquidity, etc.) and operational requirements (availability of assets, diversification, etc.) in a 30-calendar day liquidity stress scenario.

The liquid asset buffer – in the regulatory sense – is the numerator of the LCR (HQLA) and predominantly consists of:

- level 1 liquid assets, i.e. cash deposited with central banks;
- other Level 1 liquid assets, consisting mainly of marketable securities representing claims on, or guarantees by, sovereigns, central banks and public sector entities, and high-rated covered bonds;
- level 2 liquid securities consisting mainly of covered bonds and debt securities issued by sovereigns or public sector entities not eligible for Level 1, corporate debt securities and equities listed on active markets that satisfy certain conditions.

Presentation of LCR at December 31, 2020

The data in the following table were calculated in accordance with European Banking Authority rules (EBA/GL/2017/11 guidelines), which the European Central Bank decided to enforce on October 5, 2017 by way of notification.

For the purposes of these rules, the data published for each quarter show the average monthly figures for the twelve preceding statements.

LCR (EU LIQ1)

Currency and unit: *(in millions of euros)*	Total non-weighted value (average)				Total weighted value (average)			
Quarter ending on (day month year)	31 03 2020	30 06 2020	30 09 2020	31 12 2020	31 03 2020	30 06 2020	30 09 2020	31 12 2020
Number of points used to calculate average	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
Liquid assets								
Total liquid assets					55,408	56,733	53,458	54,679
Cash outflows								
Retail deposits and deposits from small business customers, of which:	2,796	2,788	2,740	2,599	280	279	274	260
Stable deposits	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Less stable deposits	*2,796*	*2,788*	*2,740*	*2,599*	*280*	*279*	*274*	*260*
Unsecured wholesale funding	56,200	58,582	55,260	55,410	43,840	44,713	40,765	40,303
Operational deposits (all counterparties)	*5,688*	*6,485*	*6,259*	*5,953*	*1,422*	*1,621*	*1,565*	*1,488*
Non-operational deposits (all counterparties)	*40,318*	*41,866*	*39,161*	*40,198*	*32,224*	*32,860*	*29,359*	*29,555*
Uncollateralized debt	*10,194*	*10,232*	*9,840*	*9,259*	*10,194*	*10,232*	*9,840*	*9,259*
Secured wholesale funding, of which:					20,726	21,280	22,339	22,363
Additional requirements	50,947	52,556	54,022	54,653	17,379	17,760	18,344	18,800
Outflows related to derivative exposures and other collateral requirements	*10,808*	*11,967*	*12,745*	*12,493*	*7,600*	*7,763*	*8,051*	*8,101*
Outflows on collateralized debt	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Credit and liquidity facilities	*40,139*	*40,588*	*41,277*	*42,160*	*9,779*	*9,997*	*10,294*	*10,699*
Other contractual funding obligations	21,553	23,055	22,453	23,200	19,544	21,074	20,601	21,607
Other contingent funding obligations	32,926	33,303	32,349	31,927	1,325	10,136	17,565	24,695
TOTAL CASH OUTFLOWS					**103,095**	**115,241**	**119,888**	**128,029**
Cash inflows								
Collateralized lending transactions (o/w reverse repos)	107,305	97,767	86,195	77,667	11,457	10,154	8,943	8,139
Inflows from fully performing exposures	21,764	21,892	20,966	19,084	20,454	20,617	19,776	17,965
Other cash inflows	30,216	31,275	31,807	32,090	25,556	26,791	27,605	28,578
(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
(Excess of cash inflows from a related lending institution)					0	0	0	0
TOTAL CASH INFLOWS	**159,285**	**150,934**	**138,968**	**128,841**	**57,466**	**57,562**	**56,324**	**54,682**
Cash inflows (exempt from cap)	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
Cash inflows (subject to 90% cap)	***0***	***0***	***0***	***0***	***0***	***0***	***0***	***0***
Cash inflows (subject to 75% cap)	***134,698***	***130,587***	***122,961***	***118,446***	***57,466***	***58,932***	***59,100***	***59,049***
LIQUIDITY BUFFER					**55,094**	**56,505**	**53,132**	**54,450**
TOTAL NET CASH OUTFLOWS					**45,628**	**47,837**	**45,100**	**46,228**
LIQUIDITY REQUIREMENT COVERAGE RATIO (IN %)					**120.7%**	**118.1%**	**117.8%**	**117.8%**

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 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 level 2 securities, the management of which is supervised by the Buffer Committee chaired by two members of the Senior Management Committee, respectively in charge of Finance Division and Risks Division and included in the Group's "Liquidity Management Plan" (LMP). This reserve includes a reserve carried by the American platform composed of cash, HQLA securities and receivables and held within the framework of the regulation "Dodd-Frank Enhanced Prudential Standards" and the program "Borrower-in-Custody".

HQLA assets reported in the LCR numerator also include unencumbered 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 institution.

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 upper LCR limit. The management of the LCR ratio is part of a Groupe BPCE initiative under the aegis of the BPCE DFG. Natixis' LCR hedging is organized in close cooperation with BPCE and is managed by the Joint Refinancing Pool, acting with the authorization of the Financial Management Department on the basis of its forecasts. In this context, at Natixis terminals, the LCR is managed on a daily basis, with a safety margin, via adjustments with BPCE, as the structural over-coverage of the Group's LCR remains managed and supported by the central body BPCE.

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 Remuneration policy

The compensation policy items required in respect of Regulation (EU) 575-2013 (CRR) are provided in Chapter [2] of the present universal registration document.

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

CRR Article	Basel Committee/EBA tables and statements	Page
Article 435 (a)	(EBA) EU OVA – Bank risk management approach	124 -128
Article 435 (a)	(EBA) CRA – General information about credit risk	129
Article 435 (a)	(EBA) CCRA – Qualitative disclosure related to counterparty credit risk	129-130
Article 435 (a)	(EBA) MRA – Qualitative disclosure requirements related to market risk	140-144
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Article 458	(BCBS March 2016) CCyB1 – Geographical distribution of credit exposures used in the countercyclical buffer	179
Article 451	(BCBS March 2016) LR1 – Comparison of accounting exposures and leverage exposures	183
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Article 438 (c) (f)	(EBA) EU OV1 – Overview of RWA	185
Article 438 last paragraph	(EBA) EU CR10 – IRB – Specialized lending and equities under the simple risk-weighted approach	206
Art. 438 (c), (d), (e) and (f)	NX01 – EAD, RWA and EFP by approach and by Basel exposure class	137
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Art. 453 (d)	NX17 – Secured exposure by rating and by type of guarantor	186
Article 442 (a) and (b)	CRBA – Additional disclosure related to the credit quality of assets	280-300
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Article 453 (f) and (g)	(EBA) EU CR3 – Credit risk mitigation techniques – Overview	187
Article 442 (c)	(EBA) EU CRB-B – Total and average net amount of exposures	191
Article 442 (d)	(EBA) EU CRB-C – Geographical breakdown of exposures	192
Article 442 (e)	(EBA) EU CRB-D – Concentration of exposures by industry or counterparty type	193
Article 442 (f)	(EBA) EU CRB-E – Maturity of exposures	194
Article 444 (a) (d)	(EBA) EU CRD – Qualitative disclosures on banks' use of external credit ratings under the standardized approach for credit risk	198-199
Article 453 (f) and (g)	(EBA) EU CR4 – Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects	200
Article 444 (e)	(EBA) EU CR5 – EAD by asset class and risk weight	200
Article 452 (a) (c)	(EBA) EU CRE – Qualitative disclosures related to IRB models	117
Article 452 (e) (h) and (j)	(EBA) EU CR6 – IRB – Credit risk exposures by portfolio and PD range	203
Article 453 (g)	(EBA) EU CR7 – Internal rating – Effect on RWA of credit derivatives used as CRM techniques	187
	(EBA) EU CR8 – RWA flow statements of credit risk exposures under IRB	208
Article 92 (3) and 438 (d)	(EBA) EU CCR7 – RWA flow statements of CCR exposures under the IMM	211
Art. 452 (j)	NX16 – Average weighted PD and average weighted LGD by geography	202
Article 439 (e), (f) and (i)	(EBA) EU CCR1 – Analysis of counterparty credit risk (CCR) exposure by approach	208
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Article 452 (e)	(EBA) EU CCR4 – CCR exposures by portfolio and PD scale	208
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4

OVERVIEW OF THE FISCAL YEAR

4.1 Significant events for 2020

4.1.1 Macro-economic context

4.1.1.1 Growth and monetary policies

2020 will have been an unprecedented year in modern history, with the COVID-19 pandemic causing the most severe post-war global recession and simultaneously hitting the largest number of countries since the 1870s (according to the World Bank).

Both global growth and monetary policies were deeply affected by the health crisis in 2020.

In the **first half of 2020** the COVID-19 crisis plunged the global economy into a recession of unprecedented magnitude and deep uncertainty. From March onwards, most countries imposed more or less strict lockdown measures, which resulted in a sharp drop in activity and a collapse in global trade. The figures for the first quarter gave the first glimpse of the shock. In China, where the epidemic originated, GDP plummeted 9.8% in the first quarter. The euro zone lost 3.8%, the UK 2.2% and the US 1.2% (5% at an annualized rate). The second quarter saw much sharper falls (around 12% in the euro zone) in a context of generalized confinement.

In this context, central banks acted swiftly and vigorously to deploy an arsenal of both conventional and unconventional measures to limit liquidity risk and avoid the price of certain assets, and especially corporate debt, from going into freefall. Several banks thus lowered their key rates, reinstated or ramped up their asset purchase programs to maintain long rates at a low level, and strengthened their currency swap agreements to ease dollar funding stress.

In the first half, the Fed extended the range of securities eligible under its asset-purchase program to include corporate bonds with a view to support small and medium-sized businesses, buying up to 95% of eligible loans granted by banks (the Main Street Lending Program). For its part, the ECB also strengthened the Pandemic Emergency Purchase Program (PEPP), initially set up for a total amount of €750 billion, to which was added an additional €600 billion. In addition to the easing of the targeted longer-term refinancing operations (TLTRO III) conditions, as already decided on, the ECB added a new instrument – Pandemic Emergency Long-Term Refinancing Operations (PELTRO) – to avoid liquidity issues in the financial system. The purchase program eligibility conditions for market assets were also loosened.

After the record drop in activity in the first half of the year, business in the **second half of 2020** experienced upward and downward trends. The gradual lifting of lockdowns and mobility restrictions at the end of the spring automatically resulted in a sharp improvement in global activity in the third quarter and of an exceptional scale. In China, GDP increased by 4.9% in the third quarter while the increase reached 5.3% in Japan, 7.5% in the United States, 12.5% in the euro zone and 16% in the United Kingdom. France recorded the strongest improvement, posting quarterly growth of 18.7%.

However, Europe and the United States faced a second wave of new cases in the autumn. Mobility and activity restrictions were gradually reintroduced in most countries, thereby affecting business. However, business losses in the fourth quarter will be much smaller than those recorded in the second quarter, as governments have attempted to minimize the economic impact of the restrictions imposed. As a result, growth was almost stable in Germany in the fourth quarter, while the decline in France would be limited to 1.3% based on the latest INSEE estimate. On a full-year basis, the euro zone's GDP fell by 6.8% with a decrease of 8.3% for France.

In Europe, partial unemployment schemes continued in the fourth quarter, thereby mitigating the impact on household income and job losses. After a window-dressing fall in the second quarter, unemployment rates rose in the third quarter in the euro zone, increasing from 7.2% in February to 8.3% in December. In France, the increase was 8.9% in December according to Eurostat, i.e. 1.4 points more than in February 2020.

In the United States, after an impressive increase between February and April when it reached 14.7%, the unemployment rate gradually fell in the second half of the year, from 11.1% in June to 6.7% in December. Nevertheless, the US labor market started to slow at the end of the year.

During the second half of the year, monetary policies remained very accommodative. In the United States, the Fed maintained the pace of its asset purchases ($80 billion per month in purchases of treasury securities and $40 billion in agency covered bonds). It maintained its key rates at zero. In Europe, the ECB eased the level of monetary accommodation several times over. After setting up the PEPP (Pandemic Emergency Purchase Program) in the first half of 2020, with an initial budget of €750 billion, the size of the program was increased twice (+€600 billion in June and +€500 billion in December) with purchases that will be extended until the end of 2022. Accordingly, the PEPP's budget is €1,850 billion, of which around €700 billion were used at the end of 2020. In addition, the conditions of the TLTRO III have been eased, leading to an extension of the access period to subsidized financing conditions (up to -100bp) until June 2022. Finally, the ECB kept its main key rates unchanged.

However, 2020 ended with two good news: the arrival of vaccines against COVID-19 which are a real glimmer of hope and the conclusion at the last minute by European Heads of State of a trade agreement on post-Brexit relations.

4.1.1.2 Interest rates

Against this backdrop, in the **first half of 2020**, **interest rates** tumbled across the majority of developed countries, starting with the United States. By lowering of the Fed Funds rate from 1.75% to 0.25% (high end of the range) and proceeding with massive liquidity injections, the central bank of the United States took long rates to their lowest ever level. The ten-year US Treasury yield fell from 1.80% to 0.60%.

In Europe, bond yields were more stable over the first-half as a result of the ECB not lowering its key interest rates. The ECB managed to avoid a massive widening of European sovereign spreads. Although they were volatile in March, they returned to their pre-crisis levels in June.

Even though the **second half of the year** was characterized by a bounce-back in economic activity, this did not lead to an increase in interest rates, particularly in the euro zone. In fact, French and German ten-year sovereign yields lost 22bp and 12bp respectively over the half-year, to end the financial year at -0.57% and -0.34% respectively. This downward trend, which is also reflected in peripheral debt, including Italy (-71 bps in the second half with an end-of-year level of 0.54%, a historic record), is mainly due to:

- the sharp fall in inflation and associated expectations in the euro zone;
- the sharp increase in excess liquidity in the euro zone;
- agreement in principle on the European stimulus plan.

In the United States, the trend was different in the second half of the year. Indeed, the ten-year yields increased by almost 26 bps during the half-year, ending 2020 at around 0.90%. The victory of Joe Biden, the sharp uptrend in equity indices and inflation projections notably supported the rate hike observed across the Atlantic.

4.1.1.3 Forex

The limited change in the EUR/USD during the first half of the year (+0.1% to 1.1243 as of June 30) masked a large range with outermost points: 1.1522 on March 9; 1.0638 on March 23. The **second half of the year** was marked by a significant depreciation of the dollar. The proliferation of announcements of effective COVID-19 vaccines, vaccination campaigns and, in particular, the announcement of a fiscal stimulus in the United States fueled an appetite for risk that affected the dollar. This weakness of the dollar led to an average appreciation of 9.5% for G10 currencies in the second half of the year, 8.8% for Latin American currencies and 5.4% for Asian emerging currencies and 5.3% for emerging currencies in the EMEA region.

Against this backdrop, the euro rose by 8.7% in the second half of the year, increasing from a half-year low on July 1 (1.1185) to a high on December 30 (1.231), thus closing the year with an appreciation of 8.9%.

At the end of the year, the United Kingdom and the European Union reached an agreement that will constitute a framework for relations between the two partners as of January 1, 2021. After depreciating by 6.8% in the first half of the year against the euro, the pound sterling appreciated by 1.4% in the second half and closed 2020 at 0.8956 per euro.

Regarding emerging currencies, the yuan strengthened by 8.3% against the dollar in the second half of the year and ended the year at its highest level since two and a half years.

4.1.1.4 Equity

In the first quarter of 2020, a selling movement of unprecedented magnitude was triggered by the spread of the health crisis. The maximum cumulative loss over the first quarter between February 19 and March 23 was 34% for the S&P 500 and 38% for the SXXP (Eurostoxx 600). Actual and implied volatilities reached record levels. In the sectors, those hardest hit were the cyclicals, particularly the travel/leisure sectors, as well as oil stocks which were affected by the fall in the oil price, while the defensive sectors (food, pharmaceuticals and technology) outperformed.

The main stock market indices rallied hard in the second quarter, with a hope of an economic bounce back and massive actions by governments and central banks, posting record highs for over 20 years. In the second quarter of 2020, the main stock market indices recorded significant increases with an increase in the S&P 500 of 20% (the best since 1998), the Dow Jones +20% (the best since 1987) and the Nasdaq +31%, while Europe saw an increase of 16% for the Eurostoxx 50.

Thus, the first half of 2020 will have been marked by an evolution of the US indices down by 4% for the S&P 500 and a Nasdaq showing exceptional performance of +16% driven by technology equities, while European indices were in difficulty, with performance of -13% to -14% for the Eurostoxx 50 and the EuroStoxx 600.

In the third quarter, equities overall rose with an MSCI World USD up 7.9%. Gains were recorded in July and especially in August, while the market remained supported by the reopening of economies. Lastly, the equity indices rose sharply in the last quarter of the year, with the US elections as supporting factors – suggesting a scenario deemed optimal of a Biden victory and a Republican Senate – and especially the announcement of effective COVID-19 vaccines. The MSCI World $ thus rose by 13.6% in the fourth quarter, closing the year at +16.2% compared to December 31, 2019.

Ultimately, although US equities rose sharply in 2020 (+16% for the S&P 500), the improvement that began in the second quarter did not offset the fall in the first quarter in Europe and the CAC40 ended the year down by 7% year-on-year, for a Eurostoxx 50 index down by 5% year-on-year.

4.1.2 Key events for Natixis' business lines

The 2020 fiscal year began with the announcement of the sale of a 29.5% stake of Coface's capital to specialized US insurer Arch Capital group in February. Completion of the transaction is subject to the usual conditions, in particular regulatory approval, which could take between six and twelve months. From the March 31, 2020 closing, Coface's contribution was therefore deconsolidated from Natixis' financial statements, creating a positive impact of 15 bps on the CET1 solvency ratio.

In addition, Natixis continued to roll out its various business lines.

In **Asset & Wealth Management,** Natixis IM first reached a milestone in its development in 2002 by signing an agreement to merge the fixed income and insurance-related management activities conducted by Natixis Investment Managers and La Banque Postale respective subsidiaries Ostrum Asset Management and La Banque postale Asset Management on June 28, 2020.

After obtaining the required regulatory approvals, Natixis and La Banque Postale were able to finalize on October 31, 2020, the merger of the fixed income and Insurance-related management activities of Ostrum Asset Management and La Banque Postale Asset Management. This merger marks the creation of a leader in Asset Management in Europe, with over €430 billion in assets under management and over €590 billion managed through its services platform at the end of September 2020. A total of €177 billion in assets under management and 96 employees were transferred from La Banque Postale to Ostrum.

As part of this project, Ostrum US (a subsidiary of Ostrum in the United States and specializing in private debt management) was closed in the third quarter of 2020. In addition, certain Ostrum activities were transferred on October 1, 2020 to other Natixis Investment Managers subsidiaries:

- non-insurance thematic equity management activity (€1.1 billion in assets under management) transferred to the Asset Management company Thematics;
- management of convertible shares and other non-insurance shares (€7.2 billion in assets under management) transferred to DNCA;
- private debt and real assets management activity in France (€2.9 billion in assets under management) transferred to Natixis IM International.

In addition, Natixis announced on November 5, 2020 that it had entered into discussions with H2O for the progressive and orderly unwinding of their partnership. Such discussions include a progressive sale of Natixis IM's stake in H2O AM, which resulted in the signing of a disposal agreement, and the orderly assumption by H2O AM of its distribution over a transition period until the end of 2021. Such evolution is subject to consideration and approval by relevant regulatory authorities.

In 2020, Natixis IM earned the following major awards:

- Insurance Asset Risk: Mirova received the 2020 Responsible Investor award;
- Barron's: Natixis Investment Managers earned 11th position on the 2019 "Barron's Best Fund Families" ranking in the US for its year-on-year performance. Natixis Investment Managers was ranked No. 2 in the World Equity category;
- in addition, at the Lipper Fund Awards 2020 Natixis and its subsidiaries were recognized across several categories and countries (US, France, UK, Germany, Switzerland, Austria, Netherlands);
- environmental Finance/Impact Awards 2020:
  - Mirova received the award for best management team of the year,
  - Althelia Sustainable Ocean Fund received the first prize in the impact project/investment of the year category,
  - Althelia Biodiversity Fund Brazil received first prize in the Multi-asset category;
- InvestmentNews/Excellence in Diversity & Inclusion 2020: Natixis Investment Managers was named Champion of diversity;
- United Principle for Responsible Investing/PRI Leaders' group 2020: Mirova was honored as a signatory of the PRI Leaders group 2020, the first 36 PRI signatories at the forefront of this year's theme: climate reporting;
- Pensions Age/Pensions Age Awards 2020: Mirova was named best sustainability service provider of the year;
- Mirova is ranked in the top ten leading asset managers in the field of socially responsible investment (#7) according to Hirschel & Kramer (H&K)/Responsible Investment Brand Index 2020;
- Natixis Investment Managers was ranked among the top ten (#7) in Peregrine Communications' Global 100 ranking on the marketing effectiveness of Asset Management companies;
- Citywire Selector/Gender Diversity Awards 2020:
  - Natixis Investment Managers – Asset Management company, winner in the Regional Leader US category (50-100 managers),
  - Loomis, Sayles & Company – Asset Management company awarded in the "Regional Leader US" category (25-50 managers).

The strong financial results of **Private Banking** in 2020 (with an increase in net revenues of 19% compared to 2019), despite the context of the health crisis, are the result of momentum fueled by the commitment of all Natixis Wealth Management entities.

2020 was a year of where the business continued to roll out its strategic plan as part of New Dimension and adapted to best meet the expectations of its clients:

- further dematerialization of the customer relationship, such as the expansion of the electronic signature system;
- new methods and schedules for communication with BPCE's direct customers and networks;
- development of a strategic project to strengthen the offering and quality of service of the life insurance brokerage business.

These joint initiatives were supplemented by efforts to optimize resources:

- cost-cutting with no impact on sales, in particular in IT;
- end of the collective termination program and further reduction in headcount.

Wealth Management featured several notable events:

- growth in the lending business (+6%) under controlled risk conditions;
- business development in structured products (with a 68% increase in revenues from EMTN clubs).

For the VEGA IM subsidiary, 2020 was marked by:

- strong sales momentum at Caisse d'Epargne banks despite the context of the health crisis, reflected in the level of total net inflows, which reached €440 million;
- management performance, driven by "growth", generating the highest ever performance fees;
- the extension of the range with the VEGA Responsible Transformation thematic fund, following the partnership established with the independent impact rating agency Impak Finance, as well as the first agreements in pension and employee savings schemes;
- the creation of VEGA IM's "Club ESG – Responsible Investment Expertise division": oversight of the Responsible Investment policy and its application, overall portfolio design process, transparency commitments (Transparency Code, non-financial reporting), development of the RI range (labels, mutual funds, Discretionary Asset Management, etc.), implementation of dedicated controls.

Business in **Employee savings** remained very dynamic in 2020, as evidenced by the increase of 4% in assets under management year-on-year to €28.2 billion. Business activity in the large corporate client segment was strong with several material calls for tenders won in 2020. Sales of the BPCE networks, which were shut down from mid-March to May 2020, recovered at a satisfactory pace until the end of the year. The reform of the retirement savings market, brought in by the PACTE law, remained a top priority in the past year. Natixis Interépargne and ARIAL CNP Assurances, the first insurance company entirely dedicated to supplementary collective pension savings, announced in early July the pooling of their expertise to offer companies a comprehensive range of employee and retirement savings solutions incorporating the new company retirement savings plans (PER). Through this partnership, Natixis Interépargne gives companies of all sizes – from very small businesses to the largest corporations – complete access to a comprehensive range of employee and retirement savings solutions.

Corporate & Investment Banking's 2020 highlights included the continued roll-out of New Dimension strategic plan targets aimed at achieving the following goals: to be recognized as a bank that offers innovative solutions, be an active player in new societal trends, and offer increased support to its clients in this exceptional environment.

In the first half of 2020, the COVID-19 crisis triggered a new dynamic in the responsible investment market, bringing social issues to the same level as environmental issues.

Natixis supported various French public institutions such as Unédic and CADES in charge of maintaining social protection systems.

Natixis, after the roll-out of its Green Weighting Factor in 2019, worked on the dynamic management of its own energy trajectory.

Natixis received several awards for its expertise and capacity for innovation in the "green" sector.

In **Asia Pacific,** Natixis capitalized on its expertise in green finance by supporting clients in their sustainable transition through emblematic transactions, notably with the Bank of China, which issued the first blue bond for a commercial bank. In Australia, Natixis and M&A boutique Azure Capital provided advisory services for the creation and sale of Engie ANZ's innovative equity financing platform: the Australian Renewable Energy Trust (ARET).

Natixis was awarded several times for a number of transactions as part of the The Asset Triple A and the Air Finance Journal awards and chairs the Fintech working group of the Asia Securities Industry & Financial Markets Association (ASIFMA).

The **Americas** platform continued to expand its range of solutions and strengthen its expertise in structured finance, acquisition finance and Capital Markets. In particular, it has created an Investment Banking team combining the Coverage, Real Assets, Investment Banking and Trade teams to strengthen synergies with clients.

Natixis New York Branch is now a sponsor of the Fixed Income Clearing Corporation (FICC) Sponsored Repo program for the financing of global securities.

Natixis acted as active MLA and Joint Bookrunner for the Embraer bond issue and the prepayment facility with BNDES in 2020.

Natixis ranked No. 7 on the US market for CLO arrangers *(sources: Bloomberg/Reuters)*. The Company was also named 2019 Enterprise Latin America MLA of the year trophy *by IJGLobal* magazine.

The EMEA platform enjoyed strong business volumes in particular in the Real Assets sector, and was very active in energy and real estate infrastructure projects through the distribution of its assets to a variety of investors and partners. The London branch continued to refocus its business on UK customers.

In **Germany**, the bank established a long-term partnership with a large regional Landesbank for the distribution of indexed insurance with a sustainable investment strategy to tackle climate change. Natixis provides an innovative solution that is the first indexed insurance product on the market to fight against climate change.

In the **Spanish** market, the Madrid branch continued to grow and ranked second in volume for MLA syndicated home loans – FY2020 (*source: Dealogic*).

In **Italy**, Natixis was involved in a significant number of ESR transactions for corporate clients, particularly in the infrastructure and real estate sectors. The bank was appointed Deal Manager and Bookrunner for Generali Assicurazioni in the transition for repurchasing subordinated notes followed by the placement of a new green bond.

In the **Middle East** Natixis was recognized for the IJ Global operation "MENA MLA of the year 2019" and was nominated several times for key green transactions with Acwa Power (Taweelah sustainable desalination loan) or Dewa V (IPP solar PV project).

Lastly, **in Russia**, the bank participated in the financing of the Amur Gaz regional project.

On Capital Markets Natixis was able to adapt to the exceptional and unprecedented health crisis conditions by remaining close to its customers and partners by adapting its offering and know-how to their new needs. The Company upheld its position with institutional investors and supranationals and strengthened its position with large corporations. In Fixed Income, the teams were heavily involved in helping industrial and institutional investors adapt their risk hedging and investment policies during the COVID-19 crisis.

In equity derivatives, Natixis continued to conduct campaigns for financial savings products committed to the energy transition for various banking (BPCE) and insurance distribution networks.

The bank received two awards, one from *The Banker* magazine and the other from *Structured Retail Products* magazine. *(Source (1) Investment Bank of the Year for Equity-linked Products, (2) Deal of the Year 2020)*.

Real Assets

The **Real Assets** business lines (which include the Aviation, Infrastructure, and Real Estate & Hotels/Tourism sectors) proved very resilient.

The passenger air transport sector was particularly affected by the COVID-19 epidemic. It is beginning to recover slowly, driven by domestic and tourism flights, with a low level of business and international travel. In this challenging eriod, Natixis continued to support its clients, both airlines and leasing companies, by providing liquidity facilities, portfolio financing and transactions guaranteed by export credit agencies.

"Infrastructure" and "Energy" held up well to the crisis, driven by the telecommunications infrastructure segment and the renewable energy sector. For example, Natixis arranged numerous solar parks in Chile (Sonnedix, CVE, Langa, Reden, Grenergy, Arroyo), which confirms Natixis' dominant position in this segment.

Lastly, the Real Estate and Hospitality sector continued to support its clients in all the geographic areas where it operates, and to develop Green and Sustainable financing arrangements.

Natixis ranked second in the IJ Global League Table for its performance in Global Telecoms MLA, fourth in Latam Infrastructure Finance MLA and eighth worldwide, reflecting its expertise in infrastructure financing.

Trade & Treasury Solutions

Trade & Treasury Solutions underwent transformation in 2020, now grouped with export credit and commodity trading activities with a view to better serve our clients by providing them with more comprehensive support in their working capital requirements and business development, particularly internationally.

Among the highlights in 2020, ENR Trade stepped up support for customers in their energy transition, with innovative products such as the Green Repo for aluminum with Trafigura.

In addition, Treasury Solutions continued to innovate in the digital field, for example with the international payments traceability.

M&A

Natixis and the M&A affiliates network carried out numerous large-scale transactions this year.

In France, Natixis Partners advised Sagard on the sale of Ipackchem to SK Capital. In the United Kingdom, Fenchurch Advisory advised Hastings group plc on the takeover bid by a consortium of Sampo and RMI. In the United States, PJ Solomon advised Mood Media, first on its restructuring under Chapter [11] and later on its sale to Vector Capital. In France, Natixis and Natixis Partners jointly rank No. 1 by number of deals with midcaps *(source: L'Agefi Hebdo)*. In the United Kingdom, Fenchurch Advisory ranks No. 1 in the FIG sector by number of transactions *(source: Mergermarket)*.

Investment Banking

In Investment Banking, strategic and acquisition financing supported the corporate coverage teams, by arranging numerous financing arrangements (liquidity lines, EMP in France) to strengthen the balance sheet on behalf of Natixis' clients.

In terms of acquisition finance, many transactions were conducted by corporate buyers, including the acquisition of Endemol Shine group by Banijay, enabling the Group to become the largest independent TV programs producer worldwide.

Despite a reduction in volumes in the leveraged financing for investment funds segment, Natixis recorded some major achievements. In France, Natixis arranged and coordinated (Sole Sustainability Coordinator and Facility Agent) for IK Partners in connection with the acquisition of Kersia, a leader in biosafety and food safety, the first sustainability-linked LBO for a French bond.

Natixis was active in the capital increase market, acting as Partner Bookrunner on Alstom's transaction, the largest capital increase to finance an M&A transaction since 2016 in France, and the Technicolor capital increase, as Global Coordinator and Joint Bookrunner.

In these exceptionally volatile market conditions, Natixis benefited from its strong expertise in the convertible bond market to manage five large-scale transactions in 2020, including the issues of Accor, Safran, STMicroelectronics, and Worldline on two occasions.

Natixis remained leader in terms of volumes acquired on the French market and number of transactions *(source: regulated information from the websites of the 120 SBF issuers in 2020)*.

The bond market was particularly active in 2020 for corporates. Natixis was selected by many French companies for the launch of their public bonds and stood at the top of the league table of the "non-dilutive hybrid segment in France" (Number 1 LT hybrid and senior corporate FR; *source: dealogic*).

Natixis also continued to roll out its sustainable finance strategy by positioning itself in a variety of green and social bond transactions, with a total of 56 mandates executed, including issues aimed at supporting activities affected by the health crisis (e.g. COVID Bonds) for the Corporate, Sovereign, Supranational and Financial segments.

The COVID-19 crisis took its toll on the **Insurance** division, which adapted by taking measures to preserve business continuity and remain operational for its clients. The division contributed €14 million to the Solidarity Fund for VSEs set up by the government.

Life and health insurance and non-life insurance adapted to the lockdown periods by widely implementing remote working from the first lockdown, by maintaining on-site only critical activities in order to secure work and by setting up a system for monitoring underwriting and management activities daily in order to maintain a high level of service quality for our clients.

For life and health insurance, the financial effects from the crisis are under control due in particular to the protection mechanisms in place: in particular, the impact of the downturn in the equity market in the first quarter was mitigated by the equity coverage taken out in 2019 and few impacts were observed on Payment Protection Insurance and Personal Protection Insurance.

The first lockdown led to the closure of bank branches, which weighed on activity levels, particularly in savings. While revenue was affected in the first half, it then returned to a level close to that of 2019 over the rest of the year.

In June, a new simplified, digital and competitive personal protection offering, "Secur' Famille 2", was launched in the Caisse d'Epargne network. In September, the new PERi offering was launched in the Caisse d'Epargne (CE) and Banque Populaire (BP) networks.

For Non-Life Insurance, from a technical and financial standpoint, the crisis resulted in a decrease in sales and terminations following the confinement measures, a financial impact because of the contraction of the financial markets, and an improvement in the current-year claims expense during lockdowns, especially in the auto insurance, multi-risk home insurance and personal accident insurance segments.

The ambition to become a fully-fledged bancassurance specialist and create a distinct Non-Life Insurance business model for individual and business customers within Natixis Assurances was realized after it was agreed, in May 2019, to renew the partnership with Covéa from January 1, 2020. The #INNOVE2020 program was rolled out throughout the year in the Banque Populaire and Caisse d'Epargne banks, with strong momentum in the production for the new Car and Multi-Risk Home Insurance offering in the Banque Populaire banks and the new Multi-Risk Home Caisse d'Epargne banks. Now all Banque Populaire and Caisse d'Epargne banks benefit from the strengths of the program: newly-designed experiences, new offerings and new information system.

BPCE Assurances has thus become the sole Non-Life Insurance platform for BPCE IARD retail customers, the platform dedicated to professionals for both the Caisse d'Epargne and Banque Populaire networks.

In 2020, Natixis' **Payments** activity played a key role in supporting its customers during the pandemic. Since the beginning of the health crisis, Natixis Payments has been committed to guaranteeing the same standard of service to the Banque Populaire and Caisse d'Epargne networks and to their direct customers in all areas (issuance, acquisition, payment processing, fraud prevention).

The Payments division also supported the change in consumer purchasing and payment behaviors, in particular contactless and mobile payment:

- its experts worked actively to implement the new €50 ceiling for contactless payments as from May 11 and the increased ceiling for restaurant vouchers in June;
- an unprecedented context of retail digitization, Natixis Payments also supported retailers of all sizes in developing their online sales, thanks to the omnichannel platforms of its fintech Dalenys, whose ranges are designed for both small and large retailers, and its fintech PayPlug, which is intended for SMEs, either directly or in synergy with the Banque Populaire and Caisse d'Epargne banking networks;
- with regard to processing activities, ten new banking institutions, including Bank Audi and Volkswagen Financial Services, chose to entrust Natixis Payments with the processing and clearing of their electronic payments. In a particularly complex context, this was a migration project on an unprecedented scale.

This capacity for customer-centric care and response boosted the resilience of the payments business and led to increased net revenues compared to 2019.

This unprecedented context did not slow the launch of major projects:

- the Processing Business Unit (BU) launched a number of projects with a view to its transformation to become a leading player in the Payments industry in terms of innovation and competitiveness:
  - the roll-out of the Group Payments Program (PPG) in the Banque Populaire network (and in the first half of 2020 for the Caisse d'Epargne banks),
  - the progress of the Oney project (payment processing, acquisition, digital banking) which makes Natixis the payment partner of Oney,
  - the deployment of product management and the agile development of projects,
  - the launch of its operational efficiency plan (Next Stage).
- innovation remained more than ever a major priority to prepare for the upcoming months: new Android POS terminals range launched in September 2020, omnichannel e-commerce offerings for SMEs and larger businesses, new application for the Apetiz meal voucher in July 2020 (rated best application in the industry);
- several successful commercial achievements can also be noted, such as the renewal by NIT of its restaurant vouchers contract with the French Ministry of the Economy and Finance, the acquisition of new direct customers and cross-selling via banking networks. For this last topic, the Network Development Department enabled Natixis Payments to move from producer to expert partner for networks and fintechs to develop their business. As a result, PayPlug achieved sales volumes of €61 million with the networks in 2020 compared to €9 million in 2019.

Lastly, the Payments division also implemented its new organization in October 2020 in order to accelerate its business development and synergies between its business lines. This new organization is based on three Business Units (BU):

- the Processing BU with a customer-centric and product-oriented organization to improve agility and performance;
- the Digital Payment BU (Dalenys, PayPlug, S-money) with strong offering and organization integration to increase the impact on the market in the face of competition;
- the Benefits BU (NIT, Titres Cado, Comitéo and Lakooz) with enhanced synergies between entities.

Natixis Payments entered for the time the FW500 ranking (French Tech ranking for companies contributing to the digital transformation of France) at the 11th place, positioning itself as the leading company in the field of Payments and Financial Services in general.

This alliance of performance and innovation made the division particularly attractive over the last twelve months: nearly 200 new employees (all entities combined) have thus joined to supplement its range of skills to support technological developments in its offerings.

This development of the business lines went hand-in-hand with:

- a 5% increase in **liquidity** needs year-on-year;
- the consumption of Basel 3 **RWA** up +6% year-on-year to reach €105.0 billion.

4.2 Management report at December 31, 2020

For the purposes of comparability, following the sale of 29.5% of Coface's capital, its contribution has been presented separately at the bottom of the income statement.

4.2.1 Consolidated results

(in millions of euros)	**2020**	2019 pro forma	Change 2020 vs. 2019 Current	Constant
Net revenues	**7,306**	**8,485**	**(13.9)%**	**(13.2)%**
o/w business lines	*7,360*	*8,365*	*(12.0)%*	*(11.4)%*
Banking operating expenses	(5,828)	(6,115)	(4.7)%	(4.0)%
Gross operating income	**1,478**	**2,369**	**(37.6)%**	**(37.0)%**
Provision for credit losses	(851)	(330)	158.1%	
Net Operating income	**626**	**2,039**	**(69.3)%**	
Associates	(6)	21		
Gains or losses on other assets	(42)	685		
Change in the value of goodwill	0	0		
Pre-tax profit	**579**	**2,745**	**(78.9)%**	
Income taxes	(204)	(616)	(66.8)%	
Non-controlling interests	(81)	(295)	(72.5)%	
Contribution of Coface	(192)	62		
Reportable net income Group share	**101**	**1,897**	**(94.7)%**	
Cost/income ratio	*79.8%*	*72.1%*		
ROE	*(0.1)%*	*11.1%*		
ROTE	*(0.1)%*	*14.3%*		

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

Net revenues

Natixis' **net revenues** stood at €7,306 million at December 2020, down 13.2% from 2019 at constant exchange rates.

At €7,360 million, **net revenues** generated by the main business lines were down 11.4% at constant exchange rates versus 2019. The AWM and BGC divisions posted declining revenues in the context of the COVID-19 crisis, while the Insurance and Payments divisions were up. Asset & Wealth Management net revenues fell 13.4% at constant exchange rates. Corporate & Investment Banking net revenues were down 15.3% at constant exchange rates. Insurance net revenues were up 6.5% (+8.1% excluding contributions to the solidarity funds totaling -€14 million), and Payments net revenues were up 1.9%.

Corporate Center net revenues, which now include Natixis Algérie and Natixis Private Equity run-off activities, stood at -€54 million in 2020 versus +€120 million in 2019. They include -€86 million for the return of foreign-currency DSNs to the historic exchange rate, versus +€19 million in 2019.

Operating expenses and headcount

Recurring expenses totaled €5,828 million, down 4.0% at constant exchange rates compared with 2019. Asset & Wealth Management expenses were down 3.2% at constant exchange rates. Corporate & Investment Banking expenses were down 5.4% at constant exchange rates. The expenses of the Insurance and Payments divisions were up 2.5% and 5.7% respectively. Corporate Center expenses were down 14.9% to €460 million, with a contribution of €165 million to the Single Resolution Fund versus €170 million in the first half of 2019.

Headcount at the end of the period stood at 16,943 FTE, up 3% year-on-year, up slightly by 2% in the business lines, and up 5% for the Corporate Center after expanding the control functions and IT teams in Porto.

Gross operating income

Gross operating income totaled €1,478 million in 2020, sharply down. by 37% compared with 2019 at constant exchange rates.

Pre-tax profit

At €851 million in 2020, provision for **credit losses** was up sharply compared with first-half 2019 where it totaled €330 million. The provision for credit losses of the main business lines as a percentage of assets amounted to 128 basis points in 2020 versus 50 basis points in 2019.

Revenues from **Associates** climbed to -€6 million in 2020 versus +€21 million in 2020.

Gains or losses on other assets totaled -€42 million in 2020, of which -€48 million was attributable to the loss on the disposal of H_20, versus €685 million in 2019, of which €697 million was attributable to the disposal of the retail banking activities to BPCE S.A. in the first quarter of 2019.

Change in the value of goodwill was nil in 2020.

Pre-tax profit therefore totaled €579 million in 2020 versus €2,745 million in 2019.

Recurring net income (Group share)

The recurring **tax** expenses came to €204 million in 2020, with an effective tax rate of 27.4%.

Minority interests came to -€81 million versus -€295 million in the first half 2019, in line with the decrease in H_20 results.

The **contribution of Coface**, now presented separately on the income statement, totaled -€192 million of net income in 2020, which includes the one-off impacts related to its disposal (-€147 million in gains or losses on other assets and -€57 million in revenue from Associates in the first quarter of 2020, versus +€62 million in 2019.

This **resulted in a positive net accounting income** of €101 million in 2020 compared with +€1,897 in 2019.

Consolidated management ROE after tax (excluding non-recurring items) came to 2.4% in 2020, giving an accounting ROE of -0.1%.

Consolidated management ROTE after tax (excluding non-recurring items) came to 3.0% in 2020, giving an accounting ROTE (including non-recurring items) of -0.1%.

4.2.2 Analysis by Natixis main business line

4.2.2.1 Asset & Wealth Management

(in millions of euros)	**2020**	2019 pro forma	Change 2020 vs. 2019 Current	Constant
Net revenues	**3,225**	**3,760**	**(14.2)%**	**(13.4)%**
Asset Management	*2,948*	*3,511*	*(16.0)%*	*(15.1)%*
Wealth Management	*178*	*149*	*19.5%*	*19.5%*
Employee Savings	*99*	*100*	*(1.1)%*	*(1.1)%*
Banking operating expenses	(2,387)	(2,492)	(4.2)%	(3.2)%
Gross operating income	**838**	**1,268**	**(33.9)%**	**(33.4)%**
Provision for credit losses	(27)	(8)		
Net Operating income	**811**	**1,260**	**(35.7)%**	
Associates	1	1	50.1%	
Gains or losses on other assets	(45)	13		
Change in the value of goodwill	(11)	(8)	38.3%	
Pre-tax profit	**757**	**1,266**	**(40.2)%**	
Cost/income ratio	*74.0%*	*66.3%*		
Equity (Average)	*4,603*	*4,477*		
ROE	*10.0%*	*14.8%*		

The revenues of the Asset & Wealth Management division shrank 13% compared to 2019 at constant exchange rates (-14% at current exchange rates) to €3.2 billion.

Expenses shrank 3% at constant exchange rates (-4% at current exchange rates) to €2.4 billion.

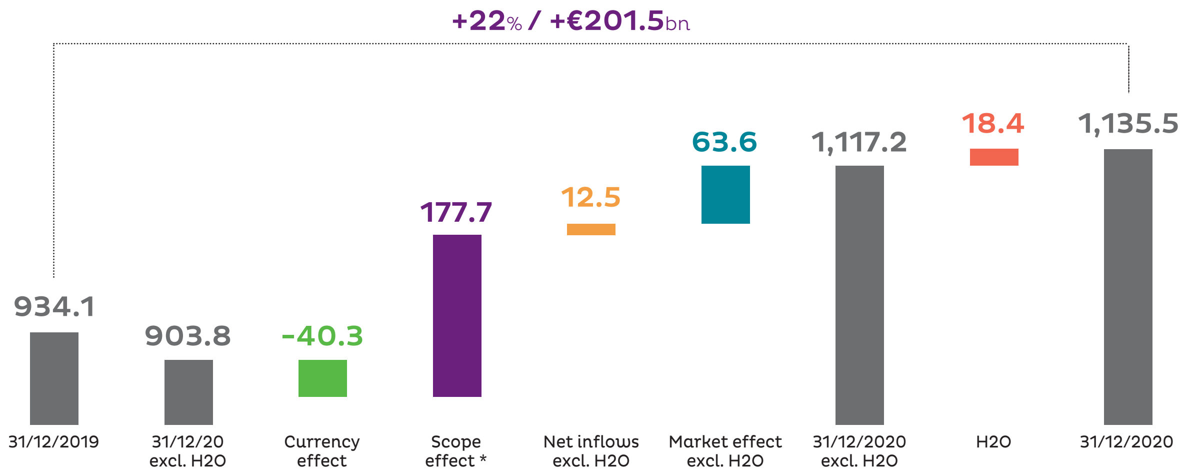
Gross operating income fell 33% at constant exchange rates (-34% at current exchange rates) to €837.8 million.

At 10.0%, the division's ROE was down 4.8 points from December 31, 2019.

A – Asset Management

Assets under management at the end of December 2020 were to €1,135.5 billion up by 22% at current exchange rates (+27% at constant exchange rates) compared to December 31, 2019, driven by the very favorable scope effect (+€177.7 billion) mainly related to LBPAM contributions, the market effect (+€58.9 billion or +€63.6 billion excluding the H_2O impact) and net inflows (+€5.1 billion or +€12.5 billion restated to include H_2O) partly offset by a negative exchange rate effect (-€40.3 billion).

Change in assets under management over the year *(in billions of euros)*



(*) AUM correction (+€0.5 billion)in Private Equity in Q1 2020, integration of LBPAM AUM (+€177.2 million) in Q4 2020 in Europe.

The business line recorded net inflows of €5.1 billion at current exchange rates.

- in the United States, net inflows amounted to €7.4 billion, mainly at Loomis Sales & Co. (+$13.2 billion, fixed income), and at WCM Investment Management (+$12.4 billion, equity products) and at AEW Capital Management (+$2.7 billion, real estate products) partially offset by outflows at Harris Associates (-$19.8 billion, mainly equity products) and Gateway Investment Advisers, LLC (-$1.6 billion, alternative products);
- Private Equity companies reported net inflows of €2.7 billion, mainly Vauban Infrastructure Partners (+€1.6 billion) and MV Credit (€0.5 billion);
- the Europe region recorded a net outflow of €2.6 billion with net inflows from Mirova (+€5.5 billion, equity and bond products), AEW Europe (+€1.5 billion, real estate products) and Ostrum (+€1.3 billion, mainly money market products), more than offset by H2O (-€7.3 billion, mainly bond products) and DNCA Finance (-€3.6 billion, diversified and fixed income products);
- there was a net outflow in Asia (-€1.3 billion), mainly in equity products;
- for Retail, outflows of €1.0 billion mainly relate to Dynamic Solutions diversified products (-€0.5 billion), structured products (-€0.5 billion) and equity products (-€0.4 billion).

At €881.1 billion, average assets under management at December 31, 2020 were up (+3.5% or stable when restated to include the LBPAM contribution) compared with last year at constant EUR exchange rates. The rate of return on outstandings, at 26.7 points, was down by 9.4% compared to December 31, 2019 at constant exchange rates, a smaller decline when restated to include the LBPAM contribution (-6.6%).

At December 31, 2020, Net revenues of €2,948.0 million were down by €562.7 million (-16%) compared to December 31, 2019. (-15% at constant exchange rates) with a scope effect related to LBPAM contributions limited to 4.4 million in 2020. The change in net revenues year-on-year was affected by the sharp decrease in outperformance fees, mainly in Europe at H_2O, and to a lesser extent in management fees in the United States and Europe in connection with the fall in the rate of return, as well as the decline in interest income.

Expenses amounted to €2,156.5 million, down by €94.8 million (-4%) compared to December 31, 2019, (-3% at constant exchange rates) with an LBPAM scope effect of €5.5 million in 2020. The favorable change in expenses was driven by the significant decrease in variable compensation (decrease mainly in the United States, Europe and the Federation) in line with the change in results and, to a lesser extent, in operating expenses (a mainly in travel and hospitality expenses, and communication and advertising related to the health crisis, which more than offset the increase in consulting, documentation and market data expenses). Fixed internal payroll costs were up, driven by the increase in headcount, while premises and logistics were also up compared to 2019.

An additional provision following the announcement of the proposed sale of the subsidiary H2O was recorded in Q4 on the basis of the estimated capital loss, bringing the total annual impact recorded in **losses on other assets** to -€47.6 million.

B – Wealth Management

In 2020, **Wealth Management** posted **net inflows of €919 million** mostly on the strength of the B2B Private Banking business brought by the networks, and significant Institutional inflows in Luxembourg.

Assets under management totaled €30.7 billion, representing an increase of 1% year-on-year, driven by inflows that more than offset the negative market effect (extremely defavorable market effect recorded in first quarter).

At the same time, **outstanding loans** increased by 6% to reach €2.2 billion with an increase concentrated in France.

In 2020**, the business line's net revenues** were significantly up 19.5% to **€177.8 million** (+€29.0 million) compared with 2019. This increase is mostly due to the sharp increase in transaction fees, strong performance of transaction fees and in AUM fees, and the solidity of the financial margin.

Expenses amounted to €153.7 million, down 2% compared to 2019, reflecting the actions implemented to control costs.

C – Employee Savings Plans

Assets under management at the end of December 2020 amounted to €28.2 billion, up by €1.2 billion, or 4% compared to December 31, 2019, driven by a positive market effect (+€0.7 billion) and a favorable investment effect (+€0.5 billion).

PERCO assets under management at €3.3 billion, increased by 13% compared to the end of December 2019, with a higher number of savers (+9%), confirming the role of retirement savings as a driver for the continued growth of the employee savings market.

Average assets under management amounted to €25.8 billion over the year, down (-10%) year-on-year, mainly affected by the loss of Sanofi assets at the end of 2019.

As of December 31, 2020, net revenues at €99.1 million was down by €1.1 million, or 1% compared to December 31, 2019, attributable to the transfer of the Car Lease distance selling activities to BPCE Lease from June 2020, partially offset by the increase in net subscription fees from Car Lease (investor arbitrage).

Expenses amounted to €77 million and were down by €5.9 million or 7% compared to December 31, 2019, due to more capitalized IT projects (PACTE project), and lower operating expenses (impact of COVID-19 and cost control effort), partially offset by the increase in internal payroll costs, mainly fixed internal payroll costs (increase in provisions for paid leave and increase in employee benefits).

4.2.2.2 Corporate & Investment Banking division

(in millions of euros)	**2020**	2019 pro forma	Change 2020 vs. 2019 Current	Constant
Net revenues	**2,803**	**3,337**	**(16.0)%**	**(15.3)%**
Global Markets	1,085	1,509	(28.1)%	(27.9)%
Fixed Income	*1,114*	*1,118*	*(0.4)%*	*(0.1)%*
Equity	*(45)*	*417*	*(110.7)%*	*(110.7)%*
XVA desk	*16*	*(26)*	*(161.5)%*	*(161.5)%*
Financing	1,300	1,408	(7.6)%	(6.5)%
Investment Banking	424	395	7.3%	8.3%
Other items	(5)	24	(121.8)%	(123.0)%
Banking operating expenses	(2,099.0)	(2,234.9)	(6.1)%	(5.4)%
Gross operating income	**704.4**	**1,101.8**	**(36.1)%**	**(35.6)%**
Provision for credit losses	(818.9)	(311.6)	162.8%	
Net Operating income	**(114.5)**	**790.2**	**(114.5)%**	
Associates	9.8	10.3	(5.1)%	
Gains or losses on other assets	0.0	(14.8)		
Change in the value of goodwill				
Pre-tax profit	**(104.7)**	**785.7**	**(113.3)%**	
Cost/income ratio	*74.9%*	*67.0%*		
Equity (Average)	*6,998*	*6,719*		
ROE	*(1.2)%*	*8.4%*		

In 2020, Corporate & Investment Banking net revenues amounted to €2,803 million, down 15.3% compared to 2019 at constant exchange rates.

Capital Market revenues totaled €1,085 million in 2020, down 27.9% compared with 2019 at constant exchange rates.

Revenues **from Fixed Income, Forex, Credit, Commodities and Treasury** activities stood at €1,114 million in 2020, stable on 2019 at constant exchange rates. The following changes were observed in each segment:

- **Fixed Income and Forex revenues** were up 2.5% with **Fixed income** down 9.4%, attributable to the slowdown in sales and persistently low interest rates, and **Forex** activities jumped 23.5% as currencies fluctuated sharply in the first four months of the year, creating a high demand for hedging from clients;
- revenues from **Credit** activities were down 9.1% compared to 2019, penalized by the slowdown in the securitization market in the first half of the year, its acceleration during the second quarter allowing to reduce the fall compared to 2019;
- revenues from **Repo** activities, now evenly split between Fixed Income and Equity are down 21% compared to 2019, with particularly slow business in the second quarter following the implementation of a new TRTLO by the Central Bank on June which resulted in a large amount of liquidity.

With revenues negative by €263 million, **Equity** activities endured extreme market conditions in the first-half, with steep volatility on the equity markets and changes to dividend payout policies, which had a major impact on the exposure of the Equity Derivatives business line.

Revenues from joint ventures (i.e. with income shared equally between Global Markets and Investment Banking to ensure team alignment) were sound in 2020.

The **Strategic financing and acquisitions** revenue was up by 4.7%, driven by strong demand for loans, notably through State Guaranteed Loans (EMP), from Corporate customers, which helped offset the slowdown experienced in the primary market, particularly in the United States.

Revenues from **syndication on the bond market** were up 17.9% compared to 2019 in an extremely dynamic primary bond market throughout the year and across the client segments.

At €1,300 million, **Financing** revenues including **TTS** (Trade & Treasury Solutions) as well as **Film Industry Financing** (Coficiné) fell 6.5% compared with 2019 at constant exchange rates.

Revenue from **origination and syndication** are down 28.2% compared to 2019 as a result of the steep downturn in activity across different sectors: in commodities, with the collapse of the oil price which remained lower than in 2019, in aviation in the context of the COVID-19 crisis, and the real-estate financial securitization market in the US which remained closed most of 2020. The **financing portfolio** were virtually stable at constant exchange rates. The decrease observed in net interest income on financing portfolio outstanding in the context of less origination was mitigated by the increased margin on the Corporate portfolio, supported by a sharp increase in liquidity line drawdowns in the second half of the year and by the granting of new loans. **ENR (Energy & Natural Resources) and Trade Finance** revenues are down 13.9% at constant exchange rates due to a weaker average per-barrel oil price than last year, and the strategic refocusing of this activity aimed at reducing the number of clients.

Revenues from **Investment Banking**, including **M&A** activities, were up 8.3% year-on-year at constant exchange rates for cumulative revenues of €424 million. M&A activity remained dynamic in 2020, particularly in the second half of the year, with annual revenues of €208 million, up 7.5% at constant exchange rates.

In 2020 **Corporate & Investment Banking**'s expenses totaled €2,099 million, down 6.1% at current exchange rates and down 5.4% compared with 2019 at constant exchange rates. Excluding Transformation & Business Efficiency costs classified as a non-recurring item in financial communication for €11 million in 2020 and €27 million in 2019, expenses were down 4.7% at constant exchange rates thanks to the decrease in variable expenses and stricter cost control.

Gross operating income totaled €704 million, up 35.6% compared with 2019 at constant exchange rates. The **cost/income ratio** stood at 74.9% in 2020, down 7.9 points compared to 2019 (67.0%).

At €819 million, provision for **credit losses** increased sharply compared to 2019, underpinned by the deterioration of risk on several loans in aviation and Corporate & Investment Banking as well as the impact of fraud and IFRS 9 provisioning.

Pre-tax profit was negative €105 million compared to positive €786 million in 2019 at current exchange rates which included a capital loss on the disposal of the Brazil subsidiary (-€14,5 million) recognized in the first quarter of 2019 as a non-recurring item under gains or losses on other assets.

ROE after tax was negative at -1.2% in 2020 compared to ROE of 8.4% in 2019.

4.2.2.3 Insurance

(in millions of euros)	2020	2019 pro forma	Change 2020 vs. 2019
Net revenues	**901**	**846**	**6.5%**
Banking operating expenses	(491)	(478)	2.5%
Gross operating income	**410**	**368**	**11.6%**
Provision for credit losses			
Net Operating income	**410**	**368**	**11.6%**
Associates	(17)	10	
Gains or losses on other assets			
Change in the value of goodwill			
Pre-tax profit	**393**	**378**	**4.2%**
Cost/income ratio	*54.5%*	*56.5%*	
Equity (Average)	*924*	*926*	
ROE	*29.3%*	*27.9%*	

The year was marked by the COVID-19 pandemic with the consequence of a significant slowdown in commercial activity during the first lockdown, between March and May.

With €8.1 billion in direct business premiums, life insurance inflows fell 19% compared to 2019. Premiums on unit-linked assets totaled €2.9 billion and made up 35.4% of total gross inflows, down 5 points compared to 2019, and 1 point higher than the market average at end-December. Gross inflows invested in the "Euro" fund decreased by 25% to €5.3 billion.

At €1,053 million, premiums on personal protection insurance and payment protection insurance (ADE) continued to climb (+6%). Premiums on personal protection insurance grew 10%, mostly driven by the Caisse d'Epargne network (17%) which now represents 39% of activity. Payment Protection Insurance was up 5%, with no material impact from the Bourquin amendment of the public health crisis.

In Non-Life Insurance, the portfolio grew 5% (excluding NBFI) to reach 6.4 million contracts. Gross sales decreased fell 2% due to the health crisis and the impact of lockdowns; they did however benefit from the success of the stimulus plan put in place in May 2020 and the deployment of the #INNOVE2020 program across the two networks. At €1,654 million, earned premiums gained 5% year-on-year with identical business growth in the Caisse d'Epargne and Banque Populaire networks (+5% and +5% respectively). Growth was driven by the core offering, with auto insurance up +5%, multi-risk home insurance up +7%, Pers. acc./Multi-risk acc. insurance up 5%, in line with growth in the portfolio and updated tariffs.

Net revenues for Insurance businesses totaled €901 million, up 6% compared with 2019, resulting from:

- 11% net revenue growth in personal insurance, which benefited from the 6% increase in outstandings but was impacted by the public health crisis and the downturn in the financial markets (mitigated by existing equity hedges). The growth in net revenues also attributable to the resistance of the Personal Protection Insurance and Payment Protection Insurance, with a drop in the claims expense for ADE (in connection with the update of final accounts for the previous year) and the deterioration in Protection insurance claims due to work cessation guarantees;
- the 3% increase in property & casualty insurance with a decrease in the claims expense for individual customer products on account of the lockdown, especially in the auto segment. The combined ratio totaled 89.2%, an improvement on 2019 (89.6%);
- the one-off contribution to the insurance solidarity Fund set up by the French government, which had an impact of €13.9 million.

Operating expenses stood at €491 million, up 2.5%. This increase reflected the implementation of the ambitions under the New Dimension plan: to support business growth and implementation of strategic projects, and in particular #INNOVE2020.

Gross operating income rose 11.6% to €410 million.

Income of associates was affected by:

- the default in payment in Lebanon: a loss to the value of €23.1 million was recognized from the bank-insurer ADIR (34%-owned);
- a BPCE IARD contribution of €4.9 million, in comparison to €6.7 million in 2019, mainly due to the deterioration of claims expenses for operating loss guarantees for restaurant owners following the public health crisis.

At 29.3%, the **division's ROE** improved by 1.4 points compared to 2019.

4.2.2.4 Payments

(in millions of euros)	**2020**	2019 pro forma	Change 2020 vs. 2019
Net revenues	**431**	**423**	**1.9%**
Banking operating expenses	(391)	(370)	5.7%
Gross operating income	**39**	**52**	**(25.0)%**
Provision for credit losses	2	(2)	
Net Operating income	**42**	**50**	**(16.7)%**
Associates			
Gains or losses on other assets			
Change in the value of goodwill			
Pre-tax profit	**42**	**50**	**(16.8)%**
Cost/income ratio	*90.9%*	*87.6%*	
Equity (Average)	*403*	*375*	
ROE	*7.3%*	*9.1%*	

Activity in 2020, penalized by the health crisis linked to COVID-19, was mixed, the various lockdowns having impacted consumption.

The pandemic has nevertheless accelerated the underlying trends already present in the Payments market with the continued acceleration of contactless payments, which accounted for 43% of card transactions in Q4 2020 (compared to 31% in Q1 2020), a sign of the stepping-up in digitization, which is also reflected in the development of e-commerce activities, with business volumes up by 20% for Natixis Payment Solutions and Fintechs Dalenys and Payplug compared to 2019.

The resilience of the Payments business is mainly illustrated by:

(i) the contained decline in Natixis Payment Solutions' legacy e banking activities of 4% in the volume of card payments (after the 19% drop in Q2 2020 compared to Q2 2019);

(ii) the limited decline in Natixis Intertitres' historic restaurant voucher issuance activity (-2% of the volume of securities issued compared to 2019), which continued to ramp up the digitization of its APETIZ offering and accelerated its business development (+13% new beneficiaries compared to 2019), while the other entities (Titres Gifts, Comitéo, Lakooz) showed good resistance and posted a decline in the overall sales of business generated by the Prepaid & issuing business unit at -3%;

(iv) the outperformance of the Merchant Solutions Business Unit's FinTech e-commerce Payplug, which recorded growth of 125% in its sales volumes thanks to strong business development and synergies achieved with the Banque Populaire and Caisse d'Epargne networks.

At €430.6 million, net revenue from Payments was up 2% (+€8.1 million) compared to 2019, with growth mainly driven by the legacy electronic payment activities, which in particular developed new offerings for mass transfers & debits and fraud prevention, as well as by the contribution of the Fintechs of the Merchant Solutions Business Unit (BU). It should be noted that for the Prepaid & Issuing BU, the sound performance of the Gifts activities (gifts and marketplace offers) more than offset by the NIT revenues penalized by the closure of places that accept these vouchers.

Expenses of the Payments division, at €391.4 million, were up 6% (+€21 million), in line with the human and IT investments made, with in particular the launch of strategic projects (PPG Group Payments Program) in 2020, combined with the actions implemented to control costs.

Overall, **gross operating income** fell 25% to €39.3 million.

Pre-tax profit stood at €41.7 million down 17%, **ROE** stood at 7.3%, down by 1.8 points compared to 2019.

4.2.2.5 Corporate Center

(in millions of euros)	2020	2019 pro forma	Change 2020 vs. 2019 Current
Net revenues	**(54)**	**120**	**(145.4)%**
Algeria	57	71	(19.5)%
NPE	3	(10)	
Cross-business functions	(114)	59	
Banking operating expenses	(460)	(540)	(14.9)%
Gross operating income	**(514)**	**(421)**	**22.2%**
Provision for credit losses	(8)	(8)	(0.8)%
Net Operating income	**(522)**	**(429)**	**21.8%**
Associates	0	0	
Gains or losses on other assets	3	687	(99.6)%
Change in the value of goodwill	11	8	38,3%
Pre-tax profit	**(508)**	**266**	**(290.7)%**

Corporate Center **net revenues** totaled -€54 million at end-December 2020 versus +€120 million at end-December 2019.

A – Natixis Algeria

At constant exchange rates, short-term average outstanding loans fell 11% while medium- and long-term outstanding loans decreased by 4% compared to 2019, penalized by the COVID-19 impact and the economic and political situation in Algeria. In the same period, customer deposits increased by 5% due to increased current account inflows as well as new term deposit subscriptions.

Off-balance sheet commitments were up 3%, mainly driven by the increase over the year in documentary credits (in particular large companies in the automotive and household appliances sector).

Natixis Algérie posted a 19% decrease in **net revenues** to €56.8 million compared with 2019. Excluding the exchange rate effect, net revenues were down 13% due mainly to fee income on forex transactions following the decision of the Algerian government to reduce the margins on forex transactions to 0.10% (versus 1%) from March 24, 2020.

Cost of risk amounted to -€5.2 million, a decrease of €3.2 million compared to 2019.

B – Natixis Private Equity (NPE)

In 2020, Natixis Private Equity (run-off) pursued its disengagement strategy and decreased its engagements by 19%.

Compared to 2019, cash-at-risk **commitments** fell 23% to €40.5 million (mainly due to the depreciation effect of the Venture funds). At €13.4 million, off-balance sheet commitments were down 2% compared with 2019.

Net revenues stood at €2.6 million and was up €12.9 million compared to 2019 (mostly distribution of carried interest of the EMZ 6 fund in the amount of €11 million in the first half of 2020).

C – Cross functions

Cross-business functions **net revenues** totaled -€114 million at end-December 2020 versus +€59 million at end-December 2019.

- exchange rate fluctuations on deeply subordinated notes issued in dollars stood at -€86 million at end-2020 compared to +€19 million the previous year.
- FVA hedging was valued at +€10 million at end-2020 compared to +€17 million at end-2019.

Excluding these items, net revenues reached -€38 million in 2020 compared with +€23 million in 2019; it essentially comprised:

- revenues from Treasury and ALM operations were down, as the amortizations of the balance ended, and also due to exchange and interest rate effects;
- rebilled expenses from the support functions to entities for the most part linked to Groupe BPCE.

Corporate Center **expenses** totaled €460 million at end-June 2020 versus €540 million at end-June 2019.

- the contribution to the Single Resolution Fund totaled €165 million for 2020 versus €170 million in 2019.
- excluding this item, expenses totaled €294 million in 2020 versus €371 million in 2019; they essentially comprised:
  - expenses from the support functions net reallocations to the Natixis business lines for €147 million in 2020, down €74 million compared to 2019 due to the savings in the crisis context; this expense balance of €109 million in 2020, was essentially rebilled to the entities of BPCE, as part of the services put in place following the sale of the retail banking business to BPCE S.A.,
  - cross-business expenses of €120 million, up €14 million compared to 2019, essentially related to tax items.

Gross operating income stood at -€514 million at end-2020 versus -€420 million at end-2019.

Corporate Center **cost of risk**, was -€8 million in 2020, as in 2019, and mainly related to Algeria.

Pre-tax profit was -€508 million at end-2020 versus +€267 million at end-2019 with the contribution of the capital from the disposal of the retail banking activities to BPCE S.A., representing +€697 million recognized under gains on other assets.

4.2.2.6 Cost of risk

The provision for credit losses was -€851 million at December 31, 2020, of which -€685 million were in respect of non-performing loans and -€166 million in respect of performing loans. The provision for credit losses was -€330 million at December 31, 2019, of which -€345 million were in respect of non-performing loans and €15 million in respect of performing loans.

Total provision for credit losses by division

(in millions of euros)	**31/12/2020**	31/12/2019
Asset & Wealth Management	(27)	(8)
Cooperate and investment banking	(819)	(312)
Insurance	0	0
Payments	3	(2)
Other	(8)	(8)
TOTAL PROVISION FOR CREDIT LOSSES	**(851)**	**(330)**
Coface entities	0	(2)
TOTAL PROVISION FOR CREDIT LOSSES	**(851)**	**(332)**

Total provision for credit losses by geographic area (2019 excluding Coface)

(in millions of euros)	**31/12/2020**	31/12/2019
EMEA	(386)	(193)
Central and Latin America	(83)	(33)
North America	(153)	(96)
Asia and Oceania	(229)	(8)
TOTAL PROVISION FOR CREDIT LOSSES	**(851)**	**(330)**

Appendix to 4.2.2 – Consolidated Results

1 – Management results reclassified as consolidated results in 2020

(in millions of euros)	**2020 Investor Relations**	Non-recurring items AWM	CIB	Insurance	Payments	Corporate Center	Coface	**2020 Restated**	Coface reclassi-fication	**2020 Reported**
Net revenues	**7,405**		**0**	**(14)**		**(86)**		**7,306**		**7,306**
Banking operating expenses	(5,727)	(46)	(11)		(7)	(37)		(5,828)		(5,828)
Gross operating income	**1,678**	**(46)**	**(11)**	**(14)**	**(7)**	**(123)**		**1,478**		**1,478**
Provision for credit losses	(851)					0		(851)		(851)
Net Operating income	827	(46)	(11)	(14)	(7)	(123)		626		626
Associates	17			(23)		0		(6)	(47)	(53)
Gains or losses on other assets	6	(48)				0		(42)	(146)	(187)
Change in the value of goodwill	0					0		0		0
Pre-tax profit	**850**	**(93)**	**(11)**	**(37)**	**(7)**	**(123)**		**579**	**(192)**	**386**
Income taxes	(260)	10	3	4	2	37		(204)		(204)
Non-controlling interests	(83)	2				0		(81)		(81)
Contribution of Coface	11					0	(203)	(192)	192	0
Reportable net income Group share	**517**	**(81)**	**(8)**	**(33)**	**(5)**	**(86)**	**(203)**	**101**		**101**
Cost/income ratio	*77.3%*							*79.8%*		*79.8%*

2 – Management results reclassified as consolidated results in 2019

(in millions of euros)	2019 Investor Relations	Non-recurring items AWM	CIB	Insurance	Payments	Corporate Center	Coface	2019 Restated	Contri-bution disposed scope	Coface reclassi-fication	2019 Reported
Net revenues	**8,466**		**0**			**19**		**8,485**	**22**	**712**	**9,219**
Banking operating expenses	(6,036)	(9)	(27)	(6)	(5)	(33)		(6,115)	(22)	(517)	(6,655)
Gross operating income	**2,430**	**(9)**	**(27)**	**(6)**	**(5)**	**(14)**		**2,369**	**0**	**195**	**2,564**
Provision for credit losses	(330)					0		(330)	0	(2)	(332)
Net Operating income	2,100	(9)	(27)	(6)	(5)	(14)		2,039	0	193	2,232
Associates	21					0		21	0	0	21
Gains or losses on other assets	2		(15)			697		685	0	2	687
Change in the value of goodwill	0					0		0	0	5	5
Pre-tax profit	**2,123**	**(9)**	**(42)**	**(6)**	**(5)**	**684**		**2,745**	**0**	**200**	**2,945**
Income taxes	(556)	3	7	2	2	(74)		(616)	0	(53)	(669)
Non-controlling interests	(262)					(33)		(295)	0	(84)	(380)
Contribution of Coface	65					0	(2)	62	0	(62)	0
Reportable net income Group share	**1,370**	**(6)**	**(34)**	**(4)**	**(3)**	**577**	**(2)**	**1,897**	**0**	**0**	**1,897**
Cost/income ratio	*71.3%*							*72.1%*			*72.2%*

4.3 Main investments and divestments performed over the period

Business line	Investment description
2020	
Asset Management	The merger of the fixed-income and insurance management activities of Ostrum Asset Management and La Banque Postale Asset Management was completed on October 31, 2020. This merger marks the creation of a leader in Asset Management in Europe, with over €430 billion in assets under management and over €590 billion managed through its services platform at the end of September 2020.
2019	
Asset Management	Acquisition of a minority stake in US Asset Management company WCM Investment Management (WCM) and conclusion of an international distribution agreement.
Asset Management	Conclusion of a strategic partnership agreement with Fiera Capital, the leading publicly-traded independent distribution platform in Canada, and acquisition of a minority stake of 11% in its capital.
Private Banking	Acquisition of asset manager and investment advisory firm Massena Partners, a partner of Natixis Wealth Management for 20 years. The deal allows Natixis Wealth Management to bolster its Private Equity and real estate club deal offering by leveraging on the long-standing partnerships formed with Massena Partners and other leading players in these segments.
CIB	Acquisition of a majority stake in Azure Capital, one of Australia's top M&A advisory boutiques.
2018	
Asset management	Acquisition of European credit specialist MV Crédit as part of the expansion of Natixis Investment Managers' private debt offering
CIB	Strategic investment in Vermillion Partners in China as part of the strategic enhancement of Natixis' expertise in Mergers & Acquisitions advisory services
CIB	Strategic investment in Fenchurch Advisory Partners in the United Kingdom as part of the strategic enhancement of Natixis' expertise in Mergers & Acquisitions advisory services
CIB	Strategic investment in Clipperton in France as part of the strategic reinforcement of Natixis' expertise in Mergers & Acquisitions consulting.
CIB	Long-term partnership to create a leading player in equity brokerage and equity Capital Markets in continental Europe. This partnership includes: ■ the transfer of Natixis' equity brokerage and equity research activities in France to ODDO BHF; ■ the integration of both players' equity Capital Markets activities in France at Natixis.
Payments	Acquisition of Banque Postale's 50% stake in Titres Cadeaux.
Payments	Acquisition of 46% of the remaining shares in Dalenys, following a takeover bid and squeeze-out.
Payments	Acquisition of a majority stake (70%) in Comitéo, a prepaid payments company (software platform for works councils).

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

Business Line	Divestment description
2020	
Asset management	Announced disvestment of Natixis Investment Managers from its 50.01% stake in the capital of H20 Asset Management. Such transaction would be subject to consideration and approval by relevant regulatory authorities.
Natixis	Sale of a 29.5% stake in Coface to leading US insurance firm Arch Capital Group. Completion of the transaction is subject to the usual conditions, in particular mandatory regulatory approval.
2019	
Natixis	Sale of entities performing retail banking activities to BPCE
Asset management	Sale of the Canadian distribution business to Fiera Capital
Asset management	Disposal of Darius Capital

Business Line	Divestment description
2018	
Wealth Management	Disposal of Sélection 1818, a major Wealth Management Advisor, as part of Natixis Wealth Management's strategic repositioning. Signing of a partnership with the buyer, Nortia, for the distribution of funds on an open-architecture basis.
Asset management	Disposal of the Axeltis fund distribution platform to MFEX, together with the signing of a long-term partnership to distribute funds on an open-architecture basis.

4.4 Subsequent events

On February 9, 2021, the Board of Directors approved the 2020 financial statements. Since then, several announcements have been made:

- Filing by BPCE SA of a simplified takeover bid for Natixis shares.
- Completion of the agreement to sell 29.5% of Coface's share capital between Natixis and Arch Capital Group Ltd.

These two transactions have no impact on Natixis' consolidated financial statements at December 31, 2020.

- Launch of a transformation and operational efficiency program.

Given the announcement date of these measures, and the concomitant opening of negotiations on the accompanying measures, it is not possible at this date to provide an estimate of their financial effects.

For details of these post-closing events, please refer to chapter [5.1] note 1.3 "Post -closing events".

4.5 Information about Natixis S.A.

4.5.1 Natixis S.A.'s parent company income statement

	2020						2019		
	Mainland France	2020/2019 *(in %)*	Branches	2020/2019 *(in %)*	Natixis S.A.	2020/2019 *(in %)*	Mainland France	Branches	Natixis S.A.
Net revenues	**2,125**	**(14)**	**1,020**	**(30)**	**3,145**	**(20)**	**2,478**	**1,452**	**3,930**
Operating expenses	*(1,775)*	*(7)*	*(634)*	*(13)*	*(2,409)*	*(9)*	*(1,906)*	*(732)*	*(2,638)*
Gross operating income	**350**	**(39)**	**386**	**(46)**	**736**	**(43)**	**572**	**720**	**1,292**
Cost of risk	*(292)*	*(6)*	*(402)*	*244*	*(694)*	*62*	*(312)*	*(117)*	*(429)*
Net Operating income	**58**	**(78)**	**(16)**	**(103)**	**42**	**(95)**	**260**	**603**	**863**
Gains/(losses) on fixed assets	*(100)*	*(108)*	*(10)*	*(1,100)*	*(110)*	*(109)*	*1,258*	*1*	*1,259*
Income before tax	**(42)**	**(103)**	**(26)**	**(104)**	**(68)**	**(103)**	**1,518**	**604**	**2,122**
Income tax	*227*	*4*	*(16)*	*(84)*	*211*	*76*	*218*	*(98)*	*120*
Funding/reversal of funding for general banking risks and regulated provisions	*0*	*N/A*	*0*	*N/A*	*0*	*N/A*	*0*	*0*	*0*
Income/(loss) for the year	**185**	**(89)**	**(42)**	**(108)**	**143**	**(94)**	**1,736**	**506**	**2,242**

At December 31, 2020, Natixis' gross operating income stood at +€736 million, a -€556 million decrease compared with December 31, 2019, due to a €785 million decrease in revenues, and despite a +€229 million decrease in operating expenses.

Net interest income rose by +€225 million: +€354 million for business in Mainland France and -€129 million for foreign branches, this net increase was attributable to the Revolving Credit Facilyies (RCF) drawdowns and the sustained production of vanilla financing during the year. Net fee and commission income increased by +€49 million, resulting from a +€107 million increase in Mainland France and a decrease of -€58 million in business recorded by foreign branches. This change in fee and commission income can be broken down into +€165 million in net fee and commission income on off-balance sheet transactions, -€56 million on transactions with customers, -€53 million in securities transactions, and -€15 million in financial service or payment instrument transactions.

Dividends paid by Natixis subsidiaries decreased by -€174 million, including in particular a -€164 million decrease in dividends from the Natixis Investment Managers Asset Management subsidiary, a -€51 million decrease in dividends paid by Coface and an increase of €79 million from Natixis Assurances.

Gains on trading book transactions decreased by -€567 million, i.e. -€603 million for Mainland France and +€37 million for transactions carried out by foreign branches.

Gains on trading book transactions decreased by -€298 million, i.e. -€224 million for Mainland France and -€74 million for branches.

Operating expenses fell €229 million, including -€114 million in payroll costs (-€116 million in variable compensation), -€109 million in external services net of rebilling, attributable to cost-cutting programs and -€7 million in costs and taxes.

The net provision for credit losses was up €265 million (of which +€285 million for activity in International branches) to -€694 million. Excluding portfolio-based provisions, the cost of risk was -€667 million in 2020 compared to -€324 million in 2019, marking a significant increase in the cost of individual risk in the context of the

COVID -19 health crisis (in particular air transport industry). It also includes the impact of the provisions for outstandings of independent American oil & gas producers in the United States, whose withdrawal has been announced by Natixis, as well as that related to credit fraud identified in particular in Asia.

Together, these items brought operating income to +€42 million, down -€821 million.

At December 31, 2020, the gains or losses on fixed assets amounted to -€110 million, a decrease of -€1,369 million. The balance for 2019 mainly corresponds to the €1,092 capital gain from the sale to BPCE of the Sureties & Financial Guarantees, Leasing, Factoring, Consumer Finance and Securities Services businesses of the former Specialized Financial Services division. The balance for 2020 notably includes a provision for Coface securities of -€38 million.

Net income after tax was +€143 million versus +€2,242 million in 2019.

At December 31, 2020, the balance sheet totaled €345,669 million versus €438,497 million at December 31, 2019. This significant decrease is mainly due to the application of ANC Regulation No. 2020-10 on the presentation of security borrowing, with a pro forma impact of -€66,577 million on the total balance sheet for 2019 and to a change in the presentation of premiums with a pro-forma impact on the total balance sheet for 2019 of -€16,416 million.

4.5.2. Proposed allocation of earnings

Natixis' financial statements at December 31, 2020, showed positive net income of €142,691,880.31 and, taking into account retained earnings of €3,250,193,296.65, showed distributable earnings of €3,392,885,176.96.

The third resolution that will be put before the General shareholders' Meeting on May 28, 2021, proposes to:

- pay an ordinary dividend of €189,357,090.12;
- allocate the remaining distributable earnings to retained earnings, i.e. €3,203,528,086.84.

4.5.3. Sumptuary and non-deductible expenses

In accordance with the provisions of Articles 223 quater and 223 quinquies of the French General Tax Code, please note that the financial statements for the past financial year do not include sumptuary expenses that are not deductible from taxable income.

4.5.4. Payment terms

In accordance with Article D.441-4 of the French Commercial Code, supplier invoices that have been received but remain unpaid at the reporting date (for a total amount including tax of €45.1 million) are as follows:

	Late payment tranches					
	0 day (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (1 day and over)**
Total amount of invoices concerned incl. tax *(in millions of euros)*	43.8	0.8	0.1	0.1	0.3	1.3
Percentage of total amountof purchases including tax for the fiscal year	2.68%	0.05%	0.00%	0.00%	0.02%	0.08%
Number of invoices concerned	770					101

This information does not include banking transactions and related operations.

For debt and receivables associated with Natixis S.A. clients, please refer to Note 37 of Chapter [5.3] on assets and liabilities by maturity, which provides information on their residual maturity.

4.6 Outlook for Natixis

After a year marked in 2020 by the COVID-19 crisis, a clearer horizon for 2021 is expected with a potential reduction in risk. Nevertheless, challenges remain present in a world where growth will be significantly different from one region to another due to their different ways of responding to the crisis. The expected success of the vaccine deployment has raised growth prospects for the next two years and improved visibility of the economic cycle. If interest rates should increase slightly although remaining at low levels, the outlook should be more promising for equities, which started to bounce back at the end of 2020.

Growth trends should vary between China, the United States and the euro zone. The situation will remain robust in China with sustained growth in 2021 on the back of an import substitution strategy even if there will be financial risks. The level of GDP in 2021 is expected to be higher than in 2019. The American situation should be more complex given the very violent resurgence of the health crisis. Expected growth is expected to be low, possibly negative in the first quarter and has led to the implementation of a stimulus plan already approved by the House of Representatives in February 2021. GDP is not expected to return to the level of 2019 at the end of 2021. In the euro zone, the health crisis is still very present at the beginning of 2021. In the euro zone, the various stimulus plans should nevertheless make it possible to catch up in 2021 without reaching the 2019 GDP level before the end of the first quarter of 2022.

The fiscal policy of the States will central to the macroeconomic momentum, and monetary policies will support this movement. This should help to maintain low interest rates for all maturities. The level of public debt, particularly in Europe and the United States, with still limited growth and fiscal policies remaining accommodative for a long time, will be a focus area. In this context, questions arose in early 2021 about the risks of inflation, and long-term interest rates rose in the United States.

Over the period, the yields of the Bund 10Y and the UST 10Y should gradually move towards 30 bps and +1.70% respectively at the end of 2021, which would be associated with a steepening of the curve. In a less risky environment, peripheral spreads should also continue to tighten. Lastly, the equity markets should benefit from growth recovery and improved earnings forecasts.

With regard to Natixis' business, a number of strategic developments were announced in the third quarter of 2020, ahead of the presentation of a new medium-term plan that should potentially take place during the year 2021.

In Asset Management, the operational merger between Ostrum AM and LBP AM has now been completed while a sale agreement has been signed for the sale of Natixis IM’s 50.01% stake in H2O AM to the asset management company's management.

With regard to Corporate & Investment Banking, a repositioning of the equity derivatives business line intended to discontinue the most complex products and reduce exposure limits was implemented towards the end of the fourth quarter of 2020. This repositioning should lead to annual revenues for the equities business of around €300 million. Also concerning Corporate & Investment Banking, while a refocusing of the trade finance activity was carried out during 2020, the reduction of exposures related to shale gas and oil should continue, with the aim of a full exit by 2022.

In order to free up the necessary room for maneuver for the development of its business lines, Natixis has also announced an operational efficiency plan targeting nearly €350 million in cost savings by 2024 (~€120 million achieved over 2021, ~€250 million in 2022, ~€310 million in 2023 and ~€350 million in 2024) for an amount of investments classified as exceptional items of around €270 million (spread out until 2023).

In terms of solvency, the disposals of 50.01% of the share capital of H2O AM and of 29.5% of the share capital of Coface (finalized on February 10, 2021) should make it possible to absorb the remainder of the regulatory impacts expected in 2021 (TRIM Banks, SA-CCR) which are estimated at around 20 bps after mitigation.

It should also be noted that on February 9, 2021, Groupe BPCE announced its intention to file a takeover bid for around 29.3% of the share capital of Natixis that it does not hold (based on the issued and fully paid-up share capital as of December 31, 2020) at a price of €4 per Natixis share (dividend attached). BPCE has announced its intention to implement a squeeze-out procedure for all the shares not held by it in the event that the minority shareholders do not hold more than 10% of the Company's share capital and voting rights following the offer. This proposed offer would be part of an ambitious industrial project for the development of Natixis' business lines and the simplification of its functional channels, which Groupe BPCE intends to review. On February 10, 2021, BPCE S.A. filed an information document (which includes, in particular, the projected timetable of the transaction) with the French Financial Markets Authority (Autorité des Marchés Financiers), which can be consulted at the following address:

https://groupebpce.com/en/content/download/24062/file/Communiqu%C3%A9%20norm%C3%A9%20du%20d%C3%A9p%C3%B4t%20du%20projet%20de%20note%20d%27information%20-%20ENG.pdf

4.7 Definitions and alternative performance indicators

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is included as reference:

- the overview of the 2019 fiscal year on pages 211 to 229 of the 2019 universal registration document submitted on March 6, 2020.

  The information is available at the following link:

  https://www.natixis.com/natixis/en/2019-universal-registration-document-rpaz5_114884.html
- the overview of the 2018 fiscal year on pages 219 to 238 of the 2018 Registration Document submitted on March 15, 2019.

  The information is available at the following link:

  https://www.natixis.com/natixis/en/2018-registration-document-rep_95757.html

The presentation of the income statement of Natixis has been amended to reflect the deconsolidation of Coface following the disposal of 29.5% of its capital. The remaining contribution of Coface has been presented separately at the bottom of the income statement. The other components under Financial Investments (Natixis Algérie, capital investments put into run-off) are now incorporated under the Corporate Center. For the purposes of comparability in the presentation of this management report, 2019 figures are presented according to the new organization.

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

In addition, the standards used to **assess the performance of the divisions** are those defined for the New Dimension plan:

- regulatory capital allocated to the business lines on the basis of 10.5% of Basel 3 average RWA;
- 2% rate of return on capital.

As a reminder, the results of the Natixis business lines are presented in accordance with the Basel 3 regulatory framework. Capital allocation specific to the Insurance businesses is based on the Basel 3 accounting treatment for investments in insurance companies, as transposed into the CRD4 and CRR ("Danish compromise").

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

- the Business divisions record the return on regulatory capital allocated to them. By convention, the rate of return on normative capital is 2%;
- the return on the issued share capital of the entities comprising the divisions is eliminated;
- the cost of Tier Two 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' overhead. The uninvoiced portion accounts for less than 3% (excluding Single Resolution Fund) of Natixis' total overhead. The Single Resolution Fund (SRF) contribution is covered by the Corporate Center and is not charged back to the divisions.

Deeply subordinated notes (DSNs) are classified as 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. 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 operation. It is determined once a year and does not factor in potential changes over the year linked to deferred taxes,
  - as the denominator, normative capital, calculated on the basis of 10.5% of RWA assigned to the division, plus goodwill and intangible assets related to the business line;
- Natixis **ROTE** is calculated by taking as the numerator net income Group share excluding DSN interest expenses on preferred shares after tax. The equity used is average shareholders' equity (Group share) under IFRS, after payout of dividends, excluding average hybrid debt, average intangible assets and average goodwill.

5

FINANCIAL DATA

5.1 Consolidated financial statements and notes

Consolidated income statement

(in millions of euros)	Notes	31/12/2020	31/12/2019
Interest and similar income	6.1	2,940	3,948
Interest and similar expenses	6.1	(1,847)	(3,144)
Fee and commission income	6.2	5,084	5,719
Fee and commission expenses	6.2	(2,028)	(2,197)
Net gains or losses on financial instruments at fair value through profit or loss	6.3	1,002	1,986
net gains or losses on financial instruments at fair value through equity	6.4	72	40
Net gains or losses arising from the derecognition of financial assets at amortized cost	6.5	(12)	(10)
Net income from insurance businesses	8.2	2,034	2,792
Income from other activities	6.6	256	251
Expenses from other activities	6.6	(194)	(167)
Net Revenues		**7,306**	**9,219**
Operating expenses	6.7	(5,415)	(6,208)
Depreciation, amortization and provisions for impairment of fixed assets intangible and tangible		(412)	(447)
Gross operating income		**1,478**	**2,564**
Provision for credit losses	6.8	(851)	(332)
Net operating income		**626**	**2,232**
Share in income of associates		(53)	21
Gains or losses on other assets	6.9	(187)	687
Change in value of goodwill		0	5
Pre-tax profit		**386**	**2,945**
Income tax	6.10	(204)	(669)
Net income on discontinued operations		0	0
Net income/(loss) for the period		**182**	**2,276**
o/w Group share		*101*	*1,897*
o/w attributable to non-controlling interests		*81*	*380*
Earnings/(loss) per share (in euros)			
Net income/(loss) attributable to shareholders (see Note 5.23) Group share – per share, calculated on the basis of the average number of shares over the period, excluding treasury shares		*(0.01)*	*0.56*
Diluted earnings/(loss) per share (in euros)			
Net income/(loss) attributable to shareholders (see Note 5.23) Group share – per share, calculated on the basis of the average number of shares over the period, excluding treasury shares and including shares that could be issued on the exercise of stock options and bonus shares		*(0.01)*	*0.56*

Statement of net income and other comprehensive income

(in millions of euros)	**31/12/2020**	31/12/2019
Net income	**182**	**2,276**
Items recyclable to income	**(300)**	**472**
Translation adjustments	**(401)**	**155**
Revaluation adjustments during the period	*(405)*	*137*
Reclassification to profit or loss	*3*	*16*
Other reclassifications	*(0)*	*1*
Revaluation of financial assets (debt) instruments at fair value through other comprehensive income	**9**	**14**
Revaluation adjustments during the period	*31*	*21*
Reclassification to profit or loss	*(22)*	*(7)*
Other reclassifications	*0*	*0*
Revaluation of available-for-sale financial assets	**125**	**254**
Revaluation adjustments during the period	*210*	*389*
Reclassification to profit or loss	*(85)*	*(136)*
Other reclassifications	*0*	*0*
Revaluation of hedging derivatives	**15**	**146**
Revaluation adjustments during the period	*(7)*	*13*
Reclassification to profit or loss	*22*	*133*
Other reclassifications	*0*	*0*
Share of gains and losses recognized directly in the equity of associates recyclable to income	**(1)**	**7**
Non-current assets held for sale	**0**	**0**
Tax impact on items recyclable to income	**(47)**	**(103)**
Items not recyclable to income	**100**	**(170)**
Revaluation adjustments on defined-benefit plans	32	(51)
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	(21)	(226)
Revaluation of equity instruments recognized at fair value through other comprehensive income	138	47
Revaluation of hedging derivatives of financial assets recognized at fair value through other comprehensive income	0	0
Share of gains and losses recognized directly in the equity of associates non-recyclable to income	(0)	0
Non-current assets held for sale	0	0
Tax impact on items not recyclable to income	(49)	61
Gains and losses recognized directly in other comprehensive income (after income tax)	**(201)**	**302**
TOTAL INCOME	**(19)**	**2,578**
Group share	*(93)*	*2,129*
Non-controlling interests	*74*	*449*

Breakdown of tax on unrealized or deferred gains or losses

	31/12/2020			31/12/2019		
(in millions of euros)	**Gross**	**Income tax**	**Net**	Gross	Income tax	Net
Translation adjustments	(401)	0	(401)	155	0	155
Revaluation of financial assets (debt instruments) at fair value through other comprehensive income recyclable to income	9	(2)	8	14	(3)	11
Revaluation of available-for-sale financial assets	125	(41)	84	254	(62)	191
Revaluation of hedging derivatives	15	(4)	11	146	(38)	108
Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss	(21)	5	(16)	(226)	60	(166)
Revaluation of equity instruments recognized at fair value through other comprehensive income	138	(45)	93	47	(12)	34
Revaluation of hedging derivatives of financial assets recognized at fair value through other comprehensive income	0	0	0	0	0	0
Revaluation adjustments on defined-benefit plans	32	(9)	23	(51)	13	(38)
Shares in unrealized or deferred gains/(losses) of associates	(1)	(0)	(1)	9	(2)	7
Non-current assets held for sale	0	0	0	0	0	0
TOTAL CHANGES IN UNREALIZED OR DEFERRED GAINS OR LOSSES	**(104)**	**(97)**	**(201)**	**346**	**(44)**	**302**

Consolidated balance sheet – Assets

(in millions of euros)	Notes	31/12/2020	31/12/2019*
Cash, central banks		30,637	21,016
Financial assets at fair value through profit or loss*	7.1	210,378	220,714
Hedging derivatives	7.2	230	325
Financial assets at fair value through other comprehensive income	7.4	13,194	12,076
Securities at amortized cost	7.6.3	1,930	1,558
Loans and receivables due from banks and similar items at amortized cost	7.6.1	44,691	48,115
Loans and receivables due from customers at amortized cost	7.6.2	67,939	71,089
o/w institutional operations		*886*	*852*
Revaluation adjustments on portfolios hedged against interest rate risk		0	0
Insurance business investments	8.3	112,698	108,053
Current tax assets		270	348
Deferred tax assets	7.8	1,196	1,388
Accrual accounts and other assets*	7.9	5,081	5,296
Non-current assets held for sale	1.2	728	0
Deferred profit-sharing		0	0
Investments in associates		879	743
Investment property		0	0
Property, plant and equipment	7.10	1,272	1,425
Intangible assets	7.10	665	717
Goodwill	7.12	3,533	3,891
TOTAL ASSETS		**495,320**	**496,754**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Consolidated balance sheet – Liabilities and shareholders' equity

(in millions of euros)	Notes	31/12/2020	31/12/2019*
Due to central banks		0	0
Financial liabilities at fair value through profit or loss*	7.1	208,467	209,951
Hedging derivatives	7.2	525	626
Due to banks and similar items	7.13	84,408	71,927
o/w institutional operations		*46*	*46*
Amounts due to customers	7.13	29,798	30,485
o/w institutional operations		*987*	*964*
Debt securities	7.14	35,652	47,375
Revaluation adjustments on portfolios hedged against interest rate risk		183	157
Current tax liabilities		391	571
Deferred tax liabilities	7.8	438	616
Accrual accounts and other liabilities*	7.9	6,265	8,060
o/w institutional operations		*8*	*0*
Liabilities associated with non-current assets held for sale	1.2	55	0
Liabilities related to insurance policies	8.4	104,182	100,545
Subordinated debt	7.15	3,934	3,971
Provisions	7.16	1,623	1,642
Shareholders' equity Group share		19,229	19,396
▪ Share capital & reserves		11,036	11,036
▪ Consolidated reserves		7,393	5,583
▪ Non-recyclable gains and losses recognized directly in equity		799	1,093
▪ Non-recyclable gains and losses recognized directly in equity		(100)	(212)
▪ Income/(loss) for the year		101	1,897
Non-controlling interests		167	1,430
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**495,320**	**496,754**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Statement of changes in shareholders' equity

	Share capital & reserves		Consolidated reserves		
(in millions of euros)	**Capital**	Reserves related to share capital [(a)]	Other equity instruments issued [(2)]	Elimination of treasury stock	Other consolidated reserves
Shareholders' equity at December 31, 2018 after appropriation of income	**5,040**	**5,995**	**1,978**	**(27)**	**6,279**
Capital increase	4	(4)			
Elimination of treasury stock				(13)	(1)
Equity component of share-based payment plans					9
2018 dividend paid in 2019					(2,451)
Total activity related to relations with shareholders	**4**	**(4)**	**0**	**(13)**	**(2,443)**
Issues and redemption of perpetual deeply subordinated notes			0		
Interest paid on perpetual deeply subordinated notes					(138)
Change in gains and losses recorded directly in equity					
Appropriation to own credit risk reserve during the period					1
Appropriation to a reserve of income from the sale of equity instruments at FV through other comprehensive income that cannot be reclassified completed during the period					1
Change in actuarial gains and losses under IAS 19 R					
Income/(loss) at December 31, 2019					
Impact of acquisitions and disposals [(d)]					(46)
Other					(8)
Shareholders' equity at December 31, 2019	**5,045**	**5,991**	**1,978**	**(40)**	**3,646**
Appropriation of 2019 earnings					1,897
Shareholders' equity at December 31, 2019 after appropriation of income	**5,045**	**5,991**	**1,978**	**(40)**	**5,542**
Capital increase	5	(5)			
Elimination of treasury stock				38	(12)
Equity component of share-based payment plans					6
2019 dividend paid in 2020					0
Total activity related to relations with shareholders	**5**	**(5)**	**0**	**38**	**(6)**
Issues and redemption of perpetual deeply subordinated notes			0		
Interest paid on perpetual deeply subordinated notes					(119)
Change in gains and losses recorded directly in equity					
Appropriation to own credit risk reserve during the period					0
Appropriation to a reserve of income from the sale of equity instruments at FV through other comprehensive income that cannot be reclassified completed during the period					(13)
Change in actuarial gains and losses under IAS 19 R					
Income/loss at Thursday, December 31, 2020					
Impact of acquisitions and disposals [(d)]					1
Other					11
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2020	**5,050**	**5,986**	**1,978**	**(2)**	**5,417**

(a) Share premiums, legal reserve, contractual reserves, long-term capital gains reserve and other Natixis reserves.
(b) Other equity instruments issued: these are undated deeply subordinated notes (see Note 12.3).
(c) Changes in the fair value attributable to the own credit risk of financial liabilities designated at fair value through profit or loss recognized in equity (unrealized and realized) are disclosed in Note 7.1.2.1.
(d) The effects on shareholders 'equity attributable to owners of the parent at December 31, 2019 and December 31, 2020 are presented in Note 3.2.

Gains/(losses) recorded directly in equity										
Recyclable				Non-recyclable						
Translation adjustments	Available-for-sale assets	Revaluation of debt instruments at FV through OCI recyclable to income	Hedging derivatives	Remeasurement of equity instruments at fair value through equity	Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss[3]	Revaluation adjustments on defined-benefit plan commitments	Net income Group share	Shareholders' equity Group share	Non-controlling interests	Total consolidated equity
452	**363**	**(18)**	**(105)**	**(25)**	**83**	**(100)**	**0**	**19,916**	**1,279**	**21,195**
								0		0
								(14)		(14)
								9	1	10
								(2,451)	(301)	(2,752)
0	**0**		**0**		**0**		**0**	**(2,456)**	**(300)**	**(2,757)**
								0		0
								(138)		(138)
112	223	12	2	34	(166)			217	71	288
					(1)			0		0
				(1)				0		0
						(38)		(38)	(2)	(40)
							1,897	1,897	380	2,276
16	(70)	(1)	106			2		7	6	13
								(8)	(3)	(11)
580	**516**	**(6)**	**3**	**9**	**(84)**	**(136)**	**1,897**	**19,396**	**1,430**	**20,826**
							(1,897)	0		0
580	**516**	**(6)**	**3**	**9**	**(84)**	**(136)**	**0**	**19,396**	**1,430**	**20,826**
								0		0
								26		26
								6		6
								0	(167)	(167)
0	**0**		**0**		**0**		**0**	32	**(167)**	**(135)**
								0		0
								(119)		(119)
(399)	161	8	11	93	(16)			(142)	(7)	(148)
					(0)			0		0
				13				0		0
						12		12	(0)	12
							101	101	81	182
3	(78)					11		(62)	(1,171)	(1,233)
								11	0	11
185	**599**	**1**	**13**	**114**	**(100)**	**(114)**	**101**	**19,229**	**167**	**19,396**

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

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

(in millions of euros)	**31/12/2020**	31/12/2019
Pre-tax profit	**386**	**2,945**
+/- Net charge to depreciation and amortization of property, plant and equipment and intangible assets	397	454
+/- Writedown of goodwill and other non-current assets	0	(2)
+/- Net charge to other provisions (including insurance companies' technical reserves)	4,737	8,455
+/- Share in income of associates	(6)	(21)
+/- Net loss/(gain) on investing activities	(9)	(885)
+/- (Income)/expenses from financing activities	69	88
+/- Other activity	(782)	3,171
= Total non-cash items included in pre-tax profit and other adjustments	***4,406***	***11,260***
+/- Decrease/(increase) in interbank and money market items	11,490	(13,129)
+/- Decrease/(increase) in customer items	(177)	(6,927)
+/- Decrease/(increase) in financial assets or liabilities	(9,154)	(1,808)
+/- Decrease/(increase) in non-financial assets or liabilities [(e)]	(419)	1,349
- Income taxes paid	(491)	(630)
= Net decrease/(increase) in operating assets and liabilities	***1,249***	***(21,145)***
Net cash provided/(used) by operating activities	**6,040**	**(6,940)**
+/- Decrease/(increase) in financial assets and equity interests [(a)]	88	2,652
+/- Decrease/(increase) in investment property	61	(80)
+/- Decrease/(increase) in property, plant and equipment and intangible assets	(384)	(204)
Net cash provided/(used) by investing operations	**(235)**	**2,368**
+/- Cash received from/(paid to) shareholders [(b)]	(167)	(2,752)
+/- Other cash provided/(used) by financing operations [(c)]	(147)	(175)
Net cash provided/(used) by financing operations	**(313)**	**(2,928)**
Cash flow on assets and liabilities held for sale [(d)]	**(235)**	**0**
Impact of exchange rate fluctuations on cash and cash equivalents	**(1,176)**	**164**
Net increase/(decrease) in cash and cash equivalents	**4,082**	**(7,336)**
Net cash provided/(used) by operating activities	6,041	(6,940)
Net cash provided/(used) by investing activities	(235)	2,368
Net cash provided/(used) by financing activities	(313)	(2,928)
Cash flow on assets and liabilities held for sale	(235)	0
Impact of exchange rate fluctuations on cash and cash equivalents	(1,176)	164
Cash and cash equivalents at beginning of period	**16,087**	**23,423**
Cash and balances with central banks	21,014	24,280
Interbank balances	(4,927)	(857)
Cash and cash equivalents at end of period	**20,170**	**16,087**
Cash and balances with central banks	30,637	21,014
Interbank balances	(10,467)	(4,927)
CHANGE IN CASH AND CASH EQUIVALENTS	**4,082**	**(7,336)**

a) Cash flows related to financial assets and investments in associates, including in particular:
- cash flows related to consolidated equity investments for -€194.2 million;
- cash flows related to non-consolidated equity investments for +€90.3 million;
- cash flows related to assets held to maturity (+€191,6 million).

(b) The Natixis Board of Directors decided to follow the recommendations made by the European Central Bank (ECB) on March 27, 2020 to not distribute dividends given the uncertainty over the financial impacts of the COVID-19 crisis.

(c) Cash flows from financing activities can be broken down as follows:
- interest paid on subordinated notes for -€81 million;
- interest paid on deeply subordinated notes recorded in equity for -€66 million.

(d) Corresponds to Coface and H20 cash (see Note 1.2).

(e) Including cash flows in relation to lease liabilities, amounting to -€225 million at December 31, 2020.

Notes and annexes

Note 1 General framework

1.1 Accounting standards applied

1.1.1 IFRS standards and IFRIC interpretations applied by the Group

As required by Regulation (EC) No. 1606/2002 of July 19, 2002, Natixis has prepared its consolidated financial statements for the year ended December 31, 2020 in accordance with IAS/IFRS standards and IFRIC interpretations as adopted by the European Union and applicable on that date[1]..

Natixis' consolidated financial statements include a balance sheet, income statement, statement of net income/(loss) and other comprehensive income, statement of changes in shareholders' equity, cash flow statement and notes to the financial statements.

The financial statements presented for comparative purposes were published by Natixis in the 2019 registration document filed with the Autorité des Marchés Financiers (AMF – French Financial Markets Authority) on March 6, 2019. In accordance with Regulation (EU) 2017/1129 relating to the publication of prospectuses and Commission Delegated Regulation (EU) 2019/980 relating to the information contained in prospectuses, the financial statements for the year ended December 31, 2018, which were published in the 2018 registration document filed with the AMF on March 15, 2019, are included for reference in this registration document.

It should be noted that the new IFRS 9, "Financial Instruments", adopted by the European Commission on November 22, 2016, is applicable as of January 1, 2018.

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.

Furthermore, on November 3, 2017, the European Commission adopted the amendment to IFRS 4 on the joint application of IFRS 9 "Financial Instruments" and IFRS 4 "Insurance Contracts", with specific provisions for financial conglomerates, with effect from January 1, 2018. Under European regulations, financial conglomerates may defer application of IFRS 9 to their Insurance divisions until the effective date of application of the new IFRS 17 "Insurance Contracts", as long as they:

- do not transfer financial instruments between the Insurance division and other divisions of the conglomerate (with the exception of financial instruments at fair value through profit or loss for the two divisions affected by the transfer);
- indicate the insurance entities that apply IAS 39;
- provide specific additional information in the notes.

As a financial conglomerate, Natixis elected to apply this provision for its insurance operations, which will continue to be covered by IAS 39. The main entities concerned by this measure are the Coface insurance subsidiaries, Natixis Assurances, BPCE Vie and its consolidated funds, Natixis Life, BPCE Prévoyance, BPCE Assurances and BPCE IARD.

Pursuant to the implementing regulation of November 3, 2017, Natixis took the necessary measures to prohibit any transfer of financial instruments between its insurance operations and the rest of the group that would have a derecognizing impact for the transferring entity, although this restriction is not required for transfers of financial instruments measured at fair value through profit or loss by both sectors involved.

The accounting principles and methods used to prepare the consolidated financial statements of Natixis at December 31, 2020 are identical to those used to prepare the consolidated financial statements for the fiscal year ended December 31, 2019, prepared in accordance with IFRS as adopted in the European Union and detailed in Note 1.1 "Basis of presentation" to the consolidated financial statements for fiscal year 2019 (presented in Chapter [5.1] "Financial data – Consolidated financial statements and notes" of the 2019 universal registration document), with the exception of the standards, amendments and interpretations, which took effect as of January 1, 2020:

- **the amendments to IAS 1 and IAS 8 "Definition of Material"** adopted by the European Commission on November 29, 2019 with mandatory application from January 1, 2020. These amendments provide clarification of the term "material" in order to facilitate assessments of the significance, or otherwise, of a piece of information, and to improve the relevance of the information presented in the notes to the financial statements. These amendments had no impact on Natixis' financial statements;
- **amendment to the "Conceptual framework"** adopted by the European Commission on November 29, 2019 and applicable on a mandatory basis from January 1, 2020. The aim of this amendment is to replace existing references to previous frameworks, in respect of several standards and interpretations, with references to the revised conceptual framework. This amendment had no impact on Natixis' financial statements;
- **the amendment to IFRS 3, "Business Combinations"**, adopted by the European Commission on April 21, 2020 and applicable as of January 1, 2020. This amendment clarifies the definition of a business and enables a simpler analysis to determine whether an acquisition constitutes a business combination or a mere acquisition of assets. This amendment had no impact on Natixis' financial statements;
- **the amendment to IFRS 16 "Rental concessions-COVID-19"**, adopted by the European Commission on October 9, 2020 and applicable retrospectively from June 1, 2020. This amendment provides for optional and temporary operational relief related to the COVID-19 health crisis for tenants benefiting from rent concessions. This amendment had no impact on Natixis' financial statements;
- **amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Reform of benchmark interest rates – Phase 2"** adopted by the European Commission on January 13, 2021 and applicable from January 1, 2021 with an application possible. Natixis opted for early application at December 31, 2020.

These amendments aim to define the accounting procedures for changes affecting financial assets and liabilities (including lease liabilities) that would result from the transition to alternative benchmark rates. They also provide for some relaxation in the application of hedge accounting in order to allow hedging relationships to be maintained beyond the modification of the reference rates. Natixis is mainly exposed through its derivative contracts and its lending and borrowing contracts at EURIBOR, EONIA and LIBOR rates. The amount of financial assets, financial liabilities and the notional amount of derivatives indexed to these indices, with maturities greater than December 31, 2021, are presented in Note 5.22.

(1) *The complete set of standards adopted within the European Union can be consulted on the European Commission website at the following address: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm.*

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In addition:

- **regarding the standard IFRS 16 "Leases"**, the IFRS Accounting Interpretation Committee (IFRS IC) provided details on the methods used to assess the enforceable term to be used for leases at its meeting of November 26, 2019. On July 3, 2020, the Autorité des Normes Comptables published a statement of conclusions relating to the measurement of lease assets and liabilities in accordance with IFRS 16, relating to French commercial leases. This statement of conclusion replaces the one published on February 16, 2018. The application of this set of details and considerations did not have a material impact on Natixis' consolidated financial statements;
- regarding the identification of defaulted outstandings, Natixis has taken into account the clarifications provided by the European Banking Authority *(see **New definition of default**)*.

The guidelines of the European Banking Authority (EBA) on the application of the definition of default under Article 178 of European Regulation No. 575/2013, applicable from January 1, 2021, and the provisions of European Regulation 2018/1845 of the European Central Bank relating to the threshold for assessing the importance of arrears on credit obligations, applicable no later than December 31, 2020, are intended to strengthen the consistency of financial statements. practices of European credit institutions in identifying defaults.

The definition of defaulted loans is specified by:

- the introduction of a relative threshold and an absolute threshold to be applied to payment arrears to identify default situations;
- the clarification of the criteria for a return to sound outstandings with the imposition of a probationary period (three months for a return to sound and twelve months for restructured assets); and
- the introduction of explicit criteria for classifying restructured loans as default.

Natixis applied these new provisions for the identification of defaulted outstandings from October 22, 2020.

The details provided for the identification of loans in default remain consistent with the criteria for assessing the doubtful nature of loans classified as Level 3 in application of the provisions of IFRS 9 relating to the recognition of expected losses due to credit risk. The changes brought about by the application of the new provisions relating to defaulted loans did not have a significant impact on Natixis' consolidated financial statements.

IFRS 17, "Insurance Contracts", published by the IASB on May 18, 2017, which will replace IFRS 4, "Insurance Contracts", has not yet been adopted by the European Union.

Initially applicable on January 1, 2021, with a comparison at January 1, 2020, this standard is now only expected to come into force from January 1, 2023. Indeed, at its meeting of March 17, 2020, the Board of the IASB decided to postpone its application for two years. It also decided to align the schedule for the temporary exemption from IFRS 9 for insurers so that it coincides with the application of IFRS 17 from January 1, 2023.

IFRS 17 establishes the principles of recognition, measurement, presentation and disclosure for insurance contracts and investment contracts with discretionary participation.

Liabilities under these contracts, which are currently valued at historical cost, will have to be recognized at present value under IFRS 17. As such, insurance contracts will be valued based on their future cash flows, including a risk margin in order to factor in the uncertainty relating to these cash flows. IFRS 17 also introduces the concept of the contractual service margin. This represents the insurer's unearned profit and will be released over time as services are rendered to the insured. The standard demands a more detailed level of granularity in calculations than previously as it requires estimates by group of contracts.

These accounting changes could change the profile of insurance activities (particularly for life insurance) and also introduce greater income volatility.

The insurance entities have set up project structures that are in line with the changes brought about by the standard and are continuing preparatory work: examination and documentation of the normative choices, modeling, adaptation of systems and organizations, production of financial statements and changeover strategy, financial communication and change management.

1.1.2 Presentation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the assessment and presentation principles set out in Notes 2 and 5 below.

1.1.3 Year-end

The consolidated financial statements are based on the individual financial statements at December 31, 2020 of the entities included in Natixis' consolidation scope.

1.1.4 Notes to the consolidated financial statements

Unless otherwise indicated, the figures given in the notes are expressed in millions of euros.

1.2 Significant events

1.2.1 Coface

Natixis announced on February 25, 2020 that it had signed a sale contract with Arch Capital Group (an insurer and reinsurer in the United States) for 29.5% of the share capital and voting rights of Coface at a unit price per share of €10.70. This price was revised on August 28, 2020 to €9.95 per share, bringing the capital loss recorded to €145.6 million. The completion of the deal is contingent on approval from regulatory authorities.

The signing of the contract of sale led Natixis to reassess the nature of its controlling interest in Coface. As the criteria that define exclusive control under IFRS 10 were no longer being met, it has been determined that Natixis no longer exercised exclusive control over Coface and as such no longer needed to fully consolidate it into its consolidated financial statements of February 25, 2020.

However, Natixis continues to exercise significant influence. Natixis' remaining 12.7% stake in Coface consequently was consolidated using the equity method effective January 1, 2020, for simplicity's sake and to better reflect the impacts of that transaction in its consolidated financial statements.

A parent company's loss of exclusive control over a subsidiary is treated as two different types of transactions: first, (i) the sale of all shares in the subsidiary, and second, (ii) a new investment corresponding to the retained stake.

At December 31, 2020, the loss of exclusive control led Natixis to recognize in its financial statements:

- the gain or loss on disposal at the date of loss of control (i.e. January 1, 2020), plus the impact of the price adjustment described above, which amounted to -€145.6 million presented on the line "Gains or losses on other assets" of Natixis' consolidated net income;
- the 29.5% share of capital sold to Arch Capital group, valued on the basis of its sale price minus selling costs directly related to the transaction, is recognized in accordance with IFRS 5 and is entered on a separate line of the Natixis balance sheet, "Non-current assets held for sale", equal to €446,3 million;
- the residual share of 12.7%, which is not affected by the sale agreement, is still recognized using the equity method and presented in the balance sheet under the line "Investments in companies accounted for under the equity method". For €158.5 million at December 31, 2020 after recognition of a depreciation of -€57.4 million based on Coface's closing share price (€8.21 per year) share). This impairment is included in the "Share in income of associates" line on the income statement.

1.2.2 H2O

In the fourth quarter of 2020, Natixis launched negotiations for the sale of its entire stake in the entity, i.e. 50.01% of the share capital. This sale consists for H2O Holding in the purchase of its own shares. The final memorandum of understanding was signed on January 29, 2021.

At December 31, 2020, Natixis maintained the full consolidation of the entity 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" for €281.5 million and "Non-current liabilities held for sale" for €54.7 million. Completion of the sale is subject to obtaining regulatory approvals. The estimated gain on disposal of -€47.6 million is recorded in Gains and losses on fixed assets (excluding tax effects).

1.2.3 Natixis and La Banque Postale partnership

After obtaining the required regulatory approvals, Natixis and La Banque Postale were able to finalize the merger on October 31, 2020, of the fixed income and insurance-related management activities of Ostrum Asset Management and La Banque Postale Asset Management. This transaction resulted in the contribution of LBP AM's activities to Ostrum.

At the end of this asset contribution, Natixis retains a 55% stake in Ostrum, while La Banque Postale now holds a 45% stake. Prior to this merger, Ostrum's activities, unrelated to interest rate and insurance management activities, were transferred to other companies belonging to the Natixis IM group.

With regard to the provisions of IFRS 10, Natixis exercises exclusive control over the Company, which is therefore fully consolidated in Natixis' financial statements.

This transaction can be analyzed from an accounting point of view as two transactions:

- a takeover of the LBP AM entity accounted for using the acquisition method with recognition of goodwill amounting to €52.3 million at December 31, 2020;
- a decrease in the percentage interest without loss of control in Ostrum AM, in respect of the dilution, the effects of which are recognized in "Equity – Group share" for +€11.8 million.

LBP AM also has a promissory agreement granted by Natixis in relation to all its shares. As such, a put on non-controlling interests was recognized as a liability for an amount of €79.5 million at December 31, 2020.

1.2.4 COVID-19

The COVID-19 health crisis has had significant repercussions on the economic activities of many countries. Restrictions on mobility in the affected areas and closures of companies and retailers have a clear impact on economic value chains in the affected geographical areas and business sectors (tourism, catering, air transport, local sales, etc.).

In order to support the economy during this crisis, Natixis took part in measures to support the economy (loans guaranteed by the State and moratoriums) in order to provide financial assistance to the affected business sectors.

The COVID-19 crisis also spread to the financial world, particularly leading to very high volatility and erratic market fluctuations. In an environment marked by a high degree of uncertainty, Natixis took into account the effects of the crisis and the measures taken by certain governments in determining the valuation of financial assets and liabilities as well as impairments and provisions.

The impact of the crisis on Natixis' financial statements as of December 31, 2020 are detailed in Note 1.4.

1.3 Post-closing events

Filing of a simplified public tender offer for Natixis shares.

On February 9, 2021, BPCE S.A. announced its intention to acquire the shares in the capital of Natixis S.A. that it did not hold, i.e. around 29.3% as at December 31, 2020, and to file a simplified takeover bid with the Company. of the Autorité des Marchés Financiers (AMF).

This proposed public offer, at a price of €4.00 per share (dividend attached), will be submitted to the AMF for review and will, if applicable, be followed by a squeeze-out if the conditions of implementation work are satisfied.

This proposed offer would be part of an ambitious industrial project for the development of Natixis' business lines and the simplification of its functional channels, which Groupe BPCE intends to study as part of its preparation. of its strategic plan.

This transaction had no impact on the consolidated financial statements of Natixis at December 31, 2020.

Natixis and Arch Capital group Ltd. announced the completion of the contract to sell 29.5% of Coface's share capital.

Following the approval of the relevant competition and regulatory authorities, Natixis and Arch Capital group Ltd announced on February 10, 2021 the sale by Natixis of a 29.5% stake in the share capital of Natixis. Coface to Arch Financial Holdings Europe IV Limited, an affiliate of Arch Capital group Ltd., at a price of €9.95 per share (dividend attached).

Natixis is no longer represented on the Board of Directors of Coface, as Arch occupies four of the seats of Natixis. Natixis will hold its residual stake of 12.7% in Coface as a financial investment.

This transaction had no impact on the consolidated financial statements of Natixis at December 31, 2020.

Launch of a transformation and operational efficiency program.

Natixis announced on November 5, 2020, during the presentation of its quarterly results, the launch of a transformation and operational efficiency program generating approximately €350 million in long-term cost savings at the end of 2024 (~€270 million in associated exceptional costs over the period), including in particular the transformation of the Corporate Banking activity.

To meet the challenges it faces, Natixis will also continue to develop its operating model with a view to competitiveness by drawing on its solid and diversified expertise.

This approach of anticipation, adaptation and development has led Natixis, since 2016, to organize its support functions around two areas of activity in Europe: Paris and Porto. In line with this organizational plan, a development project for the Porto center was presented to the social partners at the end of January 2021.

This would consist of:

- continue the development in Porto of the support functions already established there, in particular Technology & Transformation – with Data & Technology, COO-CIB and Global Business Management & Transformation, Human Resources and Risks;
- positioning other support functions in Porto: Finance, Workplace and Communication, as well as certain Corporate Banking activities within Coverage and Distribution Portfolio Management.

This project, which would result in the repositioning of activities equivalent to 209 jobs, also confirms Porto's position as a center of excellence and expertise.

The strategic review of the equity derivatives business also confirmed its importance for Natixis and repositioned it on strategic clients while reducing the level of risk. The implementation of this announcement would lead to the elimination of 36 jobs.

To implement the various components of these projects under the best possible conditions following the consultation of the Social and Economic Committee (CSE), an ambitious internal and external mobility plan is planned within the areas concerned. In parallel with the consultation on this project, negotiations will be held with the trade unions to define in detail the measures to support internal and external mobility.

Given the date of announcement of these measures, and the concomitant opening of negotiations on the accompanying measures, it is not possible to provide an estimate of their financial effects on that date.

1.4 Impact of the health crisis on the financial statements

The rapid global spread of the COVID-19 pandemic led most of the affected countries to impose lockdown measures on their populations, thereby heavily reducing business, which led to a worsening of the economic situation of numerous business sectors as well as a major disruption to financial markets.

In this environment, many companies are experiencing cash problems, and Natixis is helping its customers get through this crisis, particularly by participating in the implementation of certain government-directed economic support measures *(see Note 1.4.1)*.

The economic recession has also led Natixis to alter the baseline scenario on the basis of which it determines the expected loss levels of its exposures *(see Note 1.4.2 and 5.3)*, in order to best estimate, despite the high level of uncertainty, the repercussions of current events on the risk of default within one year or within the lifetime of its outstanding financial items.

The cost of risk thus increased during the financial year 2020. It amounted to -€851.3 million at December 31, 2020 compared to -€332 million at December 31, 2019.

The spread of the health crisis to the real economy as well as the financial sector has also affected the valuation of some products *(see Note 1.4.3)*.

Despite the uncertainties as to changes in the economic environment, Natixis also carried out goodwill impairment tests for all of its CGUs *(see Note 2.5)*.

Furthermore, the COVID-19 pandemic had an impact on the first-quarter income of BPCE IARD, a 50% equity method consolidated company, due to the worsening of the operating loss ratio for restaurant owners. As a result, and taking into account the impact of reinsurance, the entity's contribution to the consolidated net income for the year is limited to +€4.9 million.

1.4.1 Economic support measures

Measures to support the economy were taken during the year 2020 involving credit institutions.

1.4.1.1 Government-backed loans

Government-backed loans (GBLs) are a support measure enacted through Article 6 of the 2020 French Finance Reconciliation Law 2020-289 of March 23, 2020 and by the order of the Minister of the Economy and Finance of March 23, 2020 granting a government guarantee to lending institutions and financing companies effective March 16, 2020 by the French government in order to address the cash flow needs of companies affected by the COVID-19 health crisis. The characteristics of the GBLs (purpose, interest) are the same for all banks.

The GBL is a one-year cash loan with repayment deferred over that period. Recipient companies will be able to decide at the end of the first year to pay off the GBL over a period of 1 to 5 additional years. At the end of the first year, the beneficiary companies will be able to extend the deferred amortization by an additional year, during this period, only the interest and the cost of the State guarantee will be paid.

For eligible companies, the amount of the GBL is generally capped at 25% of the Company's revenue. The GBL is 70% to 90% guaranteed by the government, depending on the size of the Company, with the banks assuming the rest of the risk. The government guarantee covers a percentage of the principal, interest, and related costs still owed on the debt until it reaches maturity, unless it is called in earlier upon the occurrence of a credit event.

Interest on the GBLs is in return for the time value and credit risk associated with the principal. The early repayment penalty is zero or set in a contractually reasonable manner, and the extension conditions are not set in advance but rather are reviewed at the time of the extension based on market conditions.

Given the characteristics described above, the EMPs meet the solely payment of principal and interest (SPPI) criteria *(see Note 5.1.2)*. They are recognized in the category of "receivables at amortized cost" since they are held in a collection management model whose objective is to hold the loans in order to collect the cash flows *(see Note 5.1.3)*. On subsequent balance sheet dates, they will be measured at amortized cost using the effective interest method.

The government guarantee meets the IFRS definition of a financial guarantee because it follows the principle of indemnification and is considered as an integral part of the terms of the contract. The guarantee commission paid when the loan is awarded by Natixis to the government is booked on the income statement over time for the initial term of the GBL using the Effective Interest Rate method, and is booked under "Interest margin".

It should be noted that awarding a GBL to a given counterparty does not in and of itself constitute a risk degradation threshold, as it must lead to that counterparty's other outstanding items being changed to status 2 or 3.

As of December 31, 2020, Natixis had granted 86 EMP applications for an outstanding amount of €2,503 million (including €800 million for the automotive industry, and €783.5 million for the sector) air transport, and €118.5 million for the hotel and catering sector) and the related guarantees received from the State totaled €2,269 million. Of these, 12 are classified as Purchased or Originated Credit Impaired (POCI) for an amount of €72.3 million and 19 are classified as restructured loans for an amount of €69.9 million.

Commitments not yet drawn down totaled €75 million, all relating to the press and publishing sector.

1.4.1.2 Deferment of loan maturities (moratoria) and other restructuring

In the context of the COVID-19 crisis, Natixis granted concessions in various forms (temporary suspension of maturities, rescheduling, etc.) to some of its customers, to help them overcome the temporary cash flow difficulties caused by the crisis. A case-by-case analysis was carried out in order to determine whether the financial difficulties encountered by the client were purely fleeting and of the moment, and whether the resulting restructuring would enable the counterparty to get through the crisis without jeopardizing its ability to honor its contractual agreements at maturity.

The classification of these outstandings as "loans restructured due to the debtor's financial situation" is carried out according to the general principles defined in Note 5.1.3.

Furthermore, it is noted that Natixis did not grant any "en masse" (or "general") moratoria, meaning moratoria offered on a wide scale to a set of clients with no specific conditions.

As of December 31, 2020, 245 loans had received moratoria for a total gross loan value of €3,339 million (of which €1,342.5 million was for the real estate finance sector, €258.3 million was for the nonferrous metal producers sector, €129.7 million for the cosmetics and drugstore sector and €105 million was for the road transportation sector).

Of these projects, only 24 projects, representing €269.3 million, are classified as restructured assets under concession. Provisions related to these restructured loans amount to €9 million as of December 31, 2020.

1.4.2 Impairment of assets at amortized cost and at fair value through other comprehensive income and provisions for financing and guarantee commitments

In order to determine the amount of expected losses at December 31, 2020 for all of its exposures eligible for provisioning, Natixis applied the methodology relating to impairments or provisions for expected credit losses described in Note 5.3, but made changes thereto, in order to take into account the recommendations published in the context of the health crisis by standard setters and supervisory authorities:

Scenario determination

The health crisis has had a major impact on the economy, with significant repercussions on many business sectors. Due to the exceptional circumstances and uncertainties, Natixis relied on the various press releases published by ESMA, the EBA, the ECB and the IASB to determine the expected credit losses in the context of the COVID-19 crisis.

With this in mind, Natixis has revised its macroeconomic forecasts and adapted them to take into account the specific context of COVID-19 and measures to support the economy.

Natixis used three main scenarios to calculate the IFRS 9 provisioning parameters with projections for the year 2023:

- the central scenario was updated based on the scenarios determined by its economists and validated by Natixis' governance bodies in September 2020;
- a pessimistic scenario, corresponding to a more degraded realization of the macroeconomic variables defined in the framework of the central scenario;
- an optimistic scenario, corresponding to a more favorable realization of the macro-economic variables defined under the central scenario.

Following the historic economic shock related to the COVID-19 crisis in 2020, the central scenario forecasts a strong recovery in GDP from 2021, and then return to the gradually in subsequent years at a more usual long -term pace of economic activity. Economic activity should thus return to its pre-crisis level (2019) in 2023.

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

	2021	2022	2023
S&P 500	2,667	2,707	2,748
SLS	13.8	5.6	5.6
VIX	22	15	12
Fed ref rate	0.25	0.25	0.25
Spread Libor 6-12M	(0.27)	(0.35)	(0.3)

In addition, as part of the preparation of the 2021-2024 strategic plan, a new baseline scenario was developed. This new baseline scenario, validated by the authorities in December, is largely in line with the consensus forecast of November 2020, which is itself consistent with the forecasts validated in September as part of the development of the three scenarios described above. As regards the projections of the financial variables that feed the model for determining the transition matrices, the new baseline scenario and the consensus of November 2020 are identical.

Given this proximity between the different sets of assumptions, IFRS 9 provisions for performing loans were therefore determined on the basis of the scenarios validated in September adjusted by the weightings validated in December 2020.

The weightings of the scenarios used make it possible to reflect the deterioration of several economic variables following the restrictive measures implemented, but also the positive impact on the financial markets of the announcements related to the vaccination last November. The weightings applied at December 31, 2020 are 5% for the pessimistic scenario, 85% for the median scenario and 10% for the optimistic scenario.

Changes in the provisioning mechanism in order to better take into account the sector-specific aspects

The scenario's macroeconomic and financial variables make it possible to build new scoring transition matrices and the corresponding probabilities of default (PD), which reflect and respect the overall scenario but do not provide sufficient detail in distinguishing between different business sectors. In order to strengthen and refine the existing system, a sectoral adjustment for PDs was defined based on the assessment of the rating of economic sectors on a 6-to-12-month time horizon. The average sector-weighted forward-looking PD, produced from the transition matrices, is compared and adjusted to converge toward the equivalent PD in anticipation of the sector's rating.

The sectoral adjustment of the probabilities of default, carried out during the financial year 2020, replaces the use of the change in the rating of the sector as a criterion for monitoring the deterioration of the risk. This more accurate approach makes it possible to better account for sector-specific aspects when assessing credit risk while strengthening the discrimination related to counterparty rating. It makes it possible to mitigate the pro-cyclical impact of the previous methodology, which consisted of always downgrading to Status 2 all counterparty contracts in a sector whose rating had fallen below a certain threshold.

Sensitivity test

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 resulted in the recognition, at December 31, 2020, of an additional provision of €42.6 million. Conversely, a weighting of the probability of occurrence of the optimistic scenario would have resulted in a reversal of provisions of +€94.3 million.

1.4.3 Fair value of financial assets affected by the health crisis

Given the effects of the COVID-19 health crisis on financial markets, the valuation of some products was affected by market illiquidity in the first half of 2020.

Against this backdrop, CIB's activities were exposed to significant remarking of certain value factors, such as the "dividend" component:

- the announcement by some companies that they would suspend their dividends led to a near-elimination of most short-term dividends and was also reflected in the consensus values used for the remarking of this factor;
- due to a stressed market environment that generated significant fluctuations, the "volatility" factor was also remarked for all of the transactions involved.

Natixis' revenues in fiscal year 2020 were affected by this situation *(see Note 1.4.4)* with, however, a decrease in the level of remarking in the second half of the year.

In addition, in the context of the health crisis, the Asset Management business line carried out a comprehensive review of its portfolio which resulted in the recognition of impairment losses during the 2020 fiscal year (see note 1.4.4.).

Stakes held in non-publicly-traded Private Equity funds (seed money portfolio) are valued using IPEV (International Private Equity and Venture Capital Valuation) Guidelines, which are also recommended by Invest Europe

1.4.4 Summary table of the main impacts of the COVID-19 health crisis

(in millions of euros)		**31/12/2020**
Net revenues		(226)
Seed money portfolio mark-downs	Asset Management	30
▪ *listed*		*36*
▪ *unlisted*		*(6)*
Dividend mark-downs on equity products	CIB	(283)
CVA/DVA impact [(a)]	CIB	16
FVA impact [(b)]	Corporate center	10
Provision for credit losses [(c)]	CIB	(610)
TOTAL PRE-TAX PROFIT IMPACT		**(836)**

(a) Net income of the XVA desk, including changes in the value of hedging instruments.
(b) Share of the FVA impact hedged by Financial Management.
(c) Provision For credit losses due to the effects of the COVID-19 crisis such as the impact of IFRS 9 provisions on healthy loans, fraud provisioning, and counterparties operating in the aviation sector.

Note 2 Consolidation methods and principles

2.1 Consolidation scope

Natixis' consolidated financial statements include the financial statements of Natixis and its main subsidiaries.

Only subsidiaries making a material contribution to the Group's financial statements are consolidated.

Materiality is determined based on specific thresholds for each of the Group's business lines and on a qualitative assessment of the relevance of each entity's contribution to the consolidated financial statements of Natixis. The main thresholds applicable are as follows:

Business lines *(in millions of euros)*	**Total balance sheet**	**Net revenues**	**Net income**
Cooperate and investment banking	250	15	+/(2)
Asset & Wealth Management	60	5	+/(2)
Insurance	60	5	+/(2)
Payments	60	5	+/(2)
Corporate Center	60	5	+/(2)

By way of exception to the thresholds described above, and in order to comply with Article 19 of Regulation (EU) No. 575/2013, the consolidation threshold was €10 million (total balance sheet and off-balance sheet commitments excluding derivatives) for entities that meet the definition of financial institutions or ancillary services undertakings.

In terms of mutual funds and real estate holdings within the scope of Natixis Assurances, the materiality threshold used for inclusion in the consolidation scope is as follows:

- total assets or carrying amount of the mutual fund greater than 0.5% of Natixis Assurances' investments;
- the total amount of the entities excluded from the scope does not represent more than 5% of total investments.

The consolidation scope includes all of the material entities over which Natixis exercises exclusive control, joint control or significant influence. The IFRS standards stipulate three types of control: exclusive control, joint control and significant influence. Determining the type of control that exists is not limited to identifying the voting rights held, but also involves an analysis of the economic and legal relations existing between the various entities being analyzed.

In determining whether it exercises control or has a significant influence, Natixis considers current voting rights and potential voting rights if they are exercisable or convertible at any time, and if they grant power over the entity's relevant activities. Potential voting rights arise from stock options on ordinary shares or from the conversion of bonds into new ordinary shares. However, potential voting rights are not taken into account when determining the percentage of ownership except if it is concluded that these voting rights provide access to economic benefits attached to the underlying shares.

The scope of Natixis' consolidated entities is provided in Note 17 to the financial statements.

The percentage of ownership and the voting rights held are indicated for each entity within the consolidation scope. The percentage of ownership represents the equity share directly and indirectly held by Natixis in the entities within the consolidation scope. The percentage of ownership is used to determine Natixis' share in the net assets of the company owned.

2.2 The notion of control and consolidation methods

2.2.1 Control of an entity

The entities controlled by Natixis are consolidated using the full consolidation method, in accordance with IFRS 10. This standard defines a single audit model applicable to all entities, whether they are traditionally governed entities or structured entities *(see Note 4)*. The control of an entity will be analyzed using three cumulative criteria:

- power over the entity's relevant activities;
- exposure or entitlement to variable returns by virtue of its relations with the entity;
- the ability to exercise its power over the entity to influence the variable returns obtained.

When voting rights or similar rights are fundamental to an entity's governance, control is generally understood to mean holding over 50% of voting rights.

If this is not the case, control is determined through the exercise of judgment and by taking into account all facts and circumstances, such as:

- the objectives, terms and circumstances surrounding the creation of the entity;
- the nature of the entity's relevant activities and the decision-making processes concerning these activities;
- the scope of Natixis' decision-making rights (from voting rights or contractual agreements) over the management of the entity's relevant activities (i.e. activities having a significant impact on the entity's returns);
- exposure to variability in the entity's returns *(the significance of the returns received by Natixis compared with the returns received by the other investors, etc.)*;
- rights held by other parties *(withdrawal rights, early redemption rights, rights regarding the dissolution of the entity, etc.)*.

If, after reviewing these criteria, Natixis concludes that its decision-making rights over the management of the entity's relevant activities enable it to influence the variable returns obtained, Natixis does have control pursuant to IFRS 10 and the entity in question will be subject to full consolidation.

Full consolidation involves replacing the carrying amount of investments with the full value of all of the subsidiary's assets and liabilities.

The share of non-controlling interests in shareholders' equity and in income appear separately on the balance sheet, the income statement and the statement of net income/(loss) and other comprehensive income.

2.2.2 Joint control: joint ventures and joint operations

Natixis exercises joint control if, by virtue of a contractual arrangement, decisions pertaining to the entity's relevant activities require the unanimous consent of the parties sharing control over the partnership, and if each partner has the ability to prevent the other partners from controlling the arrangement.

IFRS 11 distinguishes between two types of partnerships: joint ventures and joint operations. Joint ventures are partnerships in which the parties exercising joint control over the Company have rights over that company's net assets. They are consolidated using the equity method. Consolidation using the equity method involves replacing the carrying amount of investments in the owner's financial statements with Natixis' interest in the shareholders' equity and income of the entity owned. Investments are recognized at this reassessed value on the asset side of the consolidated balance sheet in "Investments in associates". The difference between the investments' historical value and their reassessed value is recognized on the liability side of the balance sheet under "Shareholders' equity Group share", and in income under "Share in income of associates" in the consolidated income statement, and under "Share of gains/(losses) of associates recognized directly in equity" in the statement of net income/(loss) and other comprehensive income. Goodwill related to joint ventures is included in the carrying amount.

- These investments are subject to an impairment test whenever there is objective evidence of impairment. If the recoverable value of the investment is lower than its carrying amount, an impairment is recorded under "Share in income of associates" in the consolidated income statement.

  If Natixis' share in the losses of a company consolidated using the equity method is greater than or equal to its interest in the Company, Natixis ceases to take its share in future losses into account. In such cases, the investment is presented as having zero value. Associates' additional losses are only provisioned if Natixis has a legal or implied obligation to hedge them or if it has made payments on behalf of the Company.
- Joint operations are partnerships in which the parties exercising joint control of the operation have rights over its assets, and obligations with regard to its liabilities. An investment in a joint operation is recorded by including all of the interests held in the joint operation, i.e. the share in each of the assets, liabilities and other comprehensive income to which it is entitled. These interests are broken down by type across the various items in the consolidated balance sheet, consolidated income statement and statement of net income/(loss) and other comprehensive income.

2.2.3 Significant influence over associates

Significant influence is the power to participate in the financial and operating policy decisions of the corporate entity owned without having control over such policies. A significant influence is presumed to exist if Natixis directly or indirectly owns at least 20% of the voting rights of the company in question. IAS 28 defines companies over which a significant influence is exercised as associates. These are consolidated using the equity method in accordance with the same terms as those applicable to joint ventures *(see above)*, with the exception of Private Equity investments, which Natixis classifies under financial assets at fair value through profit or loss, in accordance with the option available under IAS 28.

2.3 Change in consolidation scope

In the event of an increase in Natixis' percentage of ownership in an already-controlled entity, the difference between the acquisition cost of the additional percentage interest and the share in the entity's net assets acquired at this date is recorded in "Consolidated reserves". In the event that Natixis' percentage of ownership in an entity decreases without resulting in a loss of control, the difference between the selling price and the carrying amount of the percentage interest sold is also recorded in "Consolidated reserves".

The assumption of control through successive purchases of securities from an entity previously recognized in financial assets at fair value (through profit or loss or other comprehensive income) is shown as two transactions taking place upon the assumption of control:

- the disposal of securities previously recognized in assets at fair value through profit or loss; and
- the acquisition of all of the securities held after the assumption of control.

In such cases, goodwill is determined only once based on the fair value of the assets acquired and the liabilities assumed on the date that control over the entity is assumed.

In the event of the loss of control of a consolidated subsidiary, any equity share retained is measured at fair value and the gains or losses on disposal are recognized in "Gains or losses on other assets" in the consolidated income statement.

Gains or losses on disposals of associates are presented in "Gains or losses on other assets" in the consolidated income statement.

2.4 Treatment of put options granted to minority shareholders

The granting of put options to minority shareholders by Natixis has no impact on the determination of Natixis' controlling interest in the subsidiary in question as long as the option is not exercised, unless Natixis also holds an immediately exercisable call option.

The granting of put options to minority shareholders has no impact on Natixis' percentage interest in the subsidiary in question unless the put option is associated with the holding of a call option by Natixis, and the call and put options give immediate entitlement to the economic benefits attached to the underlying shares.

The granting of a put option to minority shareholders which does not transfer the risks and benefits associated with the underlying shares to Natixis prior to the option's exercising, results in the recognition of a liability equal to the estimated present value of the option's exercise price. The corresponding receivable is booked to equity, the carrying amount is deducted from minority interests and the remainder is deducted from consolidated reserves (Group share). Subsequent changes in the liability related to adjustments to the exercise price of the put option are recorded in consolidated reserves (Group share). Income generated from minority interests subject to put options is presented in "Net income/loss for the period – share attributable to minority interests" in the consolidated income statement.

2.5 Business combinations and goodwill

The following accounting treatment is applied to business combinations giving rise to control:

- IFRS 3 before revision if they occurred prior to January 1, 2010, except for those that occurred before January 1, 2004. On the initial application date of IFRS, Natixis chose the option offered by IFRS 1 "First-Time Adoption of IFRS" to not retrospectively restate business combinations made prior to January 1, 2004, pursuant to IFRS 3;
- revised IFRS 3 (IFRS 3R) if they occur after January 1, 2010. IFRS 3R can be applied prospectively to business combinations if their acquisition date is the same or later than the adoption date of IFRS 3R.

In accordance with IFRS 3 (pre- or post-revision), business combinations are recorded using the acquisition method. Under the acquisition method, the identifiable assets and liabilities of the acquired entity are measured at their fair value at the valuation date.

The method used to measure minority interests and goodwill may differ depending on whether IFRS 3 or IFRS 3R is applied.

- Application of IFRS 3 to business combinations carried out before January 1, 2010:
  - minority interests are determined based on their share in the identifiable net assets of the acquired entity, measured at their fair value at the purchase date (partial goodwill method);
  - goodwill is the difference between the cost of the business combination and the share of the purchasing entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.
- Application of IFRS 3R to business combinations carried out after January 1, 2010:
  - for each business combination, Natixis chose to determine minority interests:
    - either based on their share in the identifiable net assets of the acquired entity, measured at their fair value at the purchase date, and therefore without recognizing goodwill on the minority interests (partial goodwill method),
    - or based on their fair value at the purchase date, resulting in the recognition of goodwill, both for the Group share and the minority interests (full goodwill method);
  - hence, goodwill is a residual item determined as the difference between (i) the sum of the purchase price, the fair value at the purchase date of the percentage interest held in the acquired entity prior to the purchase date, and the amount of the minority interests (determined using the partial goodwill method, in the majority of cases, or the full goodwill method) and (ii) the net amount of the assets and liabilities assumed, measured at their fair value at the purchase date.

Positive goodwill is recorded on a separate line on the asset side of the balance sheet if it relates to a controlled entity. It is allocated at the purchase date to one or more cash-generating units (CGUs) expected to benefit from the acquisition and is not amortized. It is tested for impairment at least once per year, and more often where there is objective evidence of impairment. The impairment test consists of comparing the carrying amount of the CGU or group of CGUs including goodwill with its recoverable value.

A controlled entity's negative goodwill is immediately recognized in income under "Change in value of goodwill".

Goodwill related to an associate or joint venture is included in the carrying amount of "Investments in associates" under assets if it is positive; however, it cannot subsequently be amortized. It is tested for impairment at least once a year. If it is negative, it is immediately recognized in income under "Share in income of associates".

Specific case of business combinations carried out under joint control

Combinations of entities or operations under joint control are understood to be combinations in which several operations are combined and all of the interested parties (entities or operations) are ultimately controlled by the same party or parties for a relatively long period before and after the combination. Such combinations do not fall within the scope of IFRS 3R.

Barring clarification of IFRS 3R on the accounting treatment of business combinations under joint control, Natixis applies a method based on historical carrying amounts to such transactions. According to this method, the difference between the price paid and Natixis' share in the historical carrying amounts of the assets and liabilities of the acquired entity is recorded as a deduction from shareholders' equity. In effect, in using this method, any goodwill and valuation differences resulting from the application of the acquisition method are deducted from shareholders' equity.

The carrying amounts used are those listed in the consolidated financial statements of the ultimate parent company at the date of completion of the transaction.

Transactions involving two entities controlled by Natixis and those involving an entity controlled by Natixis and an entity controlled by BPCE are considered to have been carried out by entities under joint control.

Principles adopted for the measurement and recognition of the transactions resulting in the creation of Natixis in 2006

The assets contributed by the CNCE to Natixis fall into two categories:

- shares in the Corporate & Investment Banking and service subsidiaries;
- a portion of the cooperative investment certificates (CCIs) conferring entitlement to the share capital of the Caisses d'Epargne.

The contribution values used for consolidation purposes in respect of both categories of assets are the carrying amounts of these assets in the former CNCE's consolidated financial statements, restated in accordance with IFRS as adopted in the European Union.

Other transactions affecting the structure of the Group that led to the creation of Natixis were accounted for by the acquisition method for consolidation purposes, in accordance with IFRS 3.

Goodwill arising in connection with the above-mentioned business combination on December 31, 2006 was accounted for as follows:

Goodwill on contributed entities

As the contributions were recognized at their net carrying amount under IFRS, no valuation adjustments have been recorded for the various assets and liabilities contributed. The difference between the acquisition cost and the Group's interest in the net assets of the contributed entities does not constitute goodwill within the meaning of IFRS 3, since the acquisition cost takes into account the real value of the shares, while the contributions were recognized at their net carrying amount. Each of the differences observed was recognized in "Consolidated reserves".

An amount of €3,170 billion was charged against the share premium in this respect at December 31, 2006.

Goodwill on other transactions

The goodwill arising from the transaction resulting in the creation of Natixis amounted to €484 million, which breaks down as follows: €229 million for the former IAMG, €21 million for the former IXIS CIB and €8 million for the former Novacrédit, plus the goodwill recorded in "Investments in associates" relating to the Caisse d'Epargne CCIs (€190 million) and the Banque Populaire CCIs (€36 million).

Since then, goodwill relating to the former IXIS CIB has been fully written-down.

In light of the sale of the cooperative investment certificates during fiscal year 2013, the associated goodwill is no longer included in the consolidated balance sheet.

Other goodwill

During the financial year 2020, excluding translation differences (-€129 million), goodwill decreased by -€229 million *(see Note 7.12)*.

Impairment tests

All items of goodwill are impaired, based on the value in use of the cash-generating units (CGUs) to which they have been allocated.

The determination of values in use primarily relied on the updating of the estimate of future flows of CGUs (i.e. the Discounted Cash Flows (DCF) method) as determined by the latest business divisions' result forecasts reassessed in the context of the crisis in the first half of 2020.

At December 31, 2020, the following assumptions were used:

- estimated future cash flows: forecast data from the latest multi-year profit trajectory forecasts for the business lines drawn up as part of the preparation of Natixis' strategic plan;
- perpetual growth rate: the perpetuity rate set at 2.5% for the Insurance and Payments CGUs and for the M&A activity of BGC, due to the prospects for sustained growth in their activity and their resilience. in the context of the crisis. The perpetuity rate is maintained at +2% for the AWM CGU in a context still marked by high volatility on stock market indices. As a reminder, the perpetual rate had been reduced to +2% for all CGUs for the test at June 30, 2020;
- discount rate: use of a specific rate for each CGU: 7.6% for Asset & Wealth Management (9.1% as of December 31, 2019), 9.5% for CIB (11.4% as of December 31, 2019), 7.6% for Insurance (10.6% as of December 31, 2019) and 6.7% for Payments (6.9% as of December 31, 2019).

Market data is now calculated on a historical depth of five years (vs. ten years previously) in order to take into account a period that is more representative of the current operating conditions of the various CGUs, in particular due to the constant decline in the number of CGUs interest rate since the eurozone crisis. This methodological adjustment mainly explains the decrease in discount rates between the two financial years.

In addition, and in more detail, the discount rates were determined taking into account:

- for the Insurance and Payments CGUs, the risk-free 5-year French Treasury bond rate averaged over a period of 10 years;
- for the Asset & Wealth Management and Corporate & Investment Banking CGUs, the average of the 10-year French Treasury bond and 10-year US Treasury, averaged over a period of five years.

A risk premium calculated on the basis of a sample of companies representative of the CGU is then added to these rates, with an average over a depth of five years.

For BGC, the fact that goodwill comes exclusively from the M&A activity on the one hand, and the work in progress within the division in view of the next strategic plan on the other hand led to the completion of the business unit. Valuation exercise on the sole scope of M&A while enriching the valuation methods used (multi-criteria approach including a DCF approach as well as methods of valuation by market multiples and comparable transactions) compared to the tests conducted previously.

These tests did not result in the recognition of impairment losses at December 31, 2020.

A 50 bp increase in discount rates (assumption based on the historical annual variability observed over one year using 2012-2020 historical data) combined with a 50 bp reduction in perpetual growth rates would reduce the value in use of CGUs by:

- -13% for the Asset & Wealth Management CGU;
- -12% for the Wholesale Banking CGU (on M&A activity);
- -14% for the Insurance CGU;
- -17% for the Payment CGU,

and would not lead to the recognition of any impairment losses for these CGUs.

The sensitivity to key assumptions does not significantly affect the recoverable amount of the CGUs:

- for Asset & Wealth Management, a 10% decline in the equity markets (uniform decline across all years) would have a -10% negative impact on the CGU's recoverable value and would not lead to the recognition of an impairment loss;
- for Corporate & Investment Banking, sensitivity to the dollar or to higher liquidity costs would have a limited impact on net revenues and would not lead to any impairment being recorded;
- for Insurance:
  - the main vector of sensitivity for life insurance is interest and market rates, but various steps are being taken to reduce their impact (diversification of investments, reserves, equity hedging, etc.). Accordingly, the impact on the income statement is limited and would not significantly affect the CGU's value,
  - for non-life insurance, the main vector of sensitivity is the loss ratio, which is notably measured via the combined ratio. Natixis' New Dimension strategic plan sets the combined ratio at below 94%. A one-point deterioration in this ratio each year would lead to a limited fall of 3% in the CGU's value, with no impact on impairment;

- for Payments, with regard to business activity, the CGU has a diversified business model with, on the one hand, a long-standing payments business serving the Groupe BPCE networks, which has generated high volumes of activity over the years (and strong momentum in electronic payments) and, on the other, a portfolio of Fintech companies offering a wide range of products, both to Group clients and externally (digitized securities, merchant solutions, e-commerce, solutions for company works councils, etc.). This business model implies a lower level of earnings volatility.

2.6 Subsidiaries 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.

When the fair value of the group of assets and liabilities is lower than their overall net book value, Natixis limits the amount of impairment to non-current assets (goodwill, intangible assets and property, plant and equipment) measured in accordance with IFRS 5.

Entities treated under IFRS 5 as of December 31, 2020 are presented in Note 1.2 Significant events.

2.7 Standardization of individual data and treatment of intra-group transactions

Prior to consolidation, the individual financial statements of companies included in the scope of consolidation are restated if necessary to bring them into line with Natixis' accounting policies described below.

The impact on the balance sheet and income statement of internal transactions carried out between fully-consolidated entities is eliminated. The internal profits or losses of entities consolidated using the equity method are eliminated to the extent of Natixis' percentage interest in the joint venture or associate.

2.8 Natixis' institutional operations

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

2.9 Currency conversion of the statements of foreign subsidiaries and branches

Natixis' consolidated financial statements are prepared in euros.

The balance sheets of foreign subsidiaries and branches whose functional currency is not the euro are translated into euros at the closing exchange rate, except for share capital, reserves and capital allocations, which are translated at the historical exchange rate. The income statements of foreign subsidiaries and branches whose functional currency is not the euro are translated at the average exchange rate for the year. Any resulting translation gains or losses arising regarding both balance sheet and income statement items are recognized in equity under "Translation adjustments" for the portion attributable to the Group and "Minority interests" for the portion attributable to third parties.

In the event of the total or partial disposal of an entity or the capital repayment of an entity, translation gains or losses are reclassified as income in proportion to the cumulative amount of the exchange differences recognized in recyclable other comprehensive income under "Translation adjustments".

Natixis elected to use the option available under IFRS 1 on first-time adoption, namely to transfer the cumulative balance of the translation adjustments existing at January 1, 2004 to consolidated reserves. If a foreign entity is subsequently sold, the gain or loss on the disposal will include only those translation gains or losses arising after January 1, 2004.

Note 3 Consolidation scope

3.1 Changes in consolidation scope since January 1, 2020

The primary changes in scope that have taken place since January 1, 2020 are as follows:

3.1.1 Cooperate and investment banking

Deconsolidated entities

- During the first quarter of 2020, the Trez Commercial Finances Limited Partnership was deconsolidated after falling below the thresholds.
- The Natixis Grand Cayman branch was closed in the third quarter of 2020.

Changes in percentage of ownership

- In the second quarter of 2020, the stake in Natixis Partners increased from 99.9% to 100% following the buyback of shares from the executive officers.
- The shareholding rate in EDF Investissement Group increased from 6.1% to 7.5% following two capital reductions in the second half of 2020.
- The shareholding rate in the Azure entities increased from 52.2% to 53.1% following the exit of non-controlling interests in the first and fourth quarter of 2020.

3.1.2 Asset & Wealth Management

Newly consolidated entities

- During the second quarter of 2020, Loomis Sayles Operating Services LLC, intended for the operational support of Asset Management activities (service delivery, IT infrastructure) was created and consolidated.
- In order to develop its distribution activity in Europe, the Luxembourg entity Natixis Investment Managers S.A. created a branch in Belgium, Natixis Investment Managers S.A., Belgian Branch, which has been consolidated since the third quarter of 2020.
- Consolidation of the Teora entity in the fourth quarter of 2020. Natixis Wealth Management will transfer its life insurance brokerage activity to this subsidiary.
- During the fourth quarter of 2020, an additional Seed Money was invested in the Thematics Subscription Economy fund, bringing Natixis IM's stake to over 30%. On this occasion, the seeding period was extended beyond one year. As a result, this fund, whose assets exceed €60 million, is consolidated at December 31, 2020.
- As part of its expansion on the European continent, Loomis Sayles has created a branch in the Netherlands (Loomis Sayles & Company, LP, Dutch Branch) in order to develop its fixed income expertise in the Eurozone. Loomis Sayles has also created a new entity, Loomis Sayles Alpha Luxembourg LLC, to facilitate the management of certain funds in Luxembourg. These two structures are consolidated in the fourth quarter of 2020.
- DNCA Finance has created a branch in Luxembourg to house the former activities of its subsidiary DNCA Luxembourg. This branch was consolidated in the fourth quarter of 2020.
- In the fourth quarter of 2020, AEW Capital Management created the Seaport Strategic Property Program I Co-Investors, LLC, in the context of the management of a new real estate fund in the United States. This entity, wholly owned by AEW Capital Management, is consolidated as of December 31, 2020.

Deconsolidated entities

- Deconsolidation of the Thematics Meta Fund in the first quarter of 2020. The seed money invested in the fund was partially repaid, bringing Natixis IM's stake below the 20% mark, corresponding to the deconsolidation threshold.
- Deconsolidation in the fourth quarter of 2020 of the following entities following their liquidation: AEW Central Europe Romania, Arctic Blue Capital Ltd, Arctic Blue Capital Management Ltd, Loomis Sayles Solutions, LLC and CREA Western Investors I, Inc.
- As part of the simplification of the DNCA Group's structure, the companies DNCA Courtage and DNCA Luxembourg were subject to a Universal Transfer of Assets to DNCA Finance in the fourth quarter of 2020. In addition, DNCA Management, an entity wholly owned by NIM P3 and with a controlling stake in DNCA Finance, was absorbed by NIM P3.
- Deconsolidation in the fourth quarter of 2020 of the Thematics AI and Robotics Fund after falling below the consolidation thresholds.

Changes in percentage of ownership

- During the second quarter of 2020, within the buyback window scheduled for 2020, the managers of DNCA exercised the put options on a portion of their DNCA Finance and DNCA Management shares. Following these transactions, Natixis IM's ownership stake in DNCA Finance and its subsidiaries (DNCA Courtage, DNCA Luxembourg, and DNCA Finance's Milan branch) reached 85%, and its ownership stake in DNCA 100%.
- As a reminder, Vauban IP was cofounded in late 2019 by its partner-managers (who owned 18.6% of the capital) and Natixis IM (owing 81.4% of the capital) as a spin-off of Mirova's Infrastructure business. During the first quarter of 2020, the share held by the partner-managers grew by 20%, reaching the target ownership structure of the transaction. This lowered Natixis IM's share in Vauban from 81.4% to 61.4%.
- Dorval Finance: the structure's managers exercised their put options and redeemed shares at the end of the first quarter of 2020. Following these transactions, Natixis IM's ownership stake and control of Dorval became 88.7%.
- During the first half of 2020, some of the seed money invested in the Thematics AI and Robotics fund was redeemed. As a result, Natixis IM's share of that fund became 31%.
- During the third quarter of 2020, within the planned buyback window, the managers of Thematics AM exercised the put options on a portion of their shares, representing 10% of the share capital of Thematics AM.
- As part of the merger of the interest rate management and insurance activities of Natixis IM and La Banque Postale AM, a large portion of LBP AM's activities were transferred to Ostrum in the fourth quarter of 2020. Following this asset contribution, Natixis IM retains 55% of the capital of Ostrum, while La Banque Postale acquires a 45% stake.

Restructuring

- NIM simplified the organizational structure of the AM holding companies in the United States.

  January 1, 2020, Natixis US Holdings, Inc. absorbed Natixis Investment Managers LLC, a holding company with an insignificant stake (1%) in Natixis Investment Managers LP, a company whose residual capital (99%) was also wholly owned by Natixis US. Holdings Inc. As part of this transaction, Natixis US Holdings Inc. was transformed into a limited liability company (LLC), then renamed Natixis Investment Managers US Holdings LLC.

On January 1, 2020, Natixis Investment Managers LP absorbed Natixis Investment Managers Holdings LLC, a holding company that indirectly holds an insignificant stake (1% to 2%) in the various US affiliates (Loomis, Harris, AEW Capital Management, Vaughan Nelson, etc.), affiliates whose residual capital was also wholly owned by Natixis Investment Managers LP. As part of this transaction, Natixis Investment Managers LP was transformed into a limited liability company (LLC), then renamed Natixis Investment Managers LLC.

On March 15, 2020, Natixis ASG Holdings Inc. absorbed Alternative Strategies group LLC, its wholly-owned subsidiary. Alternative Strategies group LLC had until then served as the holding company of AlphaSimplex group LLC, whose capital it fully owned.

3.1.3 Insurance

Deconsolidated entities

- Deconsolidation in the first quarter of 2020 of the Selection Protection 85 fund after falling below the thresholds.

3.1.4 Payments

Deconsolidated entities

- Closure within Dalenys of the entity Rentabiliweb in Romania in the fourth quarter of 2020.

Changes in percentage of ownership

- In the second quarter of 2020, the stake in Natixis Partners increased from 99.1% to 99.4% following the buyback of shares from the founders.

3.1.5 Coface

Since January 1, 2020, Coface has been consolidated using the equity method *(see Key Events)*.

Newly consolidated entities

- Acquisition of the Coface GK Forsikring AS entity in the third quarter of 2020. This entity manages a short-term export credit insurance portfolio on the Nordic market.

Restructuring

- The Seguro Brasileira CE entity was absorbed by Coface Do Brasil Seguros De Credito in the third quarter of 2020.

3.2 Impact of acquisitions and disposals

The effects of acquisitions and disposals were as follows at December 31, 2019:

- the recognition of new put options granted to minority shareholders relating to acquisitions, for -€44.2 million. For the Corporate Banking business line, as part of the acquisition of Azure Capital, a mergers and acquisitions consulting firm, a put of -€9 million was recorded on the 48% minority interests. In addition, a -€0.3 million put was recorded on Natixis Coficiné non-controlling interests (0.01% of share capital). In the case of the Asset & Wealth Management business line, Natixis Investment Managers sold part of its stake in Flexstone Partners SAS, thus decreasing Natixis' ownership interest from 100% to 84%. A put option on minority interests was recorded on the 16% minority stake for -€3.6 million. In addition, Thematics Asset Management, which was co-founded by its managing partners and Natixis Investment Managers in 2019, was consolidated in the accounts. The intention is for the firm to become Natixis' partner of choice for thematic investing in international equities. Natixis Investment Managers also holds put options on non-controlling interests (60%) in the amount of -€30.2 million. At Massena Partners, a put option on non-controlling interests (2%) was recorded in the amount of -€0.9 million. Finally, for the Payments business, a put option on the minority interests at Lakooz (0.1%) was recorded in the amount of -€0.2 million;
- concerning puts on non-controlling interests at the beginning of the financial year in the amount of +€12.7 million. This impact stems from the change in fair value of these put options over the period, resulting from the negative revaluation of financial debt for +€29.5 million and the effects of unwinding the discount on this financial debt, for -€16.8 million;
- the effect of changes in the percentage of ownership without a loss of control of consolidated entities, in the amount of -€13 million, of which -€4.4 million for Coface and -€11.5 million in losses for the buyout of 49% of the minority interests of Mirova Natural Capital Limited;
- the recycling to profit or loss (resulting from the disposal of the SFS business lines to BPCE) in particular of unrealized reserves on available-for-sale assets from the CEGC portfolio for -€70 million, recyclable hedging derivatives reserves for +€106 million and revaluation adjustments on defined benefit plans for +€2 million;
- the recycling through profit or loss (resulting from the disposal of Natixis Brasil) of translation adjustments for +€21.9 million and recyclable OCI on fixed income securities for +€0.8 million;
- the translation adjustment recycling for -€5.6 million following the repayment by the Dubai branch of part of its capital ($94.4 million) in order to reduce the Group's global exposure to USD/EUR foreign exchange risk.

The effects of acquisitions and disposals are as follows at December 31, 2020:

- concerning puts on minority interests at the beginning of the financial year for +€19.1 million. These effects are related to the change in the fair value of these puts over the period for +€13.7 million, generated by the downward revaluation of the financial debt for +€16.1 million, of which +€19.4 million for the AWM division (including +€7.8 million for Dorval Finance and +€10.2 million for IML), and an amount of -€2.4 million generated by the effects of the unwinding of the discount on this financial debt. The transfer of the positive change in the share of net minority interests of these entities representing these puts was +€5.4 million over the period;
- new puts on minority interests during the period amounted to -€18.1 million. As part of the merger of the interest rate management and insurance activities of Natixis IM and La Banque Postale AM, a large part of the activities of LBP AM were transferred to Ostrum in the fourth quarter of 2020. Following this contribution of assets, Natixis IM retains 55% of the capital of Ostrum, while La Banque Postale acquires a 45% stake, as Natixis granted a put to the latter. The effect in equity of -€18.1 million corresponds to the difference between the valuation of the put (€79.5 million) and the minority interests of the new entity (€61.4 million);
- changes in the percentage of interest without loss of control of consolidated entities in the amount of +€11.4 million, mainly corresponding to the result of dilution following the disposal of 45% of Ostrum to La Banque Postale AM for +€11.8 million carried out in the fourth quarter of 2020;
- reclassification of actuarial gains and losses resulting from the application of IAS 19R as reserves in connection with the loss of control of Coface for -€10.9 million.

3.3 Interests in subsidiaries

3.3.1 Material non-controlling interests

At December 31, 2020

(in millions of euros)				31/12/2020						
				Non-controlling interests			Concise financial information on entities			
Name of entity	Place of establish-ment	Percentage interest in non-controlling interests	Percentage control of non-controlling interests (if different)	Income attributable to the owners of non-controlling interests over the period	Amount of non-controlling interests in the subsidiary	Dividends paid to the owners of non-controlling interests	Total assets	Total debt (liabilities – equity)	Net income	Total income
H2O	United Kingdom	49.99%	49.99%	30	122	124	282	55	60	38
Other Entities				52	45	42				
TOTAL				**81**	**167**	**167**				

At December 31, 2019

(in millions of euros)				31/12/2019						
				Non-controlling interests			Concise financial information on entities			
Name of entity	Place of establish-ment	Percentage interest in non-controlling interests	Percentage control of non-controlling interests (if different)	Income attributable to the owners of non-controlling interests over the period	Amount of non-controlling interests in the subsidiary	Dividends paid to the owners of non-controlling interests	Total assets	Total debt (liabilities – equity)	Net income	Total income
Coface	France	57.52%	57.52%	118	1,174	68	7,387	5,462	147	241
H2O	United Kingdom	49.99%	49.99%	211	229	186	675	225	423	454
Other Entities				51	27	47				
TOTAL				**380**	**1,430**	**301**				

3.3.2 Impact of changes in the percentage of ownership in subsidiaries that remain under control

After obtaining the required regulatory approvals, Natixis and La Banque Postale were able to finalize on October 31, 2020, the merger of the fixed income and insurance-related management activities of Ostrum Asset Management and La Banque Postale Asset Management announced in 2019. This transaction resulted in the contribution of LBP AM's activities to Ostrum *(see note 1.2.3)*.

Following this asset contribution, Natixis retains 55% of the capital of Ostrum (compared to 100% before the transaction), while La Banque Postale now holds a 45% stake. LBP AM also has a promissory agreement granted by Natixis in relation to all its shares.

No such material transactions were recorded in 2019.

3.3.3 Impact of the loss of control during the period of a subsidiary in which an interest has been retained

The signing of the Coface disposal agreement *(see note 1.2.1)* led Natixis to reassess the nature of the control exercised by it over this entity. Although it retains its interest in Coface, it was considered that Natixis no longer exercised control, as from February 25, 2020.

No such transactions were recorded in either 2019.

3.3.4 Material restrictions

Natixis is subject to liquidity risk supervision, which requires the creation of a liquidity reserve limiting the use of the assets of which it is composed *(see Chapter [3] "Risk factors, risk management and Pillar III" Note 3.2.7 "Balance sheet management" of the universal registration document)*.

Some entities are also subject to local regulations concerning liquidity and solvency.

The share of encumbered assets that cannot be freely used is presented in Section 3.3.4 of Chapter [3] "Risk factors, risk management and Pillar III" of the universal registration document.

Despite the application of exchange controls in some countries, Natixis did not encounter difficulties transferring the dividends of subsidiaries located in these countries during the period.

Assets representative of unit-linked policies from insurance activities measured under the fair value option are held for the benefit of policyholders.

3.4 Interests in partnerships and associates

3.4.1 Types of partnerships and associates with which Natixis has dealings

Partnerships (joint operations and joint ventures)

Natixis does not have interests in partnerships (joint operations and joint ventures) that have an impact on Natixis' consolidated financial statements.

Associates

The main investments of Natixis accounted for under the equity method as of December 31, 2020 are EDF Investment Group (EIG) and Coface.

5

Table summarizing investments in associates

(in millions of euros)	31/12/2020			31/12/2019		
	Value of the investments in associates	**Net income**	**Gains and losses recorded directly in equity**	Value of the investments in associates	Net income	Gains and losses recorded directly in equity
Joint ventures						
Associates	**879**	**(53)**	**(2)**	**743**	**21**	**7**
EDF Investment Group (EIG)	521	10	(0)	520	10	(0)
Coface [(a)]	158	(47)	(1)			
Other entities [(b)]	200	(16)	(1)	223	11	7
TOTAL	**879**	**(53)**	**(2)**	**743**	**21**	**7**

(a) *Coface's net income includes -€57.4 million for the impairment of the stake held by Natixis. The market value of the stake in Coface using the equity method is €158.5 million as of December 31, 2020.*

(b) *The net income of other entities of -€16 million at December 31, 2020 includes a depreciation of -€11.5 million on the Adir entity, bringing the value of the equity method to zero.*

3.4.2 Summarized financial information pertaining to material joint ventures and associates

The summarized financial data pertaining to material associates and joint ventures under significant influence are presented below.

(in millions of euros)	31/12/2020 Coface	31/12/2020 EDF Investment Group (EIG)	31/12/2019 EDF Investment Group (EIG)
Valuation method	**Associate**	**Associate**	Associate
Dividends received		11	10
Main aggregates			
TOTAL ASSETS	**7,553**	**6,969**	**8,577**
TOTAL DEBT	**5,554**	**41**	**49**
Income statement			
Pre-tax profit	*128*	*202*	*231*
Income tax	*(45)*	*(50)*	*(68)*
Net income	*83*	*152*	*162*
Gains or losses recorded directly in equity	145	(11)	(5)

The data for EIG and Coface established on December 31, 2020 comply with IFRS as adopted by the European Union on that date and with the accounting principles and valuation methods applied to Natixis' consolidated financial statements as presented in Note 5.

See below the financial information reconciliation table with the carrying amount calculated using the equity method.

(in millions of euros)	31/12/2020 Coface	31/12/2020 EDF Investment Group (EIG)	31/12/2019 EDF Investment Group (EIG)
Equity of the associate	1,701	6,927	8,528
Percentage of ownership	12.70%	7.54%	6.11%
Natixis' share in the equity of the associate	216	521	520
Goodwill			
Impairment	(57)		
Value of the investment in the associate	158	521	520

3.4.3 Nature and scope of restrictions

Natixis did not encounter significant restrictions on interests held in associates and joint ventures.

3.4.4 Risks associated with interests in joint ventures and associates held by entities

There are no unrecognized shares in the losses of joint ventures or associates over the period following the application of the equity method.

Note 4 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are managed by means of contractual agreements.

Structured entities generally have one or more of the following characteristics:

- restricted and narrowly-defined activities and objectives;
- limited or non-existent equity that is insufficient to allow it to finance its activities without subordinated financial support;
- financing in the form of multiple contractually linked instruments that create concentrations of credit or other risks (tranches);
- few or no employees.

4.1 Scope of the structured entities with which Natixis has dealings

4.1.1 General principles

In accordance with IFRS 12, Natixis discloses information for all of the structured entities in which it holds interests and for which it acts in one or more of the following roles:

- originator/structurer/arranger;
- placement agent;
- manager of relevant activities; or
- any other role in which it has a decisive impact on the structuring or management of the transaction.

Interest in an entity is understood to mean a contractual or non-contractual relationship that exposes the entity to the risk of variable returns associated with the performance of another entity. Interests in other entities may be evidenced by, among other things, ownership of equity instruments or debt securities, as well as by other links, such as financing, cash loans, credit enhancement and the issuing of guarantees or structured derivatives.

Consequently, the following are not included in the consolidation scope (IFRS 10) or in the scope applicable to the disclosure of additional information (IFRS 12):

- structured entities linked to Natixis solely through an ongoing transaction. This corresponds to an unstructured financial instrument which does not generally have a material impact on the variability of the structured entity's returns and which may be concluded by Natixis with structured entities or with traditionally-governed entities alike. Ongoing transactions are most commonly:
  - vanilla fixed-income/currency derivatives, derivatives with other underlying assets, the lending/borrowing of securities and repos;
  - guarantees and plain vanilla financing granted to family SCIs or certain holding companies.
- external structured entities in which Natixis acts as a simple investor. These are:
  - investments in external mutual funds not managed by Natixis, with the exception of those in which Natixis owns virtually all of the units;
  - interests held in external securitization vehicles for which Natixis acts simply as a minority investor;
  - a restricted scope of interests held in real estate funds and external Private Equity funds for which Natixis acts simply as a minority investor.

The structured entities with which Natixis has dealings can be categorized into four groups: entities created within the context of Structured Financing, Asset Management funds, securitization vehicles and entities established for other types of transactions.

In accordance with IFRS 10, consolidation analyses of structured entities are performed taking into account all of the criteria referred to in Note 2.2.1.

4.1.2 Structured finance transactions

In order to meet financing requirements for movable assets (involving air, sea or land transportation), real estate, corporate acquisitions (LBO financing) or commodities, Natixis may be required to create structured entities for a specific financial transaction on behalf of a customer.

These structures are, for the most part, self-managed. In the case of lease contracts, the transaction must be structured such that its income always amounts to zero. This means that only default events are able to modify the structured entity's income, by leading to the disposal of the rights over the assets once the guarantees have been exercised. Natixis has the power to have the assets sold in the case of a default event, acting either alone or via the bank syndicate's agent. This right equates to a protective right because Natixis would never benefit from the income from the sale beyond the amount of the balance due under the loan agreement. Natixis does not therefore have power over such entities' relevant activities.

If auto-pilot mechanisms are not in place for these structures, it is generally the sponsor who oversees activities which are relevant and which generate returns. As previously, Natixis' rights as lender are protective rights limited to the amount of its receivable. Natixis does not therefore have power over such entities' relevant activities.

In addition, Natixis is rarely a shareholder in such entities and, when it is, it generally holds a minority interest. The entities for which Natixis is the majority shareholder are limited in number and do not have a material impact on the consolidated financial statements.

4.1.3 Asset Management transactions

Mutual funds

In general, seed money investments held for less than one year were not consolidated.

1. Non-guaranteed mutual funds

In the context of mutual funds, relevant activities are investment and divestment activities involving securities in fund assets. These activities are managed in a discretionary manner on behalf of investors by Natixis Investment Managers' and Natixis Wealth Management's management companies.

The compensation of Natixis Investment Managers and Natixis Wealth Management as managers is marginal compared with the returns generated for investors. Indeed, the management and incentive fees are obtained on the market and are consistent with the services rendered, since the Asset Management activity takes place on a competitive and international market.

In the absence of rights held by third parties (e.g., withdrawal or fund redemption/liquidation rights), the control of mutual funds managed by Natixis Investment Managers and Natixis Wealth Management is assessed according to the combined interests held by the entities and business lines within Natixis' consolidated scope:

- as managers, Natixis Investment Managers and Natixis Wealth Management do not invest in the funds and generally own only a few units;
- Natixis Assurances may take out interests in mutual funds managed by Natixis Investment Managers via its insurance subsidiaries. These interests are subscribed in the form of euro-denominated or unit-linked insurance policies:
  - euro-denominated policies are policies under which the insured party receives a minimum guaranteed return plus the major share of the surpluses generated by the insurance company's main fund. Any shortfall between the fund's return and the minimum guaranteed return is borne by the insurer, which thus incurs the risks,
  - unit-linked policies are policies under which the insured party selects the funds in which the insurer invests on its behalf. The value of the insurer's interest in such funds is reflected in the insurance policies. Invested funds representing unit-linked policies are consolidated under IFRS 10 if all of the control criteria are met cumulatively and if the funds have a material impact;
- other Natixis entities and business lines may hold minority interests, intended mainly to meet cash investment needs.

A fund is subject to consolidation:

- if Natixis acts as principal, i.e. if Natixis is a manager and is not revocable by a limited number of people and if Natixis holds a large enough material interest to conclude that it controls the fund; or
- if Natixis is not a manager but owns virtually all of the units.

Non-guaranteed mutual funds subject to consolidation but not consolidated due to their materiality are listed in Note 17.1.

2. Guaranteed mutual funds

Natixis guarantees the capital and/or performance of certain mutual funds. These packaged funds are passively-managed funds. Once the structuring is established initially, it is fixed for the fund's entire lifetime. Natixis has relatively limited exposure to negative variable returns thanks to the fund's strict management by Natixis TradEx Solutions (formerly Natixis Asset Management Finance) and a robust risk control system put in place upon structuring and monitored throughout the fund's lifetime. These controls significantly limit the risk of guarantee activation.

As with non-guaranteed mutual funds, guaranteed mutual funds are subject to consolidation under IFRS 10 whenever Natixis acts as principal (e.g., Natixis acts as a non-revocable manager and holds a material interest). Guaranteed mutual funds subject to consolidation but not consolidated due to their materiality are listed in Note 18.1.

Real estate funds

The relevant activities of these funds are those involving the investment and divestment of real estate assets. These funds are managed on behalf of investors by Natixis Investment Managers' management companies (AEW Europe, AEW Central Europe, etc.).

With regard to compensation, the returns received by Natixis include income received by Natixis as a management company (management fees, incentive fees, etc.) and as an investor (dividends).

A fund is subject to consolidation if Natixis acts as principal (e.g., Natixis is a manager and is not revocable by a limited number of people and holds material variable returns). Real estate funds subject to consolidation but not consolidated due to their materiality are listed in Note 18.1.

Private Equity funds

As part of its Private Equity operations, Natixis makes equity investments in unlisted companies via Private Equity investment vehicles (Fonds Communs de Placement à Risque – FCPRs – Private Equity investment funds and SICARs – Sociétés d'Investissement à Capital Risque – venture capital companies) and limited partnerships which it typically manages.

The analysis criteria for IFRS 10 consolidation applied to Private Equity funds are the same as those applied to real estate funds. A fund is subject to consolidation if Natixis acts as principal (e.g., Natixis is a manager and is not revocable by a limited number of people and holds material variable returns). Private Equity funds subject to consolidation but not consolidated due to their materiality are listed in Note 17.1.

4.1.4 Securitization transactions

Securitization vehicles

Securitization transactions are generally constituted in the form of structured entities used to segregate assets or derivatives representative of credit risks.

The purpose of such entities is to diversify and tranche the underlying credit risks, most often with a view to their acquisition by investors seeking a certain level of compensation based on the level of risk assumed.

The assets of these vehicles, and the liabilities they issue, are rated by rating agencies, which continually monitor the suitability between the level of risk associated with each tranche sold and the rating attributed.

The following types of securitization are encountered at Natixis and involve structured entities:

- transactions through which Natixis (or a subsidiary) transfers credit risk relating to one of its asset portfolios to a dedicated vehicle in cash or synthetic form;
- securitization transactions on behalf of third parties. These transactions consist in placing the assets of a third-party company in a dedicated structure (generally a special purpose entity [SPE] or a conduit). The SPE issues units that may in some cases be subscribed to directly by investors, or subscribed to by a multi-seller conduit which refinances the purchases of its units by issuing short-maturity "notes" (treasury notes or commercial paper).

Natixis is mainly involved in these entities in its capacity as:

- structurer/arranger of securitization transactions;
- originator of securities or loans held as assets pending securitization;
- credit risk intermediary between the market and the securitization entity.

Natixis completed various securitization transactions in 2020, as in 2019, relating to commercial real estate financing originated by Natixis Real Estate Capital LLC.

Securitization vehicles subject to consolidation but not consolidated due to their materiality are listed in Note 17.1.

Natixis is also the sponsor of two ABCP (asset-backed commercial paper) conduits: Magenta and Versailles.

The Versailles conduit is consolidated, with Natixis holding power over activities relevant to the conduit enabling it to influence its returns, given its prominent role in choosing and managing acquired receivables as well as managing the issuance program.

In contrast, given that Natixis is not part of the governing body holding the power to decide on the Magenta conduit's relevant activities, it is not consolidated in Natixis' financial statements.

Management of CDO Asset Management structures

Natixis Investment Managers is involved in such funds as manager of the underlying portfolio for third-party investors. Its role is strictly defined by the portfolio management agreement, which never provides it with effective control of the structure but rather with the role of agent. Furthermore, neither Natixis Investment Managers nor any other Natixis entity holds a material interest in these funds. Natixis is therefore not significantly exposed to the variability of returns.

Credit insurance (Coface)

Given the equity method of Coface's equity investment *(see Note 1.2 Significant events)*, Natixis no longer has any interest in structured entities held by Coface as of December 31, 2020.

At December 31, 2019, Natixis had the following interests in Coface's structured entities:

The Coface sub-group's credit enhancement operations consist of insuring receivables securitized by a third party for investors via a structured entity for losses in excess of a predefined amount. A distinction must be made between the policies taken out by the German branch Coface Deutschland and those taken out by Compagnie Française d'Assurance pour le Commerce Extérieur:

- under the German policies, the credit insurer is only liable for losses in excess of a deductible termed the Aggregate First Loss. This first loss tranche contractually defines the amount of first losses that are not covered by the credit insurer. The coverage provided by Coface Kredit via these policies is similar to "Natural disaster" type coverage. An analysis of these structures shows that the amount of the first loss is systematically higher than the expected loss, namely the average losses expected over the year. Furthermore, the activity of the structured entity is not conducted on behalf of the credit insurer, which is only a protection seller. Coface Kredit does not sponsor the securitization structures. Coface Kredit does not play any role in determining the activity of the structured entity, nor in its operational or administrative management. Coface Kredit has no power over the relevant activities of the securitization vehicle (selecting receivables comprising the portfolio, managing receivables, etc.). The criteria of power and significant exposure to returns are not met. These funds have not been consolidated in Natixis' financial statements at December 31, 2019;
- the French policies taken out by Coface rarely include non-covered "first losses". However, the policies only cover a small portion of the receivables held by the SPE. Furthermore, the quality of portfolio risk covered by Coface, compared with that borne by the other stakeholders (other insurers, sponsors, sellers) is not such as to significantly transfer the structure's risks to Coface. In addition, Coface does not play any role in determining the activity of the structured entity, nor in its operational or administrative management. In the event of a guarantee activation, Coface only has powers corresponding to its protective rights. As Coface does not have powers over the relevant activities of the securitization vehicle, these funds have not been consolidated in Natixis' financial statements as of December 31, 2019.

4.1.5 Other transactions

- Natixis controls a certain number of vehicles whose purpose is to manage operating property and non-operating property. The relevant activity is mainly the management of property as sources of returns for shareholders. Natixis generally has power over these activities. Such SPEs are consolidated once Natixis has a material interest and if they are material to the consolidated financial statements of Natixis.
- Natixis Coficiné has relationships with:
  - structured entities created by producers to host a film production. Coficiné is involved only as a lender. It has no stake in the entity, which is wholly owned by the producer. Coficiné does not participate in managing the entity, as activity falls within the remit of the producer. Coficiné, and therefore Natixis, has no power over the relevant activities of these structured entities and has no control under IFRS 10.
  - Film Industry Financing companies (SOFICA). Natixis holds a non-material stake in these SOFICAs and receives management fees at market rates consistent with the services rendered. Natixis does not hold any other interests in these structured entities. They are therefore not subject to consolidation under IFRS 10.

4.2 Interests held in non-consolidated structured entities

The table below shows the (i) carrying amount of interests held by Natixis in structured entities, broken down by major activities, as well as (ii) the maximum exposure to the risk of loss attributable to these interests.

As well as the breakdown of Natixis' interests in these entities, the table below also provides information on the size of the entities. This information is reported on an aggregate basis, in which all entities that Natixis has an interest in, regardless of the level of the interest, are grouped together by business.

The size of structured entities equates:

- for *Securitization*, to the total issues on the liability side of the balance sheet;
- for *Asset Management*, to the fund's net assets;
- for *Structured Financing*, to the amount of the remaining loan outstandings due to banks in the pool (drawn outstandings);
- for other activities, to the total assets.

The maximum risk exposure corresponds to the cumulative amount of interests recorded under balance sheet assets and commitments given, minus contingency reserves recorded under liabilities and guarantees received:

- the "Notional amount of derivatives" item corresponds to the notional amount of option and CDS sales agreed to by Natixis with structured entities;
- guarantees received are guarantees granted by third parties to Natixis to cover its exposure related to structured entities. They are only included on the "Guarantees received" line and are not deducted from the asset items.

Excluding investment in insurance activities (in millions of euros)	31/12/2020 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	Total	31/12/2019 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	Total
Financial assets at fair value through profit or loss	**127**	**1,690**	**1,308**	**592**	**3,717**	**622**	**1,565**	**1,224**	**598**	**4,009**
Trading derivatives	25	42	455	517	1,040	44	109	312	456	920
Trading instruments (excluding derivatives)	48	29	640	63	780	497	445	689	128	1,759
Financial instruments measured using the fair value option	-	-	-	-	-	-	-	0	-	0
Financial instruments to be valued at fair value through profit or loss	54	1,619	213	12	1,897	81	1,012	223	14	1,330
Financial assets at fair value through other comprehensive income	**-**	**-**	**3**	**0**	**3**	**-**	**-**	**3**	**0**	**3**
Financial assets at amortized cost	**6,241**	**975**	**11,315**	**824**	**19,355**	**6,368**	**1,248**	**11,370**	**708**	**19,695**
Other assets	**13**	**37**	**19**	**6**	**75**	**14**	**43**	**7**	**6**	**71**
TOTAL ASSETS	**6,381**	**2,701**	**12,646**	**1,422**	**23,149**	**7,005**	**2,857**	**12,604**	**1,313**	**23,778**
Financial liabilities at fair value through profit or loss (derivatives)	5	82	140	249	476	45	90	903	182	1,221
Provisions	5	-	15	2	22	2	0	15	2	19
TOTAL LIABILITIES	**10**	**82**	**155**	**252**	**498**	**48**	**90**	**918**	**184**	**1,240**
Financing commitments given	7,088	274	2,064	418	9,846	5,554	246	2,792	394	8,985
Guarantee commitments given	161	158	3,098	84	3,501	225	204	3,399	11	3,840
Guarantees received	233	-	4,127	27	4,387	243	-	3,899	28	4,171
Notional amount of sales of options and CDS	814	-	6,556	281	7,652	555	-	5,043	377	5,974
MAXIMUM EXPOSURE TO RISK OF LOSS	**14,206**	**3,134**	**20,223**	**2,176**	**39,739**	**13,092**	**3,307**	**19,923**	**2,065**	**38,387**

Insurance business investments (in millions of euros)	31/12/2020 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	Total	31/12/2019 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	TOTAL
Financial assets at fair value through profit or loss	**-**	**12,641**	**-**	**-**	**12,641**	**-**	**8,594**	**-**	**-**	**8,594**
Trading derivatives	-	-	-	-	-	-	-	-	-	-
Trading instruments (excluding derivatives)	-	5,334	-	-	5,334	-	2,202	-	-	2,202
Financial instruments measured using the fair value option	-	7,307	-	-	7,307	-	6,392	-	-	6,392
Available-for-sale financial assets	**498**	**4,975**	**-**	**-**	**5,472**	**557**	**3,809**	**-**	**-**	**4,366**
Loans and receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Held-to-maturity financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other assets	**-**	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**0**
TOTAL ASSETS	**498**	**17,616**	**-**	**-**	**18,113**	**557**	**12,403**	**-**	**-**	**12,961**
Financial liabilities at fair value through profit or loss (derivatives)	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing commitments given	55	510	-	-	565	53	297	-	-	350
Guarantee commitments given	-	-	-	-	-	-	-	-	-	-
Guarantees received	-	-	-	-	-	-	-	-	-	-
Notional amount of sales of options and CDS	-	-	-	-	-	-	-	-	-	-
MAXIMUM EXPOSURE TO RISK OF LOSS	**553**	**18,125**	**-**	**-**	**18,678**	**611**	**12,700**	**-**	**-**	**13,311**

(in millions of euros)	31/12/2020 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	Total	31/12/2019 Securiti-zation	Asset Manage-ment	Structured Financing	Other activities	Total
Size of structured entities	85,163	200,884	80,876	952	367,875	102,953	196,157	81,478	792	381,380

4.3 Non-consolidated structured entities in which Natixis is involved only as a sponsor

With respect to information that must be disclosed under IFRS 12, Natixis sponsors a structured entity when both of the following indicators are met:

- Natixis is involved in the creation and structuring of the structured entity; and
- Natixis contributes to the entity's success by transferring assets to it or by managing the structured entity's relevant activities.

Where Natixis' participation is simply as an advisor, arranger, custodian or placement agent, the structured entity is presumed not to be sponsored by Natixis.

Natixis plays the role of sponsor for:

- mutual funds initiated by a Natixis management company and in which Natixis holds no stake or any other interest. Reported income includes management and incentive fees received by Natixis, as well as profits and losses resulting from ongoing transactions with these funds;
- a US activity consisting of originating and selling real estate loans to securitization vehicles, created by Natixis with third parties and in which Natixis holds no interest. Reported income includes structuring fees as well as capital gains and losses on the assignment of receivables.

	31/12/2020			31/12/2019		
(in millions of euros)	**Securiti-zation**	**Asset Management**	**Total**	Securiti-zation	Asset Management	Total
Revenues drawn from the entities	**8**	**126**	**134**	**3**	**185**	**188**
Revenues net of interest	3	-	3	1	0	1
Revenues net of fees and commissions	0	139	139	1	142	143
Net gains or losses on instruments at fair value through profit or loss	5	(13)	(8)	1	43	44
Carrying value of the assets transferred from the entity during the year*	**252**	**-**	**252**	**948**	**-**	**948**

* *The carrying amount of assets transferred to these vehicles corresponds to the assets sold by Natixis during 2020 and 2019, if the information on the amounts sold by all of the investors is not available.*

4.4 Financial support to structured entities

Natixis did not grant any financial support to consolidated or non-consolidated structured entities.

Note 5 Accounting principles and valuation methods

5.1 Financial assets (excluding derivatives)

In accordance with IFRS 9 "Financial instruments", on initial recognition, financial assets are recorded at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. For debt instruments, the classification depends on the business model applicable to the instruments in question and the characteristics of their contractual cash flows (whether they represent Solely Payments of Principal and Interest [SPPI] or not).

5.1.1 Business model

The business model represents the way in which Natixis manages its financial assets to produce cash flow and revenues. The entity must exercise judgment to determine the business model used.

The choice of business model must be made at a level which reflects the way in which groups of financial assets are managed collectively with a view to achieve a given economic objective. The business model is therefore not determined on an instrument by instrument basis, but rather at a higher level of aggregation, by portfolio.

The choice of business model must take into account all information regarding the manner in which cash flows were generated in the past, along with all other relevant information, for example:

- the way in which the performance of financial assets is assessed and presented to the main executive officers;
- the risks that have an impact on the business model's performance, in particular the way in which these risks are managed;
- the way in which executive officers are paid (for example, if pay is based on the fair value of assets under management or on the contractual cash flows received);
- the frequency, volume and purpose of sales.

IFRS 9 provides for three business models:

- **hold to collect model:** in this model, financial assets are held in order to receive contractual cash flows over the life of the assets. This model, under which the concept of "holding" is relatively similar to holding to maturity, remains valid if sales are made under the following conditions:
  - the disposals are due to an increase in credit risk,
  - the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still owed,
  - other disposals may also be compatible with the "hold to collect" model's objectives if they are infrequent (even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent). Natixis has established procedures requiring the reporting, prior analysis and regular monitoring of all major plans to sell financial assets held under the Hold to Collect model to ensure that the conditions required to classify assets under this business model are met at all times.

  For Natixis, the hold to collect model applies mainly to financing activities (excluding the loan syndication activity) carried out by the Corporate & Investment Banking business;
- **hold to collect and sell model:** a mixed business model under which assets are managed with the objective of both receiving contractual cash flows and selling financial assets. In this model, financial assets are sold to achieve the purpose of the activity.

  Natixis applies the "hold to collect and sell" model primarily to portfolio management activities for securities in the liquidity reserve;
- **other model:** a model intended for other financial assets, especially those held for trading, for which the collection of contractual cash flows is incidental.

  This business model applies to the loan syndication activity and the Capital Markets activities carried out by Corporate & Investment Banking.

5.1.2 The SPPI test

A financial asset is considered as basic if its contractual terms give rise, on specific dates, to cash flows that are solely payments of principal and interest on the outstanding amount due.

The "principal" amount is defined as the financial asset's fair value at its acquisition date. "Interest" is the consideration for the time value of money and the credit risk incurred on the principal amount, as well as other risks such as liquidity risk, administrative costs and the profit margin.

The instrument's contractual terms must be taken into account to assess whether contractual cash flows are solely payments of principal and interest. All elements that may cast doubts as to whether only the time value of money is represented must therefore be analyzed. For example:

- events that would change the amount and date of the cash flows;
- the applicable interest rate features;
- prepayment and extension options.

For the borrower or lender, a contractual option permitting prepayment of financial instruments does not violate the SPPI test for contractual cash flows if the prepayment amount mainly represents the unpaid amounts of principal and interest and, if applicable, a reasonable additional compensation for the early termination of the contract.

If a clear determination cannot be made through qualitative analysis, quantitative analysis (a "benchmark test") is carried out. This test involves comparing the contractual cash flows for the asset in question with the contractual cash flows of a benchmark asset.

Basic financial assets (those that generate SPPI) are debt instruments such as fixed-rate loans, variable-rate loans without an interest rate tenor mismatch or that are not linked to a security or to a market index, and fixed-rate or variable-rate debt securities.

Any contractual option that creates risk exposure or cash-flow volatility that is not consistent with a basic lending arrangement, such as exposure to fluctuations in the price of stocks or of a market index, or the introduction of leverage, would make it impossible to categorize contractual cash flows as "SPPI".

Non-SPPI financial assets include mutual fund units and convertible bonds or mandatory convertible bonds with a fixed conversion ratio.

Natixis has introduced the operational procedures necessary to analyze the SPPI status of financial assets when they are initially recognized. A specific cash flow analysis is also carried out for securitization fund units or any other financial assets issued by structures that establish an order of payment priority between bearers and create concentrations of credit risk (tranches). Determining the SPPI status of these instruments requires an analysis of the contractual cash flows and credit risk of the assets concerned and of the portfolios of underlying financial assets (according to the look-through approach).

5.1.3 Financial assets at amortized cost

Financial assets recognized at amortized cost correspond to debt instruments, in particular loans and receivables due from credit institutions and customers as well as securities carried at amortized cost such as treasury bills and bonds.

They are measured at amortized cost if they meet the following two conditions:

- the asset is held in a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the outstanding amount due, on specific dates. In this case, the asset is considered basic and its cash flows are categorized as SPPI.

They are initially recorded at fair value plus or minus transaction costs. In the case of loans, transaction costs include fees and any expenses directly attributable to setting up the loan.

On subsequent balance sheet dates, they are measured at amortized cost using the effective interest method.

The "effective interest rate" is the rate that discounts estimated future cash flows (payments or receipts) to the value of the debt instrument at inception. This rate includes any discounts and any external transaction income or costs directly related to the issue of the loans, which are treated as an adjustment to the effective yield.

When loans are granted at below-market interest rates, a discount corresponding to the difference between the face value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the face value of the loan. The market rate of interest is the rate applied by the vast majority of financial institutions at any given time for instruments and counterparties with similar characteristics.

Interest accrued or received on debt instruments is recorded in income under "Interest and similar income" using the effective interest rate method. If the instruments are sold, the gain or loss is recorded in the income statement under "Net gains or losses resulting from the derecognition of instruments at amortized cost".

Specific case of loans restructured due to the debtor's financial situation

"Restructured" loans correspond to loans with modified terms under which Natixis grants a concession to borrowers facing or likely to face financial difficulties. They are a combination of a concession granted by Natixis and financial difficulties experienced by the borrower.

The modified terms of "restructured" loans must put the borrower in a more favorable situation (e.g. suspension of interest or principal payment, extension of term, etc.) and are confirmed by the use of amendments that modify the terms of an existing contract or by the full or partial refinancing of an existing loan.

Financial difficulties are determined by observing a number of criteria such as amounts past due for more than 30 days or an at-risk rating. The implementation of "restructuring" does not necessarily mean the counterparty concerned by the restructuring is to be classified in the Basel defaults category. The default classification of the counterparty depends on the result of the viability test carried out during the restructuring of the counterparty.

For loans restructured by amending the terms of the existing contract, with no derecognition of the initial asset, a discount must be recorded, corresponding to the difference between:

- the present value of the contractual cash flows initially expected; and
- the present value of the revised contractual cash flows discounted at the original effective interest rate.

The discount is recorded in the income statement under "Provision for credit losses", taking into account the characteristics of the loan prior to the restructuring operation (non-performing loan). It is written back to net interest income in the income statement over the remaining life of the loan.

If the discount is not material, the effective interest rate of the restructured loan is changed and no discount is recognized.

The restructured loan is reclassified as performing based on expert opinion when no uncertainty remains as to the borrower's capacity to honor the commitment.

A loan is no longer considered as restructured once the following conditions are met:

- a period of two years has passed since the date of the restructuring;
- the loan is recognized as a performing loan at the reporting date;
- no loan is past due by more than 30 days;
- regular and material repayments (principal and interest) have been made over a period of at least one year.

For restructured loans either fully or partially converted into a substantially different asset (such as an equity instrument or an instrument changing from fixed rate to variable rate and vice versa) or that have given rise to a change of counterparty:

- the new instruments are booked at fair value;
- the difference between the carrying amount of the derecognized loan and the fair value of the assets received in exchange is recorded in income under the provision for credit losses;
- any provision previously recorded on the loan is adjusted and fully reversed if the loan is fully converted into a new asset.

5.1.4 Financial assets at fair value through recyclable and non-recyclable other comprehensive income

Financial assets recognized at fair value through other comprehensive income mainly correspond to debt instruments: government securities and bonds.

A debt instrument is valued at fair value through other comprehensive income if it meets the following two conditions:

- the asset is held in a hold to collect and sell business model with the objective of both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the outstanding amount due, on specific dates. In this case, the asset is considered basic and its cash flows are categorized as SPPI.

Debt instruments at fair value through other comprehensive income are initially recognized at their market value, including any transaction costs.

At the reporting date, they are measured at fair value by applying the market price to listed securities, and changes in fair value are recorded under "Gains and losses recognized directly in recyclable other comprehensive income".

Interest accrued or received on debt instruments is recorded in income under "Interest and similar income" using the effective interest rate method. In case of sale, changes in the fair value of debt instruments are transferred to income under "Gains or losses on financial assets at fair value through other comprehensive income".

Specific case of equity instruments

Equity instruments may be measured at fair value through other comprehensive income under an irrevocable option. This irrevocable option applies on a case-by-case basis and only to equity instruments not held for trading purposes.

At the reporting date, they are measured at fair value and changes in fair value are recorded under "Gains and losses recognized directly in non-recyclable other comprehensive income".

Realized and unrealized gains or losses continue to be recognized in equity and are never recognized in income, except for dividends which impact income. Income from the disposal of equity instruments is transferred to "Consolidated reserves". No impairment is recorded on equity instruments measured at fair value through other comprehensive income.

5.1.5 Financial assets at fair value through profit or loss

Financial assets recorded in the fair value through profit or loss category correspond to:

- <u>financial assets held for trading</u>: these are debt and equity instruments acquired or originated by Natixis principally to be sold in the near term and those forming part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Guarantee deposits and the corresponding margin calls relating to securities sold under repurchase agreements and derivatives transactions recorded under liabilities in the balance sheet are also included in this item;
- <u>financial assets under the fair value option</u>: these are SPPI instruments not held for trading. They are designated at fair value through profit or loss on initial recognition under IFRS 9 only if this option reduces a measurement inconsistency with a related financial asset/liability in income;
- <u>financial assets at fair value through profit or loss because of their characteristics</u>: these are debt instruments that do not meet the SPPI criteria *(see Note 5.1.2)*, for example mutual fund units, which are considered debt instruments without SPPI characteristics under IFRS 9. Non-SPPI debt instruments held for trading are presented with assets held for trading.

  Non-consolidated investments in associates for which the irrevocable option of measurement at fair value through non-recyclable other comprehensive income has not been adopted are also classified in this category *(see Note 7.1.1)*.

Financial assets at fair value through profit and loss are measured on initial recognition at market value, with transaction costs recognized in the income statement.

The market value is reviewed at each subsequent reporting date in line with the principles outlined in Note 5.6 "Fair value of financial instruments". Changes in value, including coupons, are recorded under "Gains or losses on financial instruments at fair value through profit and loss" in the consolidated income statement, with the exception of interest accrued and due on non-SPPI financial assets, which is recorded under "Interest income".

5.1.6 Recognition date for securities transactions

Securities bought or sold are, respectively, recognized or derecognized on the settlement date, regardless of their accounting category.

Reverse transactions are also recognized on the settlement date. For repurchase and reverse repurchase transactions, a financing commitment respectively received or given is recognized between the transaction date and the settlement date when these transactions are recognized in "Liabilities" and "Loans and receivables" respectively.

When repurchase and reverse repurchase transactions are recognized in "Assets and liabilities at fair value through profit or loss", the repurchase commitment is recognized as a forward interest rate derivative.

5.2 Leases

Transactions where Natixis is the lessee

The lease contracts taken out by Natixis are recognized on the balance sheet under "right-of-use" on the asset side and under "financial liabilities" on the liabilities side in respect of rents and other payments made over the duration of the lease, unless the lease term is 12 months or less or the underlying asset has a low value, as provided for under IFRS 16. Natixis used the indicative threshold of US$ 5,000 provided by the IASB (in the Basis of Conclusions) to define low-value assets and elected to exclude certain contracts where such exceptions have a non-material impact on its financial statements.

Lease term

The use of rights is amortized on a straight-line basis and financial liabilities are amortized on an actuarial basis over the term of the lease. In accordance with IFRS 16, the lease term corresponds to the non-cancellable lease period plus any periods covered by termination options that the lessee is reasonably certain not to exercise. In general, the term is 9 years for "3/6/9" real estate leases under French law. For contracts subject to tacit extension, the lease term is determined, firstly, on the basis of the establishment's judgment in view of its real estate strategy, and secondly, in the absence of ad hoc information, by limiting the duration on the basis of the timeframe set by Natixis' Medium-Term Plan (MTP), namely three years.

Outside France, and particularly in English-speaking countries (e.g., Natixis' US subsidiaries), the term of real estate leases may range from 10 to 15 years. It is stipulated that a lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

Natixis assesses whether it is reasonably certain to exercise an option by considering all relevant facts and circumstances that create an economic incentive for it to exercise, or not to exercise, the option, such as:

- contractual terms and conditions for the optional periods compared with market rates (amount of payments for the lease including payments resulting from termination penalties and residual value guarantees);
- significant leasehold improvements undertaken;
- costs relating to the termination of the lease (negotiation costs, relocation costs, costs of identifying another underlying asset suitable for the lessee's needs, costs associated with returning the underlying asset in a contractually specified condition, etc.);
- the importance of the underlying asset for Natixis' operations considering whether it is a specialized asset or its location;
- its past practice of renewing leases of similar assets, but also its strategy regarding the future use of the assets.

Measurement of lease liabilities

At the lease commencement date, payment taken into account to determine lease liabilities include payments for the right to use the underlying asset during the lease term that are not paid at the commencement date, i.e.:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable. In-substance fixed lease payments are payments that may, in form, contain variability but that, in substance, are unavoidable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- where applicable, any amounts expected to be payable by Natixis to the lessor under residual value guarantees, purchase options or payments of penalties for terminating the lease.

Payments taken into account to determine lease liabilities exclude value added tax and housing tax, which fall under the scope of interpretation of IFRIC 21 "Levies", as well as property tax and insurance premiums charged (where applicable) by the lessor, which constitute variable lease payments (where the amounts reimbursed are not contractually predetermined).

In accordance with IFRS 16, lease payments are discounted at the interest rate implicit in the lease, i.e. the lessee's incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Natixis applies the marginal rate to its lease payments. This marginal rate depends on the contract term and currency. It also takes into account Natixis' credit spread and the entities being refinanced by Natixis.

Lease liabilities are booked under "Accrual accounts and other liabilities" in the consolidated balance sheet. The interest expense relating to the financial liability is recognized under "Interest and similar expenses".

Recognition of a right-of-use asset

At the inception of the lease, the right-of-use asset is recognized at a value equal to the lease liability amount at that date, adjusting for payments made to the lessor prior to or on that date and not therefore included in the measurement of the lease liability, less any lease incentives received. Where applicable, this amount is adjusted to take into account the initial direct costs incurred by the lessee and an estimate of the costs of dismantling and refitting, to the extent that the terms and conditions of the lease so require, in which case an outflow is likely and can be estimated to a sufficient degree of reliability.

Right-of-use assets are recognized under "Property, Plant and Equipment" in the consolidated balance sheet, within the same line item as assets of the same nature and which are wholly owned.

The right-of-use amortization expense is recorded in the income statement under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets".

The value of rights of use may be subsequently adjusted in the event the lease is amended or the lease term re-estimated, and to factor in any contractual rent changes stemming from the application of an index or rate.

5.3 Impairment of assets at amortized cost and at fair value through other comprehensive income and provisions for financing and guarantee commitments

General principles

Debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income, loan commitments and financial guarantee contracts that are not recognized at fair value through profit or loss, as well as lease receivables, are impaired or covered by a provision for expected credit losses (ECL) as of the date of initial recognition.

These financial assets will be divided into three categories depending on the increase in credit risk observed since their initial recognition. An impairment charge shall be recorded on outstanding amounts in each category, as follows:

Stage 1 (or S1)

These are performing loans for which credit risk has not increased materially since initial recognition. Impairment or provision for credit risk on these loans is recorded in the amount of 12-month expected credit losses. Interest income on these loans is recognized in profit or loss using the effective interest rate method applied to the gross carrying amount of the instrument before impairment.

Stage 2 (or S2)

Performing loans for which credit risk has increased materially since initial recognition are transferred to Stage 2. The impairment or the provision for credit risk is determined on the basis of the instrument's expected credit losses at maturity (lifetime ECL). Interest income on these outstandings is recognized in income using the effective interest rate method applied to the gross carrying amount of the instrument before impairment.

Stage 3 (or S3)

Loans that are "impaired" as defined by IFRS 9 are transferred to this category. These are loans for which there is objective evidence of impairment loss due to an event that represents a counterparty risk occurring after the initial recognition of the instrument in question. The new definition of default, defined by the guidelines of the European Banking Authority (EBA) on the application of the definition of default under Article 178 of Regulation (EU) No. 575/2013 applicable from January 1, 2021, and the provisions of Regulation (EU) 2018/1845 of the European Central Bank relating to the threshold for assessing the importance of arrears on credit obligations, applicable no later than December 31, 2020, reinforce the consistency of practices of European credit institutions in identifying defaults.

The definition of defaulted outstandings is thus clarified by the introduction of a relative threshold and an absolute threshold, to be applied to payment arrears to identify situations of default, the clarification of the criteria for returning to healthy outstandings with the imposition of a probationary period and the introduction of explicit criteria for classifying restructured loans in default *(see Note 5.1.3)*. Natixis applies these new provisions for the identification of defaulted outstandings from October 22, 2020.

The internal parameters used to calculate expected credit losses will be monitored as part of dedicated backtesting exercises and as a sufficient history of defaults is built up according to this new definition. However, Natixis' exposures are to portfolios deemed to have a low number of defaults (Sovereign, Financial Institutions, Large Corporate and Specialized Financing), and estimates of the impact on the risk parameters induced by the application of the new provisions relating to outstandings in default have not resulted in a significant change in Natixis' consolidated financial statements.

The carrying amount of a financial asset is reduced when Natixis no longer has a reasonable expectation of recovery of all or part of the contractual cash flows remaining on this asset. This is a derecognition (total or partial) of the financial asset, which may take place prior to the completion of legal proceedings against the borrower.

The analysis is carried out individually, each situation being specific. Beyond the factors that clearly prove that all or part of the receivable will not be recovered (e.g. cessation of recovery actions, receipt of the certificate of non-recoverability), groups of indicators may also be taken into account, these assessments include entry into liquidation, the disappearance or insufficiency of residual assets and/or the absence of collateral, etc.

When, in view of the status of the case, it is reasonably certain that all or part of the receivable will not be recovered, the amount to be written off is determined on the basis of the most objective possible external and internal factors.

The impairment or provision for credit risk is calculated according to the losses expected over the instrument's residual lifetime (expected losses at maturity) based on the recoverable value of the receivable, i.e. the present value of the estimated recoverable future cash flows after taking the impact of any collateral into account. Interest income is recognized in income based on the effective interest method rate applied to the net carrying amount of the asset after impairment.

In addition, the standard makes a distinction between purchased or originated credit-impaired (POCI) assets, which correspond to financial assets purchased or created and already impaired for credit risk at their initial recognition and for which the entity does not expect to recover all of the contractual cash flows at the date of initial recognition. POCI are impaired based on lifetime expected losses at the reporting date immediately following initial recognition.

For debt instruments recognized on the asset side of the balance sheet at amortized cost, impairments are recorded against the line on which the asset was initially shown at its net value (irrespective of whether the asset is S1, S2, S3 or POCI). Impairment charges and reversals are recorded in the income statement under "Provision for credit losses".

For debt instruments recognized on the asset side of the balance sheet against recyclable other comprehensive income, impairments are carried on the liability side of the balance sheet in recyclable other comprehensive income, with a corresponding entry on the income statement under "Provision for credit losses" (irrespective of whether the asset is S1, S2, S3 or POCI).

For loan and financial guarantee commitments, provisions are recorded on the liability side of the balance sheet under "Provisions" (irrespective of whether the commitment is S1, S2, S3 or POCI). Changes in provisions are recognized in the income statement under "Provision for credit losses".

Principles the recognition of impairment losses and provisions

Credit risk deterioration criteria

The principles for measuring the increase in credit risk and expected credit losses applicable to most of the Natixis' exposures are described below.

The significant increase in credit risk is valued on an individual basis by taking into account all reasonable and justifiable information and by comparing the default risk on the financial instrument at the end of the fiscal year with the default risk on the financial instrument at the date of its initial recognition. Measuring an increase in the risk should, in most cases, lead to a downgrade to Stage 2 before the transaction is individually impaired (Stage 3).

More specifically, the change in credit risk is measured on the basis of the following criteria:

- for Large Corporates, Banks and Sovereigns loan books: an increase in credit risk is measured based on a combination of quantitative and qualitative criteria. The quantitative criterion is based on the change in rating since initial recognition. The additional qualitative criteria make it possible to classify as Status 2 all contracts, whether 30 days past due (i.e. the assumption that payments are more than 30 days past due is not refuted), or recorded as assets on a non-S3 "Watch list", i.e. undergoing financial hardship (forbearance). Additional criteria based on the sector rating and level of country risk in the financial year 2019 are also used *(see below)*;
- Individual Customer, Professional Customer, SME, Public Sector and Social Housing loan books: an increase in credit risk is measured based on a combination of quantitative and qualitative criteria. The quantitative criterion is based on the measurement of the change in 12-month probability of default (measured as a cycle average since initial recognition). The additional qualitative criteria make it possible to classify as Status 2 all contracts, whether more than 30 days past due (i.e. the assumption that payments are 30 days past-due is not refuted), or recorded as assets on a non-S3 Watch List, i.e. in a situation of redevelopment whilst undergoing financial hardship (forbearance).

Since the financial year 2020, a sectoral adjustment of the probabilities of default has been made and replaces the use of the change in the rating of the sector as a criterion for monitoring the deterioration of the risk. This more accurate approach makes it possible to better account for sector-specific aspects when assessing credit risk while strengthening the discrimination related to counterparty rating. It makes it possible to mitigate the pro-cyclical impact of the previous methodology, which consisted of always downgrading to Status 2 all counterparty contracts in a sector whose rating had fallen below a certain threshold.

It should be noted that the granting of an EMP or an individual moratorium in the context of the health crisis are not, in themselves, criteria for the deterioration of the risk resulting in a transition to status 2 or 3 *(see Note 1.4.1)*.

For all of these loan books, the ratings on which the measurement of the increase in risk is based are any available ratings produced by internal systems, as well as external ratings, particularly when an internal rating is not available.

If there is no rating on the date the loan is granted or on the reporting date, it is automatically categorized as Stage 2.

The standard provides that the credit risk of a financial instrument has not increased materially since its initial recognition if this risk is considered to be low at the end of the fiscal year. This provision is applied to certain investment grade debt securities managed under Natixis' liquidity reserve, as defined by Basel 3 regulations. "Investment grade" status refers to securities with a rating of BBB- or higher and equivalent at Standard and Poor's, Moody's or Fitch.

If the downgrading since the start is no longer recorded, the impairment is recognized in losses expected within 12 months.

Financial assets where there is objective evidence of impairment loss due to an event which represents a known counterparty risk and which occurs after their initial recognition are considered as being classified as Stage 3. Asset identification criteria are similar to those under IAS 39 and are aligned with the concept of default in prudential terms.

Accordingly, loans and receivables are categorized as Stage 3 if both of the following conditions are met:

- there are objective indications of impairment: these are "trigger events" or "loss events" that characterize a counterparty risk and occur after the initial recognition of the loans concerned. On an individual basis, probable credit risk arises from default events defined in Article 178 of Regulation (EU) No. 575/2013 dated June 26, 2013 relating to prudential requirements applicable to credit institutions. Objective evidence of impairment includes any payments exceeding the relative and absolute thresholds by €500 or 1% of gross exposure, that are past due by at least 90 consecutive days, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty leading to the expectation that some or all of the amounts owed may not be recovered or to the initiation of legal proceedings. Restructured loans are classified as defaulted when the loss is greater than 1% of the difference between the net present value before restructuring and the net present value after restructuring;
- these events are liable to lead to the recognition of incurred losses, that is, expected losses for which the probability of occurrence has become certain.

Debt instruments such as bonds or securitized transactions (ABS, CMBS, RMBS, cash CDOs) are considered impaired and are classified as Stage 3 when there is a known counterparty risk. The Group uses the same impairment indicators for debt securities classified at Stage 3 as those used for individually assessing the impairment risk on loans and receivables.

For perpetual deeply subordinated notes that meet the definition of financial liabilities within the meaning of IAS 32, particular attention is also paid if, under certain conditions, the issuer may be unable to pay the coupon or extend the issue beyond the scheduled redemption date.

Provision recording method

Calculating expected losses on Stage 1 or Stage 2 assets

Expected credit losses on Stage 1 or Stage 2 assets are calculated using the following formula:

$$\sum_{t} EAD(t) \times PD(t) \times LGD$$

which is the sum, discounted for each projection year, of the product of the EAD, PD and LGD parameters:

- EAD(t) (Exposure At Default): the amount of loss that the institution may be exposed to on the loan in question during year t, including accelerated amortization and credit conversion factors where necessary;

- PD(t) (Probability of Default): the probability that the counterparty will default during year t;
- LGD (Loss Given Default): the amount of unrecovered contractual cash flows after the recovery phase in the event that the counterparty defaults on the loan in question.

Natixis draws on existing concepts and mechanisms to define these inputs, and in particular on internal models developed to calculate regulatory capital requirements (capital adequacy ratios) and on projection models similar to those used in the stress test system. Certain adjustments are made to comply with the specifics of IFRS 9:

- IFRS 9 parameters therefore aim to provide an accurate estimate of losses for accounting provision purposes, whereas prudential parameters are more cautious for regulatory framework purposes. Several safety buffers included in the prudential parameters are therefore restated, such as the PD and LGD downturn add-on, regulatory floors and internal costs;
- the IFRS 9 parameters used to calculate provisions on loans classified as Stage 2 must enable lifetime expected credit losses to be calculated, whereas prudential parameters are defined for the purposes of defining 12-month default rates. 12-month parameters are thus projected over longer timescales;
- IFRS 9 parameters must be forward-looking and take into account the expected economic environment over the projection period, whereas prudential parameters correspond to the cycle's average estimates (for PD) or bottom-of-the-cycle estimates (for LGD and the flows expected over the lifetime of the instrument). The PD and LGD prudential parameters are therefore also adjusted based on the expected economic environment.

As indicated above, since the financial year 2020, a sector adjustment on the PD is calculated based on the assessment of the rating of the economic sectors over 6-12 month forecasts. The average sector-weighted forward-looking PD, produced from the transition matrices, is compared and adjusted to converge toward the equivalent PD in anticipation of the sector's rating.

Parameters are adjusted to economic conditions by defining three economic scenarios developed over a three-year period. For the purpose of consistency with financial management processes, the central scenario corresponds to the budget scenario of the next strategic plan. Two variants – an optimistic view and a pessimistic view – are also developed around this scenario based on observations of macroeconomic parameters.

The best case and worst case economic scenarios aim to represent the uncertainty surrounding the estimated economic variables in the central scenario.

The variables defined in each of these scenarios 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. For consistency, the models used to alter the PD and LGD parameters are based on those developed in the stress test system. 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.

The method for determining probabilities of occurrence is based on an analysis of the market economic consensus and a measurement of the distance between the Group's economic scenarios and this market consensus. This means that the closer an economic scenario is to the consensus, the higher its probability of occurrence.

All three scenarios are defined using the same organization structure and governance as for the budget process, with an annual review based on proposals from the Economic Research Department. For 2020, given the context of the health crisis, the review was repeated on two occasions. The scenarios' probability of occurrence is reviewed on a quarterly basis by drawing on the observed changes in the macroeconomic parameters used in the economic scenario.

At December 31, 2020, the weightings of each scenario were as follows:

- central scenario: 85%;
- optimistic scenario: 10%;
- pessimistic scenario: 5%.

The parameters thus defined allow credit losses for all rated exposures to be valued, regardless of whether they belong to a scope approved using an internal method or they are processed using the standard method for the calculation of risk weighted assets.

However, certain entities whose own fund requirements are calculated using the standardized method and whose exposures are not integrated into a ratings system have implemented a methodology for calculating provisions on performing loans based on historical loss rates calibrated specifically by the entity.

The mechanism for validating IFRS 9 parameters is fully integrated in the validation mechanism for existing models within Natixis and Groupe BPCE. As such, model validation undergoes a review process by an independent internal model validation unit.

Calculating expected credit losses on Stage 3 assets

Impairments for expected credit losses on Stage 3 financial assets are determined as the difference between the amortized cost and the recoverable value of the receivable, i.e. the present value of estimated recoverable future cash flows, whether these cash flows come from the counterparty's activity or from the potential execution of guarantees. For short-term assets (maturity of less than one year), there is no discounting of future cash flows. Impairment is determined globally, without distinguishing between interest and principal. Expected credit losses arising from Stage 3 financing or guarantee commitments are taken into account through provisions recognized on the liability side of the balance sheet. Specific impairment is calculated for each receivable on the basis of the maturity schedules determined based on historical recoveries for each category of receivable.

For the purposes of measuring expected credit losses, pledged assets and other credit enhancements that form an integral part of the contractual conditions of the instrument and that the entity does not recognize separately are taken into account in the estimate of expected cash flow shortfalls.

Loans classified as Stage 3, which would not be impaired following an individual expected recovery analysis, are impaired or provisioned on the basis of a loan loss reserve ratio calibrated based on historical unexpected losses on unprovisioned loans.

5.4 Derivative financial instruments and hedge accounting

Derivative financial instruments are recognized at fair value on the balance sheet, regardless of whether they are held for trading or hedging purposes.

Derivative financial instruments held for trading purposes

Derivatives held for trading purposes are recorded in the balance sheet under "Financial assets at fair value through profit or loss" when their market value is positive, and under "Financial liabilities at fair value through profit or loss" when their market value is negative. "Financial liabilities at fair value through profit or loss" when it is negative.

After initial recognition, changes in fair value are recorded in the income statement under "Net gains or losses on financial instruments at fair value through profit or loss". The interest accrued on such instruments is also included on this line.

Special case of embedded derivatives for financial liabilities

An embedded derivative is a component of a host contract which causes some or all of the cash flows of that contract to change in response to changes in an underlying (interest rate, share price, exchange rate or other index).

When the hybrid instrument (host contract and derivative) is not measured at fair value through profit or loss, the embedded derivative is separated from the host contract if it meets the criteria for definition as a derivative and its economic characteristics and associated risks are not closely related to those of the host contract.

Derivatives separated from host contracts in this way are included in assets and liabilities at fair value through profit or loss.

Change in presentation of option premiums

At December 31, 2020, Natixis modified the presentation of conditional derivatives purchased or sold with a staggered or paid premium.

Before the application of this amendment, the amounts of the premiums remaining to be received and the premiums remaining to be paid were respectively presented in the balance sheet under deferred income and other assets and accrued income and other liabilities, separately from the headings of assets and liabilities. financial liabilities in which the derivative instruments to which they relate are presented.

As these premiums are inseparable from these derivative instruments, their presentation on the balance sheet has been modified: the amount of premiums remaining to be paid and the amount of premiums remaining to be received are now included in the value of the conditional derivative instruments purchased or sold to which they relate (headings financial assets and liabilities at fair value through profit or loss).

The instruments concerned are mainly foreign exchange and interest rate options. This change had no impact on the income statement.

At December 31, 2020:

- the amount of premiums remaining to be paid which was included in the value of the contingent derivatives classified as "Financial assets at fair value through profit or loss" was €7.6 billion compared with €8.1 billion at December 31, 2019;
- the amount of the premiums remaining to be received which has been included in the value of the contingent derivatives classified as "Financial liabilities at fair value through profit and loss" is €7.9 billion compared to €8.3 billion at December 31, 2019.

The following table summarizes the effects of this change in presentation on the various items:

	31/12/2019			31/12/2020		
(in billions of euros)	Before change	Change	After change	Before change	Change	After change
Assets						
Financial assets at fair value through profit or loss	228.8	(8.1)	220.7	218	(7.6)	210.4
Accrual accounts and other assets	13.6	(8.3)	5.3	13	(7.9)	5.1
TOTAL ASSETS	**513.2**	**(16.4)**	**496.8**	**510.8**	**(15.5)**	**495.3**
Liabilities						
Financial liabilities at fair value through profit or loss	218.3	(8.3)	210	216.4	(7.9)	208.5
Accrual accounts and other liabilities	16.1	(8.1)	8	13.9	(7.6)	6.3
TOTAL LIABILITIES	**513.2**	**(16.4)**	**496.8**	**510.8**	**(15.5)**	**495.3**

Hedging instruments

In line with the option offered by IFRS 9, Natixis has chosen to continue applying IAS 39 to account for its hedging transactions.

IAS 39 recognizes three types of hedging relationship: cash flow hedges, fair value hedges and hedges of net investments in foreign operations.

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective. Hedging relationships are presumed to be effective when, retrospectively, changes in the value of the hedging instrument offset changes in the value of the hedged item in a range of 80%-125%.

Cash flow hedging

Cash flow hedging is used to hedge future cash flows from an existing or highly probable future transaction.

Hedging of variable-rate borrowings and issues

Natixis uses interest rate swaps borrowing at fixed rates to fix future costs of interbank borrowings and public/private issues.

Hedging of variable-rate loans

Natixis uses plain vanilla interest rate swaps lending at fixed rates to fix future variable-rate borrowing costs.

Overall hedging of interest rate risk

Cash flow hedges are mainly used to hedge Natixis' overall interest rate risk.

The documentation for these structural hedges is based on future variable cash management schedules for all variable-rate transactions.

Prospective hedge effectiveness tests involve establishing (by index and currency): cumulative variable-rate borrowings and fixed-rate borrower swaps by maturity bracket, and cumulative variable-rate loans and fixed-rate lender swaps, by maturity bracket.

Hedging is demonstrated if, for each maturity, the nominal amount of the items to be hedged is greater than the notional amount of the hedging derivatives.

Retrospective hedge effectiveness tests are used to verify whether the hedge was effective at different reporting dates. At each such date, changes in the fair value of hedging instruments (excluding accrued interest) are compared with changes in the fair value of the hypothetical derivative instruments hedged (synthetic instruments representative of hedged assets or liabilities and management intentions). Changes in the fair value of hedging instruments must offset changes in the fair value of hedged items in a range of 80%-125%. Outside these limits, the hedge would no longer qualify.

Accounting for cash flow hedges

The effective portion of the gain or loss on the hedge is recognized directly in equity, while the ineffective portion is taken to income at each reporting date under "Net gains or losses on financial instruments at fair value through profit or loss". No specific entries are made to hedged items (other than those that would be made if they were not hedged).

When a hedging relationship is interrupted, in particular when the efficiency ratio goes out of range [80%; 125%], the accounting treatment then consists of reclassifying the derivative as financial instruments at fair value through profit or loss and reversing through profit or loss, as and when the hedged transaction has its effects in profit or loss, the amount of the derivative. efficiency accumulated for previous hedging periods in equity that can be recycled under "Gains and losses recognized directly in equity".

Fair value hedging

Fair value hedging is intended to hedge the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment.

Overall hedging of interest rate risk

The subsidiary Natixis Financial Products LLC documents overall hedging of its interest rate risk in accordance with fair value hedging rules. To account for these transactions, the subsidiary applies the carve-out provisions of IAS 39 as adopted by the European Union. The accounting treatment of derivative financial instruments designated for accounting purposes as structural fair value hedges is similar to that applied to fair value hedging derivatives. Changes in the fair value of portfolios of hedged instruments are reported on a specific line of the balance sheet ("Revaluation adjustments on portfolios hedged against interest rate risk"), with a corresponding entry in income.

Hedging of fixed-rate loans and borrowings

Natixis uses plain vanilla interest rate swaps lending at fixed rates to protect itself against the impact of unfavorable changes in interest rates on its fixed-rate borrowings and issues. Plain vanilla swaps borrowing at fixed rates are used to protect it from the impact of unfavorable changes in interest rates on its fixed-rate loans and securities.

Documentation of fair value hedges

Prospective hedge effectiveness tests involve verifying that the financial characteristics of the hedged item and the hedging instrument are virtually identical: value date, maturity date, notional amount, fixed rate, and payment frequency.

Retrospective hedge effectiveness tests are used to verify whether the hedge was effective at different reporting dates.

At each such date, changes in the fair value of hedging instruments (excluding accrued interest) are compared with changes in the fair value of the hypothetical assets and liabilities hedged (synthetic instruments representative of hedged assets or liabilities). Changes in the fair value of hedging instruments must offset changes in the fair value of hedged items in a range of 80%-125%.

Outside these limits, the hedge no longer qualifies for hedge accounting under IFRS.

Accounting for fair value hedges

Changes in the fair value of the derivatives are recognized as income for both the effective and ineffective portions.

Symmetrically, changes in the fair value of the hedged items are recognized as income.

Accordingly, only the ineffective portion of the hedge affects income.

Changes in the fair value of hedging derivatives excluding accrued interest are recorded in income under "Net gains or losses on financial instruments at fair value through profit or loss". Accrued interest relating to these instruments is recorded under "Interest and similar income" or "Interest and similar expenses".

When a hedging relationship is discontinued, the hedging instrument is reclassified in financial instruments at fair value through profit or loss, while the unrealized gain or loss on the hedged item is fixed at its amount on the date the hedge is discontinued and recorded in income through to maturity.

Hedging of a net investment in a foreign operation

Net investment hedges are used to hedge the exchange risk arising on net foreign currency investments (consolidated subsidiary or investment). They are accounted for in the same way as cash flow hedges. The effective portion of changes in the fair value of hedging instruments (monetary derivative or liability denominated in foreign currency) is recognized in equity. These changes in fair value are offset against the translation adjustments recognized when the entity was consolidated (see Note 2.9). The ineffective portion of changes in fair value is recognized in income. Unrealized gains or losses recognized directly in equity are transferred to income when all or part of the net investment is sold.

Internal contracts

Many internal contracts involving derivatives used in hedge accounting exist between Natixis and its subsidiaries. To ensure that the transactions meet the hedge accounting criteria for consolidation purposes, Natixis regularly verifies that they have been correctly hedged on the market.

Credit derivatives

Credit derivatives used by Natixis are not considered as financial guarantees but as derivatives falling within the scope of IAS 39. They are classified as assets or liabilities at fair value through profit or loss.

5.5 Transactions in foreign currencies

The method used to account for assets and liabilities relating to foreign currency transactions entered into by Natixis depends upon whether the asset or liability in question is classified as a monetary or a non-monetary item.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the spot rate prevailing at the reporting date. Exchange differences resulting from this conversion are recognized in profit or loss. There are two exceptions to this rule:

- only the portion of the foreign exchange gains and losses calculated based on the amortized cost of financial assets at fair value through other comprehensive income is recognized in income, the remainder being recognized in "Gains and losses recognized directly in equity";
- foreign exchange gains and losses from monetary items designated as cash flow hedges or part of a net investment in a foreign entity are recognized in "Gains and losses recognized directly in equity".

Non-monetary items denominated in foreign currencies and measured at historical cost are translated at the exchange rate on the transaction date (or the date of reclassification in equity for the perpetual deeply subordinated notes issued: *see Note 12.3.1*).

Non-monetary items denominated in foreign currencies and measured at fair value are translated at the prevailing exchange rate at the end of the reporting period. Gains or losses on a non-monetary item (e.g., equity instruments) denominated in a foreign currency are recognized as income if the asset is classified as "Financial assets at fair value through profit or loss" and in equity if the asset is classified as "Financial assets at fair value through other comprehensive income", unless the financial asset is designated as a hedged item in a fair value hedge, in which case foreign exchange gains and losses are recorded in income.

5.6 Fair value of financial instruments

General principles

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

Fair value is therefore based on the exit price.

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

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

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

The mid-market price is obtained based on:

- 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. Similarly, an assumptions-based Funding Value Adjustment (FVA), aiming to factor in the costs associated with the funding of future cash flows of uncollateralized derivatives or imperfectly collateralized derivatives, is also taken into account.

The main additional Funding Value Adjustments are as follows:

Bid/ask adjustment – Liquidity risk

This adjustment is the difference between the bid price and the ask price corresponding with the selling costs. It reflects the 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.

Value adjustment for own credit risk (Debit Valuation Adjustment – DVA)

The DVA is symmetrical to the CVA and represents the expected loss, from the counterparty's perspective, on liability valuations of derivative financial instruments. It reflects the impact of Natixis' credit quality on the valuation of these instruments. The adjustment is made by observing "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 procedures are presented in section 3.2.5 "Market risks" of Chapter [3] "Risk factors, risk management and Pillar III".

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.

Financial assets and liabilities categorized according to the fair value hierarchy and a description of the key models are presented in Note 7.5.

5.7 Property, plant and equipment, intangible assets (excluding goodwill) and investment property

Fixed assets recognized on the balance sheet include property, plant and equipment, intangible assets, and investment property. The rights of use in respect of leased assets (of which the main items are described in Note 5.2) are presented under fixed asset lines corresponding to similar assets owned of which Natixis has full ownership.

Measurement on initial recognition

Investment property, shown separately from other property, plant and equipment on the balance sheet, consists of property held with the aim of generating leasing revenues rather than for operating purposes.

On the first-time adoption of IFRS, property, plant and equipment and investment property were maintained at historical cost as permitted by the options available under IFRS 1, except for property held by insurance companies which is carried at fair value through profit or loss.

Property, plant and equipment and investment property are recorded at their purchase price at the acquisition date, including directly attributable costs (transfer duties, fees, commissions and registration expenses) as well as borrowing costs when these meet the criteria for capitalization set out in IAS 23 "Borrowing Costs".

Computer software developed in-house is recognized under "Intangible assets" at its direct cost of development, which includes the related hardware costs, service costs, payroll costs directly attributable to the production and preparation of the software for use, and borrowing costs when these meet the criteria for capitalization set out in IAS 23 "Borrowing Costs".

Expenses incurred during the development phase are capitalized if they meet the criteria for recognition as intangible assets set out in IAS 38: these include technical feasibility, the intention to complete the asset and use or sell it, the probability that the asset will generate future economic benefits, the availability of resources, and the ability to reliably measure the expenditure attributable to the asset's development. Costs incurred during the research phase are not capitalized but are recognized in expenses.

Subsequent measurement

After initial recognition, assets are measured at cost less accumulated depreciation, amortization and impairment losses. Investment property held by insurance companies is measured at fair value through profit or loss in accordance with IAS 40 and IFRS 4.

For both, the 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.

In accordance with Article R.332-210-1 of the French Insurance Code, a five-year appraisal is conducted by an independent expert approved by the ACPR. Between two appraisals, the market value of property is certified by experts on a half-yearly basis.

Depreciation and amortization

As soon as they are in a condition to be used by Natixis in the manner in which they were intended, property, plant and equipment and intangible assets are depreciated or amortized over their estimated useful lives on a straight-line, declining or increasing balance basis, whichever best reflects the pattern in which the economic benefits are consumed. The residual value of the asset is deducted from its depreciable or amortizable amount when it can be measured reliably. Natixis does not believe it can reliably measure the residual value of items other than land and non-destructible buildings classified as historical monuments. They are therefore assigned a residual value of zero.

In line with IAS 16, a specific depreciation schedule is defined for each significant component of an item of property, plant and equipment which has a different useful life or is expected to consume future economic benefits differently from the item as a whole. For buildings used in the business and investment property, the following components and depreciation periods have been identified:

Component	Depreciation period
Land	NA
Non-destructible buildings classified as historical monuments	NA
Walls, roofs and waterproofing	20-40 years
Foundations and framework	30-60 years
External rendering	10-20 years
Equipment and installations	10-20 years
Internal fixtures and fittings	8-15 years

Other items of property, plant and equipment are depreciated over their estimated useful lives, generally five to ten years.

When the fixed assets relate to a leased building, their depreciation period is made consistent with that of the leases.

Purchased software is amortized on a straight-line basis over its estimated useful life, which in most cases is less than five years. Internally generated software is amortized over its estimated useful life, which cannot exceed fifteen years.

Other intangible assets mainly consist of components of the client portfolio, which are amortized over the term of the contracts (average term of five to eight years for the United States and 10 years in Australia).

Depreciation periods must be reviewed annually and, where applicable, the impact of any change in estimate is recognized prospectively, in income, from the date of the change.

Depreciation of fixed assets is presented under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" in the consolidated income statement.

Impairment

Assets are tested for impairment whenever there is objective evidence that they may be impaired and at least annually in the case of intangible assets with an indefinite useful life. Natixis considers whether there is any evidence of impairment at each reporting date. If any such evidence exists, the recoverable value of the individual asset is estimated wherever possible; otherwise the recoverable value of the CGU to which the asset belongs is estimated. The recoverable value is the higher of fair value less selling costs and value in use, which is the present value of future cash flows. If the recoverable value of the asset or CGU is lower than its carrying amount, an impairment loss is recognized in income under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets".

Write-downs may be reversed if there has been a change in the conditions that initially resulted in the write-down (for example there is no longer any objective evidence of impairment).

Gains or losses on disposals

Gains or losses on disposals of assets used in the business are recognized in the income statement under "Gains or losses on other assets", while gains and losses on disposals of investment property are recorded within "Income from other activities" or "Expenses from other activities".

Scrapping or discontinuation of fixed assets under construction

The expense incurred from the scrapping of a fixed asset is booked to "Depreciation, amortization and impairment of property, plant and equipment and intangible assets" on the consolidated income statement.

The discontinuation of IT projects under development results in their derecognition. A corresponding expense is posted to "Gains or losses on property, plant and equipment and intangible assets" on the consolidated income statement.

5.8 Non-current assets held for sale and discontinued operations

A non-current asset (or group of assets) is meant to be disposed of when its carrying amount is recovered by means of a sale. This asset (or group of assets) must be immediately available for the sale, and it must be highly likely that the sale will happen within twelve months.

A sale is highly likely if:

- a plan to sell the asset (or group of assets) involving active marketing is made by management;
- a non-binding offer has been submitted by at least one potential buyer;
- it is unlikely that significant changes will be made to the plan or that it will be withdrawn.

The relevant assets are classified in the "Non-current assets held for sale" line item and cease to be amortized as soon as they are reclassified. An impairment loss is recognized if their carrying amount is higher than their fair value less selling costs. Associated liabilities are also identified on a separate line of the balance sheet.

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.

When the fair value of the group of assets and liabilities is lower than their overall net book value, Natixis limits the amount of impairment to non-current assets (goodwill, intangible assets and property, plant and equipment) measured in accordance with IFRS 5.

If the sale has not taken place within twelve months of classification in "Non-current assets held for sale", the asset or group of assets ceases to be classified in this category, barring special circumstances independent of Natixis' control.

The subsidiaries for which Natixis has committed to a plan to sell assets are listed in Note 2.6 "Subsidiaries held for sale".

A discontinued operation is a clearly identifiable component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Assets and liabilities relating to discontinued operations are accounted for in the balance sheet in the same way as groups of assets held for sale. Gains or losses from these operations are presented on a separate line of the income statement and include the post-tax gain or loss resulting from operations discontinued before disposal and from the sale or valuation of assets or groups of assets held for sale at fair value less selling costs.

5.9 Financial liabilities at fair value through profit or loss

These are financial liabilities held for trading (including derivatives) or classified in this category on a voluntary basis at initial recognition using the fair value option available under IFRS 9.

Cash guarantee deposits and margin calls with collateral status set up in connection with repurchase agreements and derivative transactions recognized in instruments at fair value through profit or loss are also included in financial liabilities held for trading, as they are closely linked to the activities or instruments that they cover and are an integral part of the business model of the activity to which they relate.

Securities valued under this irrevocable option fall into one of the following three categories:

- instruments that are part of a group of financial assets measured and managed at fair value: the option applies to liabilities managed and measured at fair value, provided the management follows a fair value risk management policy;
- instruments showing an accounting mismatch with a related financial asset/liability: applying the option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed under a single strategy;
- hybrid instruments with one or more significant, separable embedded derivatives: an embedded derivative is the component of a financial or non-financial hybrid instrument that qualifies as a derivative. The option allows the entire instrument to be measured at fair value, and therefore avoids the need to extract, recognize or separately measure the embedded derivative.

Financial liabilities in this category are carried at fair value at the reporting date and shown in the balance sheet as "Financial liabilities at fair value through profit or loss". Changes in fair value are recognized in income for the period under "Net gains or losses on financial instruments at fair value through profit or loss", except for changes in fair value attributable to own credit risk on financial liabilities at fair value through profit or loss, as such recognition does not create or increase an accounting mismatch. Changes in value attributable to own credit risk are recorded under "Revaluation of own credit risk on financial liabilities at fair value through profit or loss" under "Gains and losses recognized directly in other comprehensive income".

In the event of early redemption of financial liabilities designated at fair value through profit or loss, realized fair value gains or losses attributable to own credit risk are directly transferred from "Revaluation of own credit risk on financial liabilities designated at fair value through profit or loss" to "Consolidated reserves" under equity.

5.10 Liabilities

Debt originated by Natixis that is not classified within financial liabilities at fair value through profit or loss is measured using the amortized cost method and recognized in the balance sheet under "Deposits from banks", "Customer deposits", "Debt securities in issue" or "Subordinated debt".

On initial recognition, debt securities are measured at their issue price including transaction costs. They are subsequently measured at amortized cost, with issue expenses recognized over the term of the instruments used.

5.11 Derecognition

Natixis derecognizes all or part of a financial asset if the contractual rights over the cash flows from the financial asset expire. Natixis also derecognizes all or part of a financial asset if these contractual rights or substantially all of the risks and rewards of ownership are transferred.

If Natixis has neither transferred the contractual rights nor substantially retained all of the risks and rewards, Natixis then determines whether it has transferred control of the asset. If control is considered to have been relinquished, the financial asset is derecognized. If the Group retains control of the asset, it remains on the balance sheet to the extent of Natixis' "continuing involvement".

Continuing involvement is evidenced by the existence of contractual conditions such as:

- an option or obligation to repurchase the assets transferred;
- collection of financial compensation linked to the performance of the asset transferred.

A financial liability is derecognized when it is settled, canceled or expires.

Repurchase agreements

a) Assignor

Securities sold are not derecognized. Natixis recognizes a liability representing the commitment to return funds received ("Securities sold under repurchase agreements").

b) Assignee

Securities bought are not recognized but a receivable due from the assignee is recorded representing the funds lent. The amount disbursed in respect of the asset is recognized under "Securities acquired under repurchase agreements".

At subsequent reporting dates, the securities continue to be valued by the assignor in accordance with the rules applicable to the category in which they were initially classified. In the assignee's accounts, the amount receivable from the assignor continues to appear in the balance sheet.

Securities lending and borrowing

Securities lending/borrowing transactions do not involve the transfer of a financial asset within the meaning of IFRS. Consequently, these transactions do not lead to the derecognition of the securities loaned. Securities loaned are not identified in IFRS: they remain recorded in their original IFRS category and measured accordingly. Borrowed securities are not recognized by the borrower.

5.12 Offsetting of financial assets and liabilities

In accordance with IAS 32, Natixis offsets financial assets and liabilities, and a net balance is presented on the balance sheet, on the twofold condition that it has the legally enforceable right to offset the recorded amounts, and the intention either to settle the net amount or to simultaneously realize the asset and settle the liability.

Transactions on derivatives and repurchase agreements carried out with clearing houses, whose operating principles meet the two criteria mentioned above, are offset in the balance sheet *(see Note 7.3)*.

5.13 Provisions

A provision is a liability of uncertain timing or amount. A liability is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits that can be reliably measured.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the reporting date. This amount is discounted when the effect of discounting is material. Provisions are reviewed at each reporting date and adjusted if necessary. Provisions recognized on the balance sheet, other than provisions to cover employee benefits, mainly concern provisions for restructuring and provisions for risks and litigation.

a) Restructuring provision

A provision for restructuring costs is recognized when the following standard criteria for recognizing provisions and the two following conditions are met:

- there is a detailed formal plan for the restructuring on the closing date, identifying at least:
  - the operations or part of the operations concerned,
  - the principal locations affected,
  - the location, function, and approximate number of employees who will be compensated upon termination of their services,
  - the expenses that will be incurred, and
  - the date the plan will be implemented;
- Natixis has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features on the closing date.

Provisions for restructuring costs include only expenditures directly related to the restructuring.

b) Provisions for risks and litigation

A description of the main risks and litigation to which Natixis is exposed is given in Section 3.2.9 of Chapter 3 “Risk factors, risk management and Pillar III”.

Changes in provisions are recognized in the income statement on the line items corresponding to the type of future expenditure.

Provisions recognized as liabilities in Natixis’ financial statements at December 31, 2020 and December 31, 2019, are presented in Note 7.16 “Summary of provisions” eventual are described in Note 6.6 “Other income and expenses”, in Note 6.7 “General operating expenses” and in Note 6.8 “Cost of risk”.

5.14 Employee benefits

In accordance with IAS 19, employee benefits are classified in one of four categories:

- **“short-term benefits”**, including salaries, social security contributions, annual leave, employee profit-sharing, incentive plans, top-up contributions and bonuses payable for the period;
- **“severance payments”**, comprising employee benefits granted in return for termination of a staff member’s employment before the normal retirement age, resulting from a decision by the entity, or a decision by the employee to accept a severance package in exchange for terminating their employment;
- **“post-employment benefits”**, such as pensions, other supplementary retirement benefits applicable to the banking industry, end-of-career awards and other contractual benefits payable to retirees;
- **“other long-term benefits”**, Including long -service awards, amounts due under the Time Savings Account and deferred compensation paid in cash as part of loyalty and performance plans.

Short-term employee benefits are recognized as an expense in the period in which the employee provides the service in exchange for said benefits.

A provision is accrued for termination benefits when the employer is demonstrably committed to providing such benefits, or when the employer recognizes the costs of restructuring providing for the payment of such benefits.

In accordance with the principles of recognition set out in IAS 19, Natixis has identified the following types of post-employment benefit:

- defined contribution plans, under which an entity has no obligation to pay a specified benefit amount;
- defined benefit plans, under which Natixis has a legal or constructive obligation to pay a specified benefit amount.

Contributions paid under defined contribution plans are expensed in the period in which the employee rendered the service in exchange for said contributions.

A provision is set aside for defined benefit plans based on an actuarial assessment of the benefit obligation using the projected unit credit method. This method draws on demographic and financial assumptions reviewed annually (specifically the discount rate based on the AA Corporate bond rate curve). The value of plan assets is deducted from the actuarial debt. This valuation is carried out on a regular basis by independent actuaries.

Insurance contracts taken up with a related party to Natixis and intended to finance all or part of Natixis' defined-benefit plan commitments are recorded in the asset side of the balance sheet as "Accruals and other assets".

Revaluation adjustments for actuarial debt related to changes in actuarial assumptions and experience adjustments (impact of differences between actuarial assumptions and actual experience) are booked under items not recycled to comprehensive income among "Gains and losses recognized directly in equity".

The annual payroll costs recognized in respect of defined-benefit plans consist of:

- the costs of services rendered, representing rights vested by beneficiaries over the period;
- past service costs, arising from possible plan changes or curtailments as well as the effects of possible plan settlements;
- the net interest cost reflecting the impact of unwinding the discount on the net obligation.

Other long-term benefits are valued using the same actuarial method as that applied to post-employment benefits under defined benefit plans, except that liability revaluation items are recognized directly as an expense.

The estimated amount of the expense related to cash-settled variable compensation, subject to the employee's continued service in accordance with the Employee Retention and Performance Recognition plans, is recognized over the vesting period.

5.15 Distinction between debt and equity

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:

- deeply subordinated notes and preference shares are classified in equity in light of the 2009 renegotiation of a clause making the payment of interest non-optional in the event of positive consolidated income and which has since become discretionary.

  The change over the fiscal year is presented in Note 7.15 "Changes in subordinated debt over the period", and in Note 12.3 "Equity instruments issued";
- however, if an instrument is classified as equity:
  - payments on that instrument are treated in the same way as dividends. However, the tax consequences of these distributions are recognized, depending on the origin of the amounts distributed, in the consolidated reserves, as gains or losses recorded directly in equity or in income, in accordance with the amendment to IAS 12 of December 2017 entering into force on January 1, 2019. Accordingly, when the distribution corresponds to the IFRS 9 definition of dividends, the tax consequences are recorded in income. This provision is to be applied to any interest income from deeply super subordinated notes treated as dividends for accounting purposes,
  - it is fixed at its historical value resulting from converting it to euros on the date it was initially classified under equity;
- the share of third party investors in the net assets of dedicated mutual funds included in Natixis' consolidation scope comprises a financial liability recorded on the balance sheet under "Financial liabilities at fair value through profit or loss". The share of third party investors in the profits of the mutual funds is recorded in "Net gains or losses on financial instruments at fair value through profit or loss" in the consolidated income statement;
- the units held by third party investors in dated funds, which are fully consolidated by Natixis, entitling the unit-holders to the repayment of a share of the fund's net assets upon its liquidation, are classified in liabilities on the consolidated balance sheet under "Accruals and other liabilities". The share of third party investors in the fund's profits is recorded under "Interest and similar expenses" on the consolidated income statement.

5.16 Share-based payments

Capital increases reserved for employees

Stock options offered to employees under the Employee Savings Plan, with a discount compared with the average market price for a given period (called the reference price), are encumbered with a lock-up period of five years. The advantage granted is measured as the difference between the fair value of the acquired share, taking into account the lock-up condition and the purchase price paid by the employee on the subscription date, multiplied by the number of shares subscribed.

The lock-up valuation method is based on the cost of a two-step strategy consisting of a five-year forward sale of the locked-up shares and purchasing the same number of shares in cash, by financing the purchase with a loan ultimately repayable at the end of the five years with the income from the forward sale. The loan interest rate is that which would have been granted to a market player seeking a non-affected cash loan repayable in five years with an average risk profile.

The main assumptions applied for valuing the advantages related to capital increases reserved for employees are provided in Note 11.2.4.

Share-based employee retention and performance recognition plans

The variable compensation policy is in keeping with the regulatory framework, including the European Regulation CRD IV. It also meets transparency requirements with regard to the ACPR, the ECB and the AMF.

Some plans are settled in Natixis shares, while others are settled in cash indexed to the Natixis share price.

Employee retention and performance plans settled in shares

Under IFRS 2 "Share-based payment", employee bonus share awards give rise to an expense representing the fair value of the goods or services received at the grant date. This payroll expense is recognized against equity. The fair value of the services received is calculated by reference to the fair value of the shares at the grant date, less the present value of dividends forfeited by employees during the vesting period, taking the continued service requirements into account.

The expense is recognized on a straight-line basis over the vesting period. The expense is adjusted over the vesting period to reflect any losses of rights.

Cash-settled employee retention and performance plans indexed to the value of the Natixis share

The accounting treatment applicable to cash-settled share-based payments is governed by IFRS 2 "Share-based payment".

Under IFRS 2, the services acquired and the liability incurred are measured at fair value. Until the liability is settled, debt is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognized in income for the period. The remeasurement of the liability at the reporting date takes into account any changes in the value of the underlying shares, as well as whether or not the continued service requirement and performance criteria have been met.

Where the payment of compensation is subject to a continuing service requirement, the corresponding expense is recorded over the vesting period on a straight-line basis. When no service requirement exists, the expense is recognized immediately as a debt. The latter is then remeasured at each reporting date taking into account performance criteria and any changes in the value of underlying shares.

Changes to the terms and conditions of a cash-settled employee retention and performance plan indexed to the value of the Natixis share, or that of its subsidiaries' shares, with the result that the plan is reclassified as an employee retention and performance plan settled in shares, would trigger the derecognition of the debt recorded for the initial plan indexed to the value of the Natixis share, or that of its subsidiaries' shares, and the recognition of a debt equivalent to the services provided for the new employee retention and performance plan settled in shares as at the date of modification. The difference between the recognition in equity and the derecognition of the debt is recorded directly in income.

Detailed information about these plans and their quantified impacts over the period are provided in Note 11.2.2.

5.17 Treasury shares and treasury share derivatives

All treasury shares held by Natixis are deducted from equity regardless of the purpose for which they are acquired/held. Any gains or losses recognized in the parent company financial statements in respect of the sale, measurement or impairment of treasury shares held for trading or available-for-sale are eliminated in the consolidated financial statements through equity.

Treasury share derivatives are recognized differently depending on how they are unwound:

- as equity instruments, if they are unwound by trading a fixed number of treasury shares for a fixed amount of cash or another financial asset, and if this trade is the only possible unwinding method. In such case, the instruments are not subsequently revalued;
- as derivatives, if they are unwound via a net cash settlement or a net treasury shares settlement. In such case, the fair value changes in the instruments are recorded in the income statement.

A contract obligating Natixis to buy its own shares creates a liability in the amount of the discounted acquisition price, regardless of how the derivative is classified, with a corresponding entry in equity.

5.18 Fees and commissions received

Under IFRS 15 "Revenue from contracts with customers", the entity must recognize income arising from ordinary activities in an amount that reflects the consideration that the entity expects to receive in exchange for the transfer of goods and services promised to customers. Revenue is recognized in five stages:

- identification of contracts with customers;
- identification of specific performance obligations (or items) to be recognized separately from one another;
- determination of overall transaction price;
- allocation of transaction price to the various specific performance obligations;
- recognition of income when performance obligations are met.

This approach applies to all contracts with customers except for leases (covered by IFRS 16), insurance contracts (covered by IFRS 4) and financial instruments (covered by IFRS 9). If specific stipulations relating to revenue or contract costs are specified under a different standard, these will be applied first.

The main Natixis activities to which this approach applies are:

- fee and commission income, from banking services if this income is not included in the effective interest rate, or from Asset Management or financial engineering services;
- income from other activities, in particular for services included in leases.

Commission income is recognized in income, according to the type of services rendered and the method of accounting for the financial instruments to which the service rendered is attached.

If uncertainty remains regarding the measurement of a fee amount (performance fee for Asset Management, variable financial engineering fee, etc.), only the amount for which the Group's entitlement is already assured given the information available on the reporting date is recognized.

Fees for services are analyzed to separately identify their various components (or performance obligations) and assign to each component the share of income due to it. Each component is then recognized in income, according to the type of services rendered and the method of accounting for the financial instruments to which the service rendered is attached:

- fees and commissions for ongoing services, such as guarantee fees or management fees, are deferred over the period during which the service is provided;
- fees and commissions for one-off services, such as business provider fees, are recognized in income as soon as the service is provided.

Fees for structuring and arrangement relating to the arranging of certain customer loans, notably as part of syndication transactions, are recognized in income at the legal date on which the transaction is completed or at the end of the syndication period (in the case of syndicated loans).

Fees and commissions that form an integral part of the effective yield on an instrument, such as fees for loan set-up, are recognized and amortized as an adjustment to the effective interest rate over the estimated term of the applicable loan. These fees and commissions are recognized as interest income rather than “Net fee and commission income”.

Any mismatch between the date of payment and the date of implementation of the service will generate an assets or liability depending on the type of contract and the nature of the mismatch and will be recorded under “Other assets” and “Other liabilities”.

5.19 Tax expenses

The tax expense for the year comprises:

- tax payable by French companies at the rate of 32.02% for the fraction of the profit exceeding €500,000 (28% of €0 to €500,000) or at the rate in force locally for foreign companies and branches;
- deferred taxes arising from temporary differences between the carrying amount of assets and liabilities and their tax basis, which are calculated using the balance sheet liability method.

Deferred tax assets and liabilities are calculated at the level of each tax entity in accordance with local tax rules and based on tax rates that have been enacted or substantively enacted at the date the temporary difference will reverse. Deferred taxes are not discounted.

Deferred tax assets are only recognized at the reporting date if the tax entity concerned is likely to recover tax savings over a fixed time period (10 years maximum). These savings will be realized by the deduction of temporary differences or tax loss carryforwards from estimated future taxable income within that time period.

Deferred tax assets and liabilities are offset at the level of each tax entity. The tax entity may either be a single entity or, if applicable, a group of entities of which it is a part, that have elected for Group tax relief.

The deferred tax rate applied in France takes account of the tax cuts introduced by parliament through the various Finance laws. The rate of corporate tax will decline (excluding a social security contribution impact of 3.3%) to 27.5% in 2021 (for all taxable income) and to 25% in 2022 and subsequent years.

All temporary differences have been recognized regardless of their recovery or payment date. The net deferred income tax balance is shown in the balance sheet under “Deferred tax assets”.

The value-added contribution, or “Cotisation sur la Valeur Ajoutée des Entreprises” (CVAE), is recorded in the accounts as “Operating expenses,” since Natixis considers that its calculation is not based on net income.

Finally, it is necessary to note that from the 1er April 2020 tax credits on foreign securities are no longer recorded in NBI but in corporate income tax.

5.20 Financing and guarantee commitments

a) Financial Guarantees

Commitments given

Financial guarantee commitments not classified as derivatives are contracts requiring the issuer to make specific payments to repay the business guaranteed for a loss that it has incurred owing to the failure of a debtor to make the contractual installments due. The exercise of these rights is subject to the occurrence of an uncertain future event.

Financial guarantees given are stated initially at fair value, then subsequently at the higher of:

- the amount initially recognized upon inception less, where appropriate, the amount of amortization recorded in line with the principles outlined in IFRS 15 “Revenue from Contracts with Customers”. This amortization represents the deferred recognition of the fees received over the period covered by the guarantee; and
- the amount of the provision determined according to the provisions of the expected credit loss model *(see Note 5.3)*.

The provisions are presented in Note 7.16 “Summary of provisions”.

All of the financial guarantees issued by insurance subsidiaries that also meet the definition of an insurance contract were accounted for in line with the requirements of IFRS 4 “Insurance Contracts” *(see Note 8)*.

Specific case of guarantees issued to mutual funds

Natixis guarantees the capital and/or returns on units in certain mutual funds. These guarantees are executed solely in the event that the net asset value of each of the units in the fund at maturity is lower than the guaranteed net asset value.

C Guarantees are recorded as derivatives and are measured at fair value in accordance with the provisions of IFRS 13.

Guarantee commitments received

There are no IFRS standards covering financial guarantees received (other than derivatives or insurance contracts). In the absence of specific guidance, the accounting treatment applied must be determined by analogy with the accounting treatment prescribed by other standards in similar situations. Accordingly, guarantees received meeting the definition of a financial guarantee for an issuer are accounted for in accordance with:

- IFRS 9, for guarantees received in respect of financial assets (debt instruments). The measurement of the expected credit losses associated with financial assets must in fact take into account the flows generated by guarantees considered an integral part of the debt instrument;
- IAS 37, for guarantees received in respect of non-financial liabilities falling within the scope of IAS 37.

b) Financing commitments

Financing commitments are irrevocable commitments by Natixis to grant a loan under pre-defined conditions.

The vast majority of the financing commitments granted by Natixis give rise to loans granted at market rates at the grant date and recognized at amortized cost. As such, and in accordance with IFRS 9, the commitment to lend and the loan itself are considered successive stages of one and the same instrument. The commitment to lend does not, therefore, fall within the scope of IFRS 9: it is treated as an off-balance sheet transaction and is not revalued. Financing commitments are eligible for the provisioning mechanism under IFRS 9, however *(see Note 5.3)*. IFRS 9 provides that the issuer of a financing commitment must apply provisioning criteria to loan commitments that do not fall within the scope of this standard. The provisions recognized in respect of these commitments are presented in Note 7.16 “Summary of provisions”.

5.21 Contributions to banking resolution mechanisms

The procedure for setting up the deposit and resolution guarantee fund was changed by a French Ministerial Order dated October 27, 2015. Contributions made to the deposit and resolution guarantee fund may be paid in the form of partner or association certificates and cash security deposits (guarantee of irrevocable commitment) recognized as assets on the balance sheet and contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) recorded in income as "Taxes and regulatory contributions" among other operating expenses *(see Note 6.7)*.

Directive 2014/59/EU (BRRD – Bank Recovery and resolution Directive) which establishes the framework for the recovery and resolution of banks and investment firms and Regulation (EU) 806/2014 (SRM regulation) established the introduction of a resolution fund as of 2015. In 2016, this fund became a Single resolution Fund (SRF) between the member States participating in the Single Supervisory Mechanism (SSM). The SRF is a resolution financing mechanism available to the resolution authority (Single Resolution Board). The latter may use this fund when implementing resolution procedures.

In accordance with delegated regulation 2015/63 and implementing regulation 2015/81 supplementing the BRRD Directive on ex-ante contributions to financing mechanisms for the resolution, the Single Resolution Board set the level of contributions to the Single resolution Fund for 2019. Contributions paid to the fund may be made in cash security deposits recognized as assets on the balance sheet (15% in cash security deposits) and in contributions recorded in income as "Taxes and regulatory contributions" *(see Note 6.7)*.

5.22 Use of estimates and judgment

In preparing its financial statements, Natixis is required to make certain estimates and assumptions based on available information that is likely to require expert judgment. This exercise has been made particularly difficult given the current health crisis, which has had unprecedented repercussions on the global economy.

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 December 31, 2020, especially in the current circumstances of extreme 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 funding cost of future cash flows from uncollateralized or imperfectly collateralized derivatives, as well as counterparty and input risks. The fair values obtained from these methods may differ from the actual prices at which such transactions might be executed in the event of a sale on the market.

The valuation models used to price illiquid financial instruments are described in Note 7.5.

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 (in particular, projected expected future cash flows 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 highly uncertain environment caused by the health crisis on the global economy has required close attention in 2020 in order to make reasonable, justifiable forecasts. Natixis has thus constructed a new scenario central management, based in particular on macroeconomic projections and validated by its governing bodies *(see Note 1.4.2)*.

Valuation of cash-generating units (CGUs)

All goodwill is assigned to a CGU so that it may be tested for impairment. The tests conducted by Natixis consist in comparing the carrying amount of each CGU (including goodwill) with its recoverable value. Where the recoverable amount equals the value in use, it is determined by discounting annual free cash flows to perpetuity. Use of the discounted cash flow method involves:

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

As of December 31, 2020, despite the high degree of uncertainty regarding the economic outlook, which consequently affects the future net income of Natixis' business lines, all of the cash-generating units (CGUs) had their value assessed. The CGU impairment tests are presented in Note 2.5.

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.

Liabilities related to insurance policies

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

- for personal protection insurance, claims reserves are calculated by modeling claims experience;
- for life insurance, underwriting reserves are computed based on economic and financial assumptions, mortality and morbidity tables, and behavioral statistics, for example concerning surrenders;
- for Non-Life Insurance, technical reserves comprise provisions for unearned premium income (calculated on an accrual basis and representing the portion of premiums issued during the period that relate to a period after the reporting date) and reserves for claims to be paid, corresponding to known and unknown claims that have occurred but not yet paid at the reporting date.

Liability adequacy test

In accordance with IFRS 4, insurance technical reserves are calculated using methods stipulated by local regulations. A liability adequacy test is carried out in order to ensure that the insurance liabilities as presented in the consolidated financial statements are sufficient to cover future cash flows estimated at that date. The test is based on a stochastic modeling of discounted future flows. If the liability is inadequate, potential losses are fully booked in net income.

Deferred profit-sharing

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

In the event of a deferred profit-sharing asset, a recoverability test is carried out to verify that liquidity requirements arising from an unfavorable economic environment do not force the sale of assets and generate unrealized losses. This recoverability test relies on projected future cash flows based on various economic assumptions about historical redemptions and inflows *(see Note 8.2.5)*.

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 very long 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.

Other provisions

Provisions recognized in the consolidated balance sheet, other than those relating to financial instruments, employee benefits and insurance policies, 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.

Other uncertainties

Uncertainties related to Brexit

On June 23, 2016, the UK decided to leave the European Union (Brexit) following a referendum. After Article 50 of the Treaty on European Union was triggered on March 29, 2017, the United Kingdom and the 27 other member countries of the European Union gave themselves two years to prepare for the country's effective withdrawal. This deadline was postponed three times, ultimately falling on January 31, 2020. A transition period then took place until December 2020, during which future trade agreements for goods and services were negotiated while the European rules in force continued to apply.

On December 24, 2020, the United Kingdom and the European Union signed an exit agreement, enabling the transition period to close with a framework for future business relations. However, this agreement did not concern Financial Services, so Natixis applied from January 1, 2021 the measures prepared for an exit without agreement, without significant impact on its activities. Both parties (United Kingdom and European Union) have set three months, until March 31, 2021, to negotiate specific rules for the financial sector. Natixis closely monitors the results of these negotiations in order to incorporate them, where applicable, in the assumptions and estimates used in the preparation of the consolidated financial statements. Lastly, the non-recognition of British CCPs by European regulations is not a risk in the short term, as ESMA announced the September 21, 2020 an extension of the equivalence period to June 30, 2022.

Uncertainties related to the application of certain provisions of the BMR

European Regulation (EU) 2016/1011 of June 8, 2016 on indices used as benchmarks ("the Benchmarks Regulation" or "BMR") introduces a common framework aimed at guaranteeing the accuracy and integrity of indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds within the European Union.

The purpose of the Benchmarks Regulation is to regulate the provision of benchmarks, the provision of data underlying benchmarks, and the use of benchmarks, within the European Union. It provides for a transition period for administrators, who have until January 1, 2022 to be approved or registered. After this date, the use by entities supervised by the EU of benchmarks whose administrators are not authorized or registered (or, if they are not located in the EU, are not subject to equivalent or otherwise recognized or approved regulations) will be prohibited. Under the BMR, interest rate benchmarks Euribor, Libor and Eonia have been designated as critical.

In the euro zone, most of the uncertainties surrounding the definition of new benchmark rates were cleared up in the first of half 2019. Indeed, the work done to propose new indices was finalized in the case of Eonia, which became a €STER tracker on October 1, 2019 and will continue to be one until December 31, 2021. The latter will replace the so-called "recalibrated" Eonia from January 1, 2022.

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. At this stage, there is moderate uncertainty as to the sustainability of the Euribor, resulting from the limited number of banks contributing to the determination of the index. Two consultations were launched in November 2020 by the European working group on alternative reference rates, in order to support the entities in the drafting of fallback clauses. These consultations concern, in this respect, the determination of the events triggering the permanent termination of the Euribor and the methods for determining the rate, based on the euro ster, which will then replace the Euribor.

With respect to Libor, at this stage, "risk-free rate" alternatives were defined for the GBP, USD, CHF, and JPY Libor. However, work is still under way to define the terms of transition to these rates. Legislative solutions are also being considered at the European level, in the United Kingdom and in the United States, for contracts referenced at the Libor rate, which would not have been renegotiated at the end of the transition period.

Since the first half of 2018, Natixis has had a project team in place tasked with anticipating the impacts associated with the benchmark index reform from a legal, commercial, financial and accounting standpoint. Governance involving all four 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. A new, more operational phase began in 2020 on the transition and the reduction of exposure to benchmarks that may disappear. It includes the use of new indices, the identification and implementation of inventory remediation plans as well as active communication with the bank's customers. The vast majority of contracts affected by the reform will, however, be remedied with alternative rates during the year 2021.

In terms of accounting:

- the IASB published the amendments to IFRS 9, IAS 39 and IFRS 7, in respect of hedging-related issues, in September 2019. The amendments to IAS 39 and IFRS 9 provide for temporary exceptions to the requirements set forth by these standards in terms of hedge accounting, while the amendments to IFRS 7 require that, in respect of the hedging relationships to which these exceptions apply, information be provided on the entities' exposure to the IBOR reforms, the way they manage the transition to alternative benchmark rates, and the assumptions or judgments made in order 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 period preceding the transition to alternative benchmark rates. Natixis believes all of these hedging contracts, which have either a Bor or Eonia component, are affected by the reform and may therefore benefit from said amendments for as long as uncertainty remains with regard to the contractual changes to be implemented as a result of the regulations, the replacement index to be applied or the period of application of provisional interest rates. Hedging derivatives are presented in Note 7.18. Almost all interest rate swaps used in a hedging relationships are indexed to a Bor or Eonia index;
- on April 27, 2020, the IASB published a draft document to handle topics resulting from the replacement of traditional benchmark rates with their alternative benchmark rates. This overview aims to amend the provisions of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 with respect to the modifications of financial assets and financial liabilities (including debts related to leases) whether or not they are connected with the enactment of existing contractual clauses (fallback clauses), hedge accounting, or disclosures. This text, adopted by the European Commission on January 13, 2021 will be applicable from January 1, 2021 with early application allowed. Natixis has chosen to apply these amendments early as of December 31, 2020.

In more detail, these include:

- concerning the changes in financial assets and liabilities directly induced by the reform and for which the basis for calculating contractual cash flows is economically equivalent to the basis of calculation used immediately before the change, to apply the provisions of IFRS 9 and IFRS 16 to re-estimate the cash flows of financial instruments indexed to a variable rate. 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 provisions will therefore have no effect, as of the transition date, on the income statement;
- with respect to hedge accounting, the draft amendment introduces new exceptions to the hedge accounting application criteria set out by IFRS 9 and IAS 39 aimed at avoiding a breakdown in hedging relationships;
- with regard to the information to be published, the communication of information on the nature and extent of the risks associated with the IBOR reform to which the entities are exposed, for the scope of all financial instruments *(see Note 7.18)*.

5.23 Earnings/(loss) per share

Diluted earnings/(loss) per share corresponds to net earnings/(loss) for the period attributable to the Group, divided by the weighted average number of shares, adjusted for the maximum impact resulting from the conversion of dilutive instruments into ordinary shares. Stock options issued are taken into account in calculating diluted earnings/(loss) per share. The conversion of these instruments does not impact net income/(loss) used to calculate diluted earnings/(loss) per share.

	31/12/2020	31/12/2019
Earnings/(loss) per share		
Net earnings/(loss) Group share *(in millions of euros)*	101	1,897
Net earnings/(loss) attributable to shareholders *(in millions of euros)* [a]	(19)	1,758
Average number of ordinary shares outstanding over the fiscal year	3,155,436,359	3,152,619,870
Average number of treasury shares outstanding over the fiscal year	4,116,402	2,446,353
Average number of shares used to calculate earnings/(loss) per share	3,151,319,957	3,150,173,517
EARNINGS/(LOSS) PER SHARE *(in euros)*	**(0.01)**	**0.56**
Diluted earnings/(loss) per share		
Net earnings/(loss) Group share *(in millions of euros)*	101	1,897
Net earnings/(loss) attributable to shareholders *(in millions of euros)* [a]	(19)	1,758
Average number of ordinary shares outstanding over the fiscal year	3,155,436,359	3,152,619,870
Average number of treasury shares outstanding over the fiscal year	4,116,402	2,446,353
Number of potential dilutive shares resulting from stock option plans and bonus share awards [b]	8,765,186	7,988,464
Average number of shares used to calculate diluted earnings/(loss) per share	3,160,085,143	3,158,161,981
DILUTED EARNINGS/(LOSS) PER SHARE *(in euros)*	**(0.01)**	**0.56**

(a) The difference between net income (Group share) and net income/(loss) attributable to shareholders corresponds to the interest generated on deeply subordinated notes and on preference shares, i.e. -€119.4 million at December 31, 2020 and -€138.1 million at December 31, 2019.

(b) This number of shares refers to the shares granted under the 2018, 2019 and 2020 Bonus Share Plans (PAGA), the 2017, 2018, 2019 and 2020 Long-Term Incentive Plans (LTIP) and the 2018 Payment Business Line Plan (PMP).

Note 6 Notes to the income statement

6.1 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 to and from banks and customers.

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).

At December 31, 2020, negative interest on financial assets is presented under "Interest and similar expenses"; negative interest on financial liabilities is presented under "Interest and similar income". At December 31, 2019, negative interest on financial assets was included in "Interest and similar income" to show a net balance; negative interest on financial liabilities was recorded under "Interest and similar expenses".

	31/12/2020			31/12/2019		
(in millions of euros)	Income	Expense	Net	Income	Expense	Net
Financial assets and liabilities at amortized cost	**2,485**	**(1,418)**	**1,067**	**3,452**	**(2,683)**	**769**
Central banks	72	(60)	12	346	(93)	253
Interest on securities	108	(94)	14	87	(92)	(5)
Receivables, loans and borrowings	2,305	(783)	1,522	3,019	(1,447)	1,571
Banks	468	(596)	(128)	306	(823)	(516)
Customers	1,833	(187)	1,646	2,706	(624)	2,082
Finance leases	4		4	6		6
Debt securities and subordinated debt		(469)	(469)		(1,031)	(1,031)
Lease liabilities		(13)	(13)		(20)	(20)
Financial assets at fair value through other comprehensive income	**70**	**(0)**	**70**	**104**		**104**
Interest on securities	70	(0)	70	104		104
Loans and receivables	0		0	0		0
Financial assets to be valued at fair value through profit or loss	**66**		**66**	**56**		**56**
Loans and receivables	42		42	39		39
Interest on securities	24		24	17		17
Hedging derivatives	**318**	**(429)**	**(110)**	**336**	**(461)**	**(126)**
TOTAL [(a)]	**2,940**	**(1,847)**	**1,093**	**3,948**	**(3,144)**	**803**

(a) *At December 31, 2020, the negative interest on financial assets and liabilities amounted to -€146.9 million and €231 million respectively.*

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6.2 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. The main accounting principles applying are presented in Note 5.18.

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

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 outperformance.

	31/12/2020			31/12/2019		
(in millions of euros)	**Income**	**Expense**	**Total**	Income	Expense	Total
Interbank transactions	8	(27)	(18)	7	(29)	(22)
Customer transactions	568	20	588	553	(2)	551
Securities transactions	76	(174)	(98)	69	(124)	(55)
Payment services	477	(65)	412	473	(61)	412
Financial Services	121	(504)	(383)	229	(598)	(369)
Fiduciary transactions [a]	3,414	0	3,414	4,007	0	4,007
Financing, guarantee, securities and derivative commitments	313	(141)	172	235	(117)	118
Other [b]	107	(1,137)	(1,030)	147	(1,265)	(1,119)
TOTAL [c]	**5,084**	**(2,028)**	**3,056**	**5,719**	**(2,197)**	**3,523**

(a) Of which performance fees in the amount of €314 million (of which €286 million for Europe) at December 31, 2020, versus €627 million (of which €537 million for Europe) at December 31, 2019.

(b) Of which net fee and commission income of -€1,125 million at December 31, 2020, versus -€1,243 million at December 31, 2019, for insurance activities, for which the related income is presented as "Net income from insurance activities".

(c) As of December 31, 2019, Coface contributed -€126.8 million to net commissions (+€59.1 million in income and -€185.9 million in expenses, primarily categorized as "Other").

6.3 Gains and losses on financial instruments at fair value through profit or loss

This item includes gains and losses on financial assets and liabilities at fair value through profit and loss, whether held for trading or designated 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)	**31/12/2020**	31/12/2019
Net gains/(losses) on financial assets and liabilities excluding hedging derivatives	**1,021**	**2,004**
Net gains/(losses) on financial assets and liabilities held for trading [b]	1,601	5,275
o/w derivatives not eligible for hedge accounting	*3,722*	*(463)*
Net gains/(losses) on financial assets to be valued at fair value through profit or loss	66	268
Net gains/(losses) on financial assets and liabilities under the fair value option	(660)	(3,714)
Other	15	175
Hedging derivatives and revaluation of hedged items	**(19)**	**(18)**
Ineffective portion of cash flow hedges (CFH)	(11)	0
Ineffective portion of fair value hedges (FVH)	(9)	(18)
Changes in fair value hedges	*(133)*	*(115)*
Changes in hedged items	*124*	*97*
TOTAL [a]	**1,002**	**1,986**

(a) Insofar as the expenses and income presented in the income statement are classified by type and not by function, the net income of activities on financial instruments at fair value through profit and loss should be considered as a whole. The results presented above do not include the refinancing cost of these financial instruments, which is recorded in interest income or expenses.

(b) "Net gains/(losses) on financial assets and liabilities held for trading" include:

reductions applied to the fair value of the CDS concluded with the monoline companies: an increase in the reduced inventory was recorded during fiscal year 2020 of €4.7 million compared to an increase in the reduced inventory of €1.8 million (expense) at December 31, 2019 (excluding the impact of foreign exchange and the effect of the BPCE guarantee), bringing the total reduced stock to €29.8 million at December 31, 2020 compared with €25.1 million at December 31, 2019;

- at December 31, 2020, recognized own credit risk adjustments to derivatives (debit valuation adjustments or DVA) stood at +€11.8 million (expense), versus €35.4 million (income) at December 31, 2019.

- In addition, the value adjustment concerning the valuation of the counterparty risk (CVA) of financial assets is -€39.8 million (expense) at December 31, 2020 compared to an expense of -€1.2 million at December 31, 2019;

- the Funding Valuation Adjustment (FVA) used on uncollateralized derivatives or imperfectly collateralized derivatives is also recognized on this line in the amount of -€3.3 million (expense) at December 31, 2020 versus -€12.8 million (income) at December 31, 2019.

6.4 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)	**31/12/2020**	31/12/2019
Net gains on debt instruments	23	9
Net gains on loans and receivables		
Net gains on equity instruments (dividends)	50	31
TOTAL	**72**	**40**

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

6.5 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.

At December 31, 2020, net gains or losses resulting from the derecognition of instruments at amortized cost include -€13 million in losses recorded following the sale of financial assets at amortized cost and (versus -€7 million at December 31, 2019) and €1 million in gains related to the sale of debt securities at amortized cost (versus -€3 million at December 31, 2019).

6.6 Other income and expenses

Income and expenses from other activities include incidental income and expenses.

	31/12/2020			31/12/2019		
(in millions of euros)	**Income**	**Expense**	**Net**	Income	Expense	Net
Operating leases	29	0	29	30	0	30
Other related income and expenses	227	(194)	33	221	(167)	54
TOTAL [(a)]	**256**	**(194)**	**62**	**251**	**(167)**	**85**

(a) *Of which insurers' contribution to the small business solidarity fund as part of the COVID-19 crisis amounted to -€13.9 million as of December 31, 2020.*

6.7 Operating expenses and depreciation, amortization, and impairments

Operating expenses mainly comprise payroll costs, including wages and salaries net of rebilled expenses, social security expenses and employee benefits such as pensions (defined benefit plans), and expenses relating to share-based payment recognized in accordance with IFRS 2. A breakdown of these expenses is provided in Note 11.

This item also includes all administrative expenses and external services.

(in millions of euros)	Notes	**31/12/2020**	31/12/2019
Payroll costs	**11.2**		
Wages and salaries		(2,485)	(2,830)
o/w share payments [(a)]		*(19)*	*(54)*
Pension benefits and other long-term employee benefits		(230)	(285)
Social security expenses		(565)	(606)
Incentive and profit-sharing plans		(115)	(136)
Payroll-based taxes		(106)	(117)
Other		(4)	(6)
Total payroll costs		**(3,505)**	**(3,980)**
Other operating expenses			
Taxes other than on income [(b)]		(300)	(315)
External services		(1,579)	(1,870)
Other		(31)	(43)
Total other operating expenses		**(1,910)**	**(2,228)**
TOTAL		**(5,415)**	**(6,208)**

(a) *The amount recognized for 2020 in respect of the retention and performance plans includes an expense of -€13 million (versus -€44 million at December 31, 2019) for the portion of compensation paid in cash and indexed to the Natixis share price and an additional expense of -€6 million (versus -€10 million at December 31, 2019) for the portion of compensation settled in Natixis shares.*

(b) *Of which a contribution of -€165.3 million to the Single resolution Fund (SRF) at December 31, 2020, versus -€169.7 million at December 31, 2019.*
- Of which the Social Security and Solidarity Contribution (C3S) for -€41.1 million at December 31, 2020, versus -€33.8 million at December 31, 2019.
- As of December 31, 2019, Coface contributed -€480.1 million to operating expenses.

Additionally, depreciation, amortization and impairment on property, plant and equipment and intangible assets include -€7.1 million in accelerated repayments for building arrangements that are to be released.

6.8 Provision for credit losses

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.

	31/12/2020					31/12/2019				
(in millions of euros)	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
Provisions for impairment of financial assets	**(1,372)**	**567**	**(3)**	**7**	**(801)**	**(872)**	**561**	**(9)**	**4**	**(316)**
Unimpaired financial assets – 12-month expected credit losses	(118)	90	0	0	(27)	(74)	61	0	0	(13)
Unimpaired financial assets – Lifetime expected credit losses	(395)	321	0	0	(73)	(244)	266	0	0	22
Impaired financial assets – Lifetime expected credit losses	(860)	156	(3)	7	(700)	(554)	234	(9)	4	(325)
Other										
Contingency reserves	**(403)**	**353**	**(0)**	**0**	**(51)**	**(275)**	**262**	**(2)**	**0**	**(15)**
Financing commitments – 12-month expected credit losses	(75)	50	0	0	(25)	(29)	26	0	0	(3)
Financing commitments – Lifetime expected credit losses	(295)	253	0	0	(41)	(166)	174	0	0	8
Impaired financing commitments – Lifetime expected credit losses	(25)	42	0	0	16	(75)	50	(0)	0	(25)
Other	(8)	8	(0)	0	(1)	(5)	11	(2)	0	4
TOTAL	**(1,775)**	**920**	**(3)**	**7**	**(851)**	**(1,147)**	**823**	**(11)**	**4**	**(332)**
Of which:										
Reversals of surplus impairment provisions		*920*					*823*			
Reversals of utilized impairment provisions		*677*					*194*			
Sub-total reversals		***1,597***					***1,017***			
Write-offs covered by provisions		*(677)*					*(194)*			
Total net reversals		**920**					**823**			

This item also includes any impairments recorded in respect of proven default risks associated with counterparties of OTC instruments, booked as financial assets at fair value through profit or loss equal to €32.6 million as of December 31, 2020

6.9 Gains or 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.

	31/12/2020			31/12/2019		
(in millions of euros)	**Investments in consolidated companies**	**Property, plant and equipment and intangible assets**	**Total [(a)]**	Investments in consolidated companies	Property, plant and equipment and intangible assets	Total [(b)]
Net capital gains/(losses) on disposals	(187)	0	(187)	627	60	687
TOTAL	**(187)**	**0**	**(187)**	**627**	**60**	**687**

(a) *Including -€145.6 million concerning the gain or loss on the disposal of Coface and -€47.6 million on H2O recorded in fiscal year 2020 (see Note 1.2 Significant events).*

(b) *Including €697.1 million for the sale of the SFS business lines and -€14.7 million for the sale of Natixis Brasil.*

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

(in millions of euros)	**31/12/2020**	31/12/2019
+ Net income Group share	101	1,897
+ Net income (non-controlling interests)	81	380
+ Income tax charge	204	669
+ Income from discontinued operations		
+ Impairment of goodwill		(5)
- Share in income of associates	53	(21)
= Consolidated net income/(loss) before tax, goodwill amortization and share in income of associates	439	2,919
+/- Permanent differences [(a)]	282	(110)
= Consolidated taxable income/(loss)	721	2,809
x Theoretical tax rate [(b)]	32.02%	34.43%
= Theoretical tax charge	(231)	(967)
+ Income taxed at reduced rates	(2)	0
+ Losses for the period not recognized for deferred tax purposes	16	(7)
+ Impact of tax consolidation	18	16
+ Differences in foreign subsidiary tax rates	(3)	209
+ Tax on prior periods and other tax items	(2)	80
= Tax charge for the period	**(204)**	**(669)**
of which: taxes payable	*(247)*	*(522)*
deferred tax	43	(147)

(a) *The permanent differences include the impact of the loss of control of the Coface division (+€145.6 million), the effect of the recognition of projected losses related to the sale of H2O by Natixis Investment Managers (+€49 million) as well as the impact of non-tax-deductible regulatory contributions in the amount of +€114.7 million at December 31, 2020 compared to +€130 million at December 31, 2019. In 2019, the permanent differences include the portion of the non-taxable long-term capital gain related to the sale of SFS entities to BPCE (-€454 million) and the non-deductible capital loss on the disposal of Natixis Brasil (+€14.7 million).*

(b) *In 2020, the standard corporate tax rate fell to 32.02%.*

Note 7 Notes to the balance sheet

7.1 Financial assets and liabilities at fair value through profit and loss

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

7.1.1 Financial assets at fair value through profit or loss

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

Financial instruments that must be measured at fair value through profit or loss include debt instruments and non-SPPI loans (for which the classification criteria are provided in Note 5.1.2), and equity instruments that we have opted not to recognize in other comprehensive income.

	31/12/2020				31/12/2019			
(in millions of euros)	**Financial assets held for trading**	**Financial assets to be valued at fair value through profit or loss (a)**	**Financial assets designated under the fair value option (b)**	**Total**	Financial assets held for trading	Financial assets to be valued at fair value through profit or loss (a)	Financial assets designated under the fair value option (b)	Total
Note			*5.1.1.1*				*5.1.1.1*	
Securities	**51,565**	**2,437**	**21**	**54,023**	**51,164**	**2,700**	**43**	**53,907**
Debt instruments	18,833	1,703	21	20,556	15,004	1,865	43	16,912
Other equity instruments issued	32,733	734	0	33,467	36,160	835	0	36,995
Financing against reverse repos (c)	**80,113**			**80,113**	**89,971**			**89,971**
Loans and receivables	**2,933**	**1,931**	**2**	**4,867**	**4,612**	**1,715**	**2**	**6,329**
Banks	0	963	2	966	13	999	2	1,014
Customers	2,932	969	0	3,901	4,599	716	0	5,315
Derivatives not eligible for hedge accounting (c)*	**53,664**	**0**	**0**	**53,664**	**52,792**	**0**	**0**	**52,792**
Security deposits paid	**17,711**	**0**	**0**	**17,711**	**17,715**	**0**	**0**	**17,715**
TOTAL	**205,986**	**4,368**	**23**	**210,378**	**216,254**	**4,415**	**45**	**220,714**

(a) *The criteria for classifying financial assets at fair value through profit or loss if they do not meet the SPPI criterion used by Natixis are provided in Note 5.1.2.*
(b) *Only in the case of an accounting mismatch as defined by IFRS 9 (see Note 5.1.5).*
(c) *The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see Note 7.3).*
* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

7.1.2 Financial liabilities designated at fair value through profit or loss

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

(in millions of euros)	31/12/2020			31/12/2019*		
	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		7.1.2.1 and 7.1.2.2			8.1.2.1 and 8.1.2.2	
Securities	**20,877**	**22,776**	**43,654**	**18,840**	**24,759**	**43,598**
Debt securities	295	22,677	22,972	297	24,659	24,955
Subordinated debt	0	99	99	0	100	100
Short sales	20,582	0	20,582	18,543	0	18,543
Repurchased securities [(a)]	**95,263**	**0**	**95,263**	**96,032**	**0**	**96,032**
Liabilities	**13**	**3,795**	**3,808**	**12**	**3,933**	**3,945**
Due to banks	0	151	150	0	96	96
Customer deposits	13	120	133	12	139	151
Other liabilities	0	3,525	3,525	0	3,699	3,699
Derivative instruments not eligible for hedge accounting [(a)]*	**49,897**	**0**	**49,897**	**51,390**	**0**	**51,390**
Security deposits received	**15,844**	**0**	**15,844**	**14,985**	**0**	**14,985**
TOTAL	**181,896**	**26,571**	**208,467**	**181,259**	**28,692**	**209,951**

(a) *The information presented takes into account the impact of offsetting carried out in accordance with IAS 32 (see Note 7.3).*
* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Conditions for classification of financial liabilities under the fair value option

Financial liabilities are designated at fair value through profit and loss when this choice provides more pertinent information or when the instruments incorporate one or more significant and separable embedded derivatives *(see Note 5.1.5)*.

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 and loss mainly comprise issues originated and structured on behalf of customers 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.

(in millions of euros)	31/12/2020				31/12/2019			
	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	151	4		147	96	6		90
Customer deposits	120	0		120	139	0		139
Debt securities	22,677	19,030		3,647	24,659	20,569		4,090
Subordinated debt	99	0		99	100	0		100
Other liabilities	3,525	3,525		0	3,699	3,699		
TOTAL	**26,571**	**22,558**		**4,013**	**28,692**	**24,273**		**4,419**

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.

7.1.2.1 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 under the fair value option for which credit risk is recognized in "shareholders' equity"

	31/12/2020				31/12/2019			
(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 [a]	22,677	22,339	338	136	24,659	23,921	738	115
Subordinated debt [a]	99	100	(1)	(1)	100	100	0	(1)
TOTAL [B]	**22,776**	**22,439**	**337**	**135**	**24,759**	**24,021**	**738**	**114**

(a) Balancing payments relating to the early redemption of Natixis issues recognized in shareholders' equity over the 2020 fiscal year totaled -€0.2 million versus -€2 million over the 2019 fiscal year.

(b) The fair value, determined using the calculation method described in Note 7.5, recorded in respect of internal credit risk on Natixis issues, totaled -€134.9 million at December 31, 2020 versus -€113.5 million at December 31, 2019.

Besides changes in the outstanding amount, this difference reflects changes in the Natixis spread since the close of the previous year's accounts.

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

	31/12/2020			31/12/2019		
(in millions of euros)	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	151	146	5	96	92	4
Customer deposits	120	119	0	139	140	(1)
Other liabilities	3,525	3,525	0	3,699	3,699	0
TOTAL	**3,795**	**3,790**	**5**	**3,933**	**3,930**	**3**

7.1.3 Derivatives not eligible for hedge accounting

Derivative financial instruments not eligible for hedge accounting are classified as held for trading, irrespective of the period over which they are expected to be held.

	31/12/2020			31/12/2019		
(in millions of euros)	Notional	Assets	Liabilities	Notional	Assets	Liabilities
Organized market	**343,177**	**993**	**622**	**440,421**	**1,260**	**918**
Interest rate derivatives	269,680	502	250	335,787	343	215
Currency derivatives	583			60		
Equity derivatives	72,139	491	372	103,030	916	703
Credit derivatives			0		1	0
Other contracts	775			1,544		
Over-the-counter	**6,044,952**	**52,672**	**49,276**	**4,885,215**	**51,532**	**50,472**
Interest rate derivatives*	4,902,693	37,895	32,749	3,671,207	39,816	36,625
Foreign exchange derivatives*	911,861	9,715	10,585	952,824	8,167	8,288
Equity derivatives	103,966	3,042	3,892	139,702	2,452	4,140
Credit derivatives	45,077	830	1,062	30,034	602	818
Other contracts	81,354	1,190	988	91,448	494	600
TOTAL	**6,388,129**	**53,664**	**49,897**	**5,325,636**	**52,792**	**51,390**
O/w banks	***1,657,537***	***36,963***	***36,432***	***1,675,240***	***33,365***	***31,022***
o/w other financial companies	***4,146,948***	***8,481***	***9,618***	***2,933,498***	***12,371***	***14,177***

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

The notional amounts of derivative financial instruments are merely an indication of the volume of the Group's business on the financial instruments market, and do not reflect the market risks associated with such instruments.

7.2 Hedging derivatives

Derivatives may only be designated as hedges if they meet the criteria set out in IAS 39 at inception and throughout the term of the hedge. These criteria include formal documentation that the hedging relationship between the derivatives and the hedged items is both prospectively and retrospectively effective. Hedging relationships are presumed to be effective when, retrospectively, changes in the value of the hedging instrument offset changes in the value of the hedged item in a range of 80%-125%.

Cash flow hedges are mainly used by Natixis to hedge the overall interest rate risk.

Fair value hedging is used to hedge changes in the fair value of fixed-income securities on an individual basis, as well as comprehensive hedging of the interest-rate risk of Natixis Financial Products LLC according to the carve-out provisions of IAS 39.

	31/12/2020			31/12/2019		
(in millions of euros)	Notional	Fair value assets	Fair value liabilities	Notional	Fair value assets	Fair value liabilities
Cash flow hedges	**15,775**	**59**	**70**	**17,060**	**60**	**100**
Over-the-counter	**15,775**	**59**	**70**	**17,060**	**60**	**100**
Interest rate derivatives	15,231	59	70	16,738	60	100
Currency derivatives	544			322		
Fair value hedges	**129,061**	**171**	**455**	**180,104**	**265**	**526**
Over-the-counter	**129,061**	**171**	**455**	**180,104**	**265**	**526**
Interest rate derivatives	129,061	171	455	180,104	265	526
Currency derivatives						
TOTAL	**144,836**	**230**	**525**	**197,164**	**325**	**626**

The notional amounts of derivative financial instruments are merely an indication of the volume of the Group's business on the financial instruments market, and do not reflect the market risks associated with such instruments.

7.2.1 Schedule of hedging derivatives

The table below shows the breakdown of the notional amounts of the derivatives by maturity date.

Notional *(in millions of euros)*	31/12/2020					31/12/2019				
	Less than 1 year	1 to 5 years	6 to 10 years	Over 10 years	TOTAL	Less than 1 year	1 to 5 years	6 to 10 years	Over 10 years	TOTAL
Interest rate hedges	**16,423**	**62,178**	**36,904**	**28,787**	**144,292**	**26,451**	**85,103**	**51,762**	**33,526**	**196,842**
Cash flow hedges	1,137	1,075	6,341	6,678	15,231	313	2,436	5,064	8,924	16,738
Fair value hedges	15,285	61,103	30,563	22,109	129,061	26,138	82,666	46,699	24,601	180,104
Currency hedges		**22**	**519**	**3**	**544**			**316**	**6**	**322**
Cash flow hedges		22	519	3	544			316	6	322
Fair value hedges								0	0	0
TOTAL	**16,423**	**62,200**	**37,423**	**28,790**	**144,836**	**26,451**	**85,103**	**52,078**	**33,532**	**197,164**

7.2.2 Fair value hedging of assets and liabilities

(in millions of euros)	Hedging of interest rate risk			Hedging of interest rate risk		
	31/12/2020			31/12/2019		
	Carrying amount	of which revaluation of the hedged portion	Hedged portion still to be deferred	Carrying amount	of which revaluation of the hedged portion	Hedged portion still to be deferred
Assets	**19,014**	**396**	**2**	**21,654**	**212**	**1**
Financial assets at fair value through other comprehensive income	**10,570**	**185**		**10,407**	**28**	
Fixed-income securities	10,570	185		10,198	28	
Shares and other variable-income securities				209		
Financial assets at amortized cost	**8,444**	**211**	**2**	**11,247**	**184**	**1**
Loans and receivables due from banks	6,547	169	2	7,909	154	1
Loans and receivables due from customers	1,897	42		3,300	30	
Fixed-income securities				39		
Liabilities	**3,623**	**106**		**5,471**	**101**	
Financial liabilities at amortized cost	**3,623**	**106**		**5,471**	**101**	
Amounts due to credit institutions	2,244	32		3,924	36	
Amounts due to customers	25	(1)		69	(1)	
Debt securities	1,224	21		1,348	13	
Subordinated debt	130	54		129	52	

7.2.3 Cash flow hedging of assets and liabilities

(in millions of euros)	31/12/2020			31/12/2019		
	Fair value of hedging derivative [(a)]	o/w effective portion	o/w ineffective portion	Fair value of hedging derivative [(a)]	o/w effective portion	o/w ineffective portion
Hedging of interest rate risk	(11)	(19)	8	(39)	(39)	
Currency hedging	25	25	0	(24)	(24)	
TOTAL	**14**	**5**	**8**	**(64)**	**(63)**	

(a) The asset and liability fair value of the hedging derivatives is presented in net terms.

7.2.3.1 Cash flow hedging – Analysis of other items of comprehensive income

(in millions of euros)	01/01/2019	Change in effective portion	Reclassification of effective portion in income	Hedged item partially or fully settled	31/12/2019	Change in effective portion	Reclassification of effective portion in income	Hedged item partially or fully settled	31/12/2020
Amount of OCI for CFH transactions	(3)	2		(4)	(5)	36	(32)	7	5
TOTAL	**(3)**	**2**		**(4)**	**(5)**	**36**	**(32)**	**7**	**5**

The hedged portion still to be deferred came to €41 million at December 31, 2020 and €59 million at December 31, 2019.

7.3 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 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 of the derivatives and variations in margin;
- 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;
- as regards repurchase agreements, Natixis records on its balance sheet the net value of repurchase and reverse repurchase agreements that:
  - are entered into with the same clearing house; and
    - have the same maturity date,
    - involve the same custodian (unless the custodian has signed up to the T2S platform),
    - are made in the same currency,
  - for which the settlement/delivery is carried out by the same custodian whose services make it possible to connect, at the same settlement date, the contracts concluded with the same counterparty and whose maturity and currency are identical.

As of December 31, 2020, OTC derivatives handled with the clearinghouses 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 clearinghouses so that margin calls are now 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.

7.3.1 Financial assets

	31/12/2020			31/12/2019*		
	Gross amount of financial assets offset in the balance sheet	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet	Gross amount of financial assets offset in the balance sheet	Gross amount of financial liabilities offset in the balance sheet	Net amount of financial assets recognized in the balance sheet
(in millions of euros)	(a)	(b)	(c) = (a) – (b)	(a)	(b)	(c) = (a) – (b)
Financial assets at fair value through profit or loss	**151,481**	**17,703**	**133,777**	**198,941**	**48,090**	**150,851**
Derivatives	*56,219*	*2,554*	*53,664*	*88,360*	*27,480*	*60,880*
Repurchase agreements	*95,262*	*15,149*	*80,113*	*110,581*	*20,611*	*89,971*
Hedging derivatives	**254**	**25**	**230**	**2,552**	**2,228**	**325**
Loans and receivables due from credit institutions	**7,812**	**5,057**	**2,755**	**3,036**	**1,100**	**1,936**
Repurchase agreements	*7,812*	*5,057*	*2,755*	*3,036*	*1,100*	*1,936*
Customer loans and receivables	**4,141**	**0**	**4,141**	**3,541**	**0**	**3,541**
Repurchase agreements	*4,141*	*0*	*4,141*	*3,541*	*0*	*3,541*
TOTAL	**163,688**	**22,785**	**140,903**	**208,070**	**51,418**	**156,652**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

	31/12/2020				31/12/2019*			
	Net amount of financial assets recognized in the balance sheet	Impact of master netting or similar arrange-ments (a)	Guarantees received in cash Net exposure	Net exposure	Net amount of financial assets recognized in the balance sheet	Impact of master netting or similar arrange-ments*	Guarantees received in cash Net exposure	Net exposure
(in millions of euros)	(c)	(d)	(f)	(g) = (c) – (d)	(c)	(d)	(f)	(g) = (c) – (d)
Derivatives	53,894	34,577	11,246	8,071	61,204	40,616	10,170	10,419
Repurchase agreements	87,009	83,766	5	3,238	95,448	91,724	93	3,631
TOTAL	**140,903**	**118,343**	**11,251**	**11,309**	**156,652**	**132,340**	**10,263**	**14,050**

(a) *Including guarantees received in the form of securities.*
* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

7.3.2 Financial liabilities

	31/12/2020			31/12/2019*		
	Gross amount of financial liabilities offset in the balance sheet	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet	Gross amount of financial liabilities offset in the balance sheet	Gross amount of financial assets offset in the balance sheet	Net amount of financial liabilities recognized in the balance sheet
(in millions of euros)	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)
Financial liabilities designated at fair value through profit or loss	**162,866**	**17,705**	**145,161**	**203,577**	**47,826**	**155,751**
Derivatives	*52,454*	*2,556*	*49,897*	*86,934*	*27,216*	*59,718*
Repurchase agreements	*110,412*	*15,149*	*95,263*	*116,643*	*20,610*	*96,032*
Hedging derivatives	**548**	**23**	**525**	**3,118**	**2,491**	**626**
Amounts due to credit institutions	**14,186**	**5,057**	**9,129**	**7,988**	**1,100**	**6,888**
Repurchase agreements	*14,186*	*5,057*	*9,129*	*7,988*	*1,100*	*6,888*
Amounts due to customers	**17**	**0**	**17**	**121**		**121**
Repurchase agreements	*17*	*0*	*17*	*121*		*121*
TOTAL	**177,618**	**22,785**	**154,833**	**214,804**	**51,418**	**163,386**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

	31/12/2020				31/12/2019*			
	Net amount of financial liabilities recognized in the balance sheet	Impact of master netting or similar arrange-ments (a)	Guarantees given in the form of Cash	Net exposure	Net amount of financial liabilities recognized in the balance sheet	Impact of master netting or similar arrange-ments*	Guarantees given in the form of Cash	Net exposure
(in millions of euros)	(c)	(d)	(f)	(g) = (c) - (d)	(c)	(d)	(f)	(g) = (c) - (d)
Derivatives	50,423	35,430	10,805	4,188	60,345	41,151	9,960	9,233
Repurchase agreements	104,410	104,277	0	132	103,041	99,904	14	3,124
TOTAL	**154,833**	**139,707**	**10,806**	**4,320**	**163,386**	**141,055**	**9,974**	**12,358**

(a) *Including guarantees given in the form of securities.*
* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

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7.4 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 *(see Note 5.1.4)*, 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)	**31/12/2020**				31/12/2019			
	Debt instruments				Debt instruments			
	Unimpaired financial assets (a)	**Impaired financial assets (b)**	**Other equity instruments issued**	**Total**	Unimpaired financial assets (a)	Impaired financial assets (b)	Other equity instruments issued	Total
Note	*7.4.1*	*7.4.1*	*7.4.2*		*7.4.1*	*7.4.1*	*7.4.2*	
Securities	12,550		644	13,194	11,563		513	12,076
Loans and receivables								
TOTAL	**12,550**		**644**	**13,194**	**11,563**		**513**	**12,076**

(a) *Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Stage 1) or lifetime expected credit losses (Stage 2).*

(b) *Impaired financial assets (Stage 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 credit institutions.*

7.4.1 Reconciliation table for financial assets at fair value through recyclable other comprehensive income

The tables below show, for each class of instrument, changes over fiscal year 2020 in accounting items and impairments and provisions related to financial assets at fair value through other comprehensive income recyclable to income.

	Financial assets at fair value through recyclable other comprehensive income at 31/12/2020									
	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**	
(in millions of euros)	**Gross carrying amount**	**Value adjust-ment for credit losses**	**Gross carrying amount**	**Value adjust-ment for credit losses**	**Gross carrying amount**	**Value adjust-ment for credit losses**	**Gross carrying amount**	**Value adjus-tment for credit losses**	**Gross carrying amount**	**Value adjus-tment for credit losses**
BALANCE AT 01/01/2019	**10,670**	**(0)**	**4**	**(0)**	**(0)**	**0**	**0**	**0**	**10,673**	**(0)**
New originated or acquired contracts	1,956	(0)							1,956	(0)
Changes in contractual cash flows not giving rise to derecognition	1								1	
Variations linked to changes in credit risk parameters *(excluding transfers)*	(76)	0	(0)						(76)	0
Financial asset transfers	*(33)*	*0*	*33*	*(0)*						
Transfers to S1										
Transfers to S2	(33)	0	33	(0)						
Transfers to S3										
Contracts fully repaid or sold during the period	(775)	0							(775)	0
Impairment in value *(write-off)*										
Variations linked to changes in exchange rates	86	(0)							86	(0)
Changes in the model used										
Other changes	(299)	0	(4)	0					(303)	0
BALANCE AT 31/12/2019	**11,529**	**(0)**	**33**	**(0)**	**0**	**0**	**0**	**0**	**11,563**	**(0)**
New originated or acquired contracts	1,275	0							1,275	0
Changes in contractual cash flows not giving rise to derecognition	0	0								
Variations linked to changes in credit risk parameters *(excluding transfers)*	677	(1)							677	(1)
Financial asset transfers	*33*	*0*	*(33)*	*0*						
Transfers to S1	33	0	(33)	0						
Transfers to S2										
Transfers to S3										
Contracts fully repaid or sold during the period	(653)	0							(653)	0
Impairment in value *(write-off)*										
Variations linked to changes in exchange rates	(312)	0							(312)	0
Changes in the model used										
Other changes	1	0							1	0
BALANCE AT 31/12/2020	**12,551**	**(1)**	**0**	**0**	**0**	**0**	**0**	**0**	**12,551**	**(1)**

7.4.2 Equity instruments at fair value through other comprehensive income

(in millions of euros)	31/12/2020					31/12/2019				
		Dividends recognized over the period		Derecognition over the period			Dividends recognized over the period		Derecognition over the period	
	Fair value	Equity instruments held at 31/12/2020	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 at 31/12/2018	Equity instruments derecognized during the period	Fair value on date of sale	Cumulative profit or loss on date of sale
Investments in unlisted and unconsolidated companies	644	50	0	13	0	513	30	0	4	1
Other equity instruments										
TOTAL	**644**	**50**	**0**	**13**	**0**	**513**	**30**	**0**	**4**	**1**

7.5 Fair value of financial assets and liabilities carried at fair value in the balance sheet

For financial reporting purposes, the fair value of financial and non-financial instruments has been broken down in accordance with a fair value hierarchy that reflects the observability of the models and parameters used to make these assessments *(see Note 5.6)*. The three levels of the fair value hierarchy are presented below.

For derivative instruments, fair values are broken down based on the dominant risk factor, i.e. primarily interest rate risk, foreign exchange risk, credit risk and equity risk:

Assets *(in millions of euros)*	31/12/2020 Carrying amount	Level 1	Level 2	Level 3	31/12/2019* Carrying amount	Level 1	Level 2	Level 3
Financial assets held for trading	**152,322**	**48,143**	**102,117**	**2,062**	**163,461**	**47,785**	**112,452**	**3,224**
o/w debt instruments in the form of securities	*18,833*	*15,848*	*2,887*	*98*	*15,004*	*11,870*	*2,793*	*341*
o/w equity instruments	*32,733*	*32,295*	*438*		*36,160*	*35,915*	*185*	*60*
o/w loans and receivables	*83,046*		*81,082*	*1,964*	*94,583*		*91,760*	*2,823*
o/w security deposits paid	*17,711*		*17,711*		*17,715*		*17,715*	
Derivative instruments not eligible for hedge accounting (positive fair value)	**53,664**	**1,048**	**50,859**	**1,757**	**60,880**	**924**	**57,749**	**2,207**
*o/w interest rate derivatives**	*38,397*	*28*	*37,824*	*545*	*43,673*	*2*	*42,931*	*741*
*o/w currency derivatives**	*9,715*		*9,230*	*484*	*12,743*		*11,767*	*976*
o/w credit derivatives	*830*		*647*	*184*	*602*		*373*	*229*
o/w equity derivatives	*3,533*	*445*	*2,544*	*544*	*3,368*	*679*	*2,427*	*262*
o/w other	*1,190*	*575*	*615*	*0*	*495*	*243*	*251*	
Financial assets to be valued at fair value through profit or loss	**4,368**	**1,167**	**1,996**	**1,205**	**4,415**	**1,313**	**1,793**	**1,308**
o/w equity instruments	*734*	*156*	*0*	*578*	*835*	*222*	*0*	*613*
o/w debt instruments in the form of securities	*1,703*	*1,011*	*124*	*568*	*1,865*	*1,091*	*127*	*647*
o/w loans and receivables	*1,931*		*1,873*	*59*	*1,715*		*1,666*	*49*
Financial assets designated under the fair value option	**23**		**2**	**21**	**45**		**45**	
o/w debt instruments in the form of securities	*21*			*21*	*43*		*43*	
o/w loans and receivables	*2*		*2*		*2*		*2*	
Hedging derivatives (assets)	**230**		**230**		**325**		**325**	
o/w interest rate derivatives	*230*		*230*		*325*		*325*	
Financial assets at fair value through other comprehensive income	**13,194**	**11,963**	**739**	**490**	**12,076**	**11,171**	**585**	**321**
o/w equity instruments	*643*	*152*	*0*	*490*	*514*	*184*	*8*	*321*
o/w debt instruments in the form of securities	*12,550*	*11,811*	*739*		*11,563*	*10,987*	*576*	*0*
o/w loans and receivables								
TOTAL	**223,800**	**62,321**	**155,944**	**5,534**	**241,202**	**61,193**	**172,948**	**7,060**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Liabilities *(in millions of euros)*	31/12/2020 Carrying amount	Level 1	Level 2	Level 3	31/12/2019* Carrying amount	Level 1	Level 2	Level 3
Financial liabilities held for trading	**36,722**	**20,567**	**16,154**	**0**	**33,825**	**18,534**	**15,291**	**0**
o/w securities issued for trading purposes	*20,877*	*20,567*	*310*	*0*	*18,840*	*18,534*	*306*	*0*
o/w security deposits received	*15,844*		*15,844*		*14,985*		*14,985*	
Derivative instruments not eligible for hedge accounting (negative fair value)	**49,897**	**713**	**47,707**	**1,477**	**59,718**	**674**	**57,146**	**1,898**
*o/w interest rate derivatives**	*32,998*	*4*	*32,672*	*322*	*40,868*		*40,327*	*542*
*o/w currency derivatives**	*10,585*	*0*	*10,303*	*282*	*12,588*	*0*	*11,863*	*724*
o/w credit derivatives	*1,062*		*799*	*263*	*818*		*502*	*316*
o/w equity derivatives	*4,264*	*258*	*3,404*	*601*	*4,844*	*437*	*4,092*	*315*
o/w other	*988*	*451*	*529*	*8*	*600*	*238*	*361*	*1*
Other financial liabilities held for trading	**95,276**		**94,702**	**574**	**96,044**		**95,235**	**809**
Financial liabilities designated under the fair value option	**26,571**	**3,045**	**14,768**	**8,758**	**28,692**	**3,696**	**15,627**	**9,368**
o/w securities under the fair value option	*22,776*		*14,022*	*8,754*	*24,759*		*15,393*	*9,366*
o/w other financial liabilities under the fair value option	*3,795*	*3,045*	*746*	*4*	*3,933*	*3,696*	*235*	*2*
Hedging derivatives (liabilities)	**525**		**525**		**626**		**626**	
o/w interest rate derivatives	*525*		*525*		*626*		*626*	
TOTAL	**208,992**	**24,326**	**173,857**	**10,809**	**218,905**	**22,904**	**183,926**	**12,075**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

The data regarding the fair value measurements for the insurance activities are presented in Note 8.4.4.

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

Level 1 comprises instruments whose fair value is determined based on directly usable prices quoted on active markets.

This mainly includes securities listed on a stock exchange or traded continuously on other active markets, derivatives traded on organized markets (futures, options, etc.) whose liquidity can be demonstrated, and mutual fund units whose NAV is determined and reported on a daily basis.

b) Level 2: Fair value 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 over-the-counter 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 has been documented.

Instruments measured using Level 2 inputs also include:

- securities that are less liquid than those classified as Level 1, whose fair value is determined based on external prices put forward by a reasonable number of active market makers and which are regularly observable without necessarily being directly executable (prices mainly taken from contribution and consensus databases); where these criteria are not met, the securities are classified as Level 3 fair value;
- securities not listed on an active market whose fair value is determined on the basis of observable market data. E.g. use of market data published by listed peer companies or the multiple method from techniques commonly used by market participants;
- Greek sovereign debt whose fair value is classified as Level 2;
- 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 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 December 31, 2020, as on previous reporting dates) and the average issue spread. Changes in the issuer spread are generally not material for issues with an initial maturity of less than one year.

Complex instruments

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

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

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

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

  The main models used for equity products are local volatility, local volatility combined with the one-factor Hull & White (H&W1F) model, as well as the Local Stochastic Volatility (“LSV”) models.

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

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

  The 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 valuation of the payoff will take into account all underlying risk factors.

  The main models used to value and manage fixed-income products are the one-factor (HW1F) and two-factor (HW2F) Hull & White models, or the one-factor Hull & White 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 the Equity scope).
- 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.

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 funding 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. At December 31, 2020, in view of the health crisis, Natixis carried out an exhaustive review of its portfolio *(see Note 1.4.3)*.
- structured or representative of private placements, held by the insurance business line;
- 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;
- 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 write-downs 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 the decree of February 20, 2007, amended by the decree of November 23, 2011, relating to regulatory capital requirements applicable to credit institutions and investment firms, and in accordance with the European Capital Requirements Regulation (CRR) of June 26, 2013 on requirements resulting from Basel 3, a description of crisis simulations and ex-post controls (validation of the accuracy and consistency of internal models and modeling procedures) is provided for each model used in Section 3.2.5 of Chapter [3], “Risk factors, risk management and the Pillar III report”.

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 income.

At December 31, 2020, instruments for which the recognition of day-one profit/loss has been deferred 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.

Instrument class	Main types of products	Valuation techniques used	Main unobservable data	Min – max observable data ranges (DEC20)
Interest rate derivatives	Sticky CMS/Volatility Bond	Valuation models for interest rate options	Mean reversion parameters	[1.75%; 5%]
Interest rate derivatives	Callable Spread Options and Corridor Callable Spread Options	Model representing several yield curve factors	Mean-reversion spread	[0%; 30%]
Interest rate derivatives	Bermuda Accreting		Accreting Factor	[69.5%; 94%]
Interest rate derivatives	Volatility cap/floor	Valuation models for interest rate options	Interest rate vol.	[5.46%; 87.46%]
Equity	Plain vanilla derivatives and complex derivatives, equity basket or funds	Different equity option valuation models, equity baskets or funds	Equity volatility	[1.00%; 171.79%]
			Fund volatility	[1.5%; 40.27%]
			Stock/stock correlations	[18.50%; 96.28%]
			Repo for general collateral baskets	[(0.76)%; 0.91%]
Forex	Forex derivatives	Forex options valuation model	Forex volatility	[7.3%; 12.739%]
Forex	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	[11.5%; 32.8%]
				[7.3%; 12.739%]
Forex	Helvetix: Strip of long-term options, Strip of quanto options, Strip of digital options	Black & Scholes model	EURCHF/EURUSD correlation	[23.46%; 38.90%]
	Helvetix: Spread options and digital spread options	Gaussian copula	USDCHF & EURCHF long-term volatility	USDCHF volatility: [8.0701%; 11.0 529%] EURCHF volatility: [7.3352%; 8.8223%]
Credit	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	80.00%
Credit	Securitization swaps	Discounted cash flow expected based on the underlying portfolio's early redemption assumption	Prepayment rate	[3.3%; 40.0%]
Hybrid	Hybrid equity/fixed income/forex (FX) derivatives	Hybrid model coupling an equity diffusion, a FX diffusion and a fixed income diffusion	Equity-Forex correlans	[(63.23) ; 59.54]
			Equity-Fixed Income correlations	[(40)%; 45%]
			Fixed Income-Forex	[(35)%; 35%]

d) Natixis' policy on transfers between fair value levels

Transfers between fair value levels are reviewed and validated by the Valuation Committee, predominantly including representatives of the Finance, Risk and Business Lines functions. The Committee considers various indicators of market activity and liquidity as described in the General Principles.

A review is undertaken for any instrument that ceases to meet these criteria or once again complies with the criteria.

The main reclassifications carried out at December 31, 2020 *(see Note 7.5.1.)*, concern:

- Bermudan accreters (in Australian dollars), with a residual maturity of between 10 and 20 years, which have been transferred to fair value Level 2 due to the non-materiality of the accreting factor parameter *(see table above)*;
- Mono-underlying structured products indexed on equity which are transferred to level 3 following the review of the observability horizon of the valuation inputs (volatility, repo, dividends) of the underlying assets.

As a reminder, the main reclassifications in the 2019 fiscal year consisted of Bermuda accreter swaptions (in EUR and AUD), certain complex multi- or mono-underlying derivatives indexed to indices, and associated liabilities measured under the fair value option. These instruments were reclassified from Level 2 to Level 3 of the fair value hierarchy subsequent to the observability review conducted during the period, which found a lack of observed prices for the corresponding inputs and products, serving as a basis for their reclassification to Level 3 of the fair value hierarchy.

7.5.1 Financial assets and liabilities at fair value measured using Level 3 of the fair value hierarchy

December 31, 2020

		Gains and losses recognized in the period			Transactions carried out in the period		Reclassifications in the period [(a)]					
		Income statement										
Financial assets *(in millions of euros)*	**Level 3 opening balance 01/1/2020***	On outstanding transactions at the reporting date	On transactions expired or redeemed at the reporting date	Gains and losses recognized directly in equity	Procurement/ Issues	Sales/ Redemptions	From Level 3 to Level 3	To Level 3	Other reclassifications [(b)]	Change in consolidation scope	Translation adjustments	**Level 3 closing balance 31/12/2020**
Financial assets held fortrading	**3,224**	**(55)**	**432**		**9,342**	**(11,211)**	**(12)**	**485**	**(51)**		**(93)**	**2,062**
o/w debt instruments in the form of securities	*341*	*(110)*	*410*		*4,066*	*(4,626)*	*(12)*	*52*	*9*		*(34)*	*98*
o/w equity instruments	*60*								*(60)*			
o/w loans and receivables	*2,823*	*55*	*21*		*5,276*	*(6,585)*		*433*			*(59)*	*1,964*
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,207**	**(9)**	**28**		**515**	**(363)**	**(312)**	**(3)**	**(226)**		**(80)**	**1,757**
o/w interest rate derivatives	*741*	*211*	*(271)*		*25*	*(47)*	*(108)*	*(0)*			*(6)*	*545*
*o/w currency derivatives**	*976*	*(14)*	*(15)*		*(1)*	*(46)*	*(176)*	*(30)*	*(227)*		*17*	*484*
o/w credit derivatives	*229*	*(27)*	*(2)*		*2*	*(16)*	*(1)*	*10*			*(11)*	*184*
o/w equity derivatives	*262*	*(179)*	*316*		*489*	*(254)*	*(26)*	*16*	*1*		*(81)*	*544*
o/w other												
Other financial assets held fortrading												
Financial assets to be valued at fair value through profit or loss	**1,308**	**(24)**	**(4)**		**179**	**(275)**	**0**	**0**	**39**	**(7)**	**(14)**	**1,205**
o/w equity instruments	*613*	*(3)*	*(5)*		*12*	*(67)*			*39*	*(7)*	*(5)*	*578*
o/w debt instruments in the form of securities	*647*	*(22)*	*0*		*(24)*	*(25)*	*0*	*0*			*(9)*	*568*
o/w loans and receivables	*49*	*2*	*0*		*192*	*(183)*						*59*
Financial assets designated under the fair value option		**(19)**						**40**				**21**
o/w debt instruments in the form of securities		*(19)*						*40*				*21*
o/w equity instruments												
o/w loans and receivables												
Financial assets at fair value through other comprehensive income	**321**	**43**	**0**	**158**	**14**	**(44)**			**28**		**(30)**	**490**
o/w equity instruments	*321*	*43*		*158*	*14*	*(44)*			*28*		*(30)*	*490*
o/w debt instruments in the form of securities												
o/w loans and receivables												
TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE	**7,060**	**(64)**	**455**	**158**	**10,051**	**(11,893)**	**(323)**	**522**	**(210)**	**(7)**	**(217)**	**5,534**

* Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).

(a) The flows presented under the "Reclassifications in the period" columns of the above table are determined on the basis of outstanding transactions at December 31, 2020.

(b) Corresponds mainly to the effect of changes in presentation of option premiums payable or receivable (see Note 5.4).

Financial liabilities *(in millions of euros)*	Level 3 opening balance 01/1/2020*	Gains and losses recognized in the period – Income statement – On outstanding transactions at the reporting date	Gains and losses recognized in the period – Income statement – On transactions expired or redeemed at the reporting date	Gains and losses recognized in the period – Gains and losses recognized directly in equity	Transactions carried out in the period – Procurement/ Issues	Transactions carried out in the period – Sales/ Redemptions	Reclassifications in the period (a) – From Level 3 to Level 3	Reclassifications in the period (a) – To Level 3	Reclassifications in the period (a) – Other reclassifications (b)	Change in consolidation scope	Translation adjustments	Level 3 closing balance 31/12/2020
Securities held for trading		**1**	**(0)**		**24**	**(25)**		**0**	**0**		**0**	**0**
Derivative instruments not eligible for hedge accounting (negative fair value)	**1,898**	**163**	**(242)**		**297**	**(202)**	**(238)**	**162**	**(266)**		**(94)**	**1,477**
o/w interest rate derivatives	*542*	*41*	*(179)*		*5*	*(25)*	*(55)*				*(5)*	*322*
*o/w currency derivatives**	*724*	*(27)*	*(14)*		*(1)*	*(8)*	*(165)*	*94*	*(266)*		*(55)*	*282*
o/w credit derivatives	*316*	*(20)*	*(20)*		*4*	*(4)*	*(0)*	*1*			*(13)*	*263*
o/w equity derivatives	*315*	*167*	*(30)*		*289*	*(164)*	*(12)*	*57*	*0*		*(20)*	*601*
o/w other	*1*	*3*				*(1)*	*(5)*	*10*			*(0)*	*8*
Other financial liabilities held for trading	**809**	**15**	**(26)**		**499**	**(723)**			**(0)**			**574**
Financial liabilities under the fair value option through profit or loss	**9,368**	**(21)**	**422**		**4,627**	**(5,376)**	**(556)**	**505**	**61**		**(272)**	**8,758**
o/w securities under the fair value option	*9,366*	*(20)*	*422*		*4,627*	*(5,376)*	*(556)*	*503*	*61*		*(272)*	*8,754*
o/w other financial liabilities under the fair value option	*2*	*(0)*										*4*
TOTAL FINANCIAL LIABILITIES RECOGNIZED AT FAIR VALUE	**12,075**	**158**	**153**		**5,447**	**(6,326)**	**(794)**	**667**	**(205)**		**(367)**	**10,809**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

(a) *The flows presented under the "Reclassifications in the period" columns of the above table are determined on the basis of outstanding transactions at December 31, 2020.*

(b) *Corresponds mainly to the effect of changes in presentation of option premiums payable or receivable (see Note 5.4).*

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December 31, 2019

Financial assets *(in millions of euros)*	Level 3 opening balance 01/01/2019	Gains and losses recognized in the period – Income statement – On outstanding transactions at the reporting date	Gains and losses recognized in the period – Income statement – On transactions expired or redeemed at the reporting date	Gains and losses recognized in the period – Gains and losses recognized directly in equity	Transactions carried out in the period – Procurement/ Issues	Transactions carried out in the period – Sales/ Redemptions	Reclassifications in the period – From Level 3 to Level 3	Reclassifications in the period – To Level 3	Reclassifications in the period – Other reclassifications	Change in consolidation scope	Translation adjustments	Level 3 closing balance 31/12/2019*
Financial assets held for trading	**2,889**	**65**	**148**		**8,635**	**(8,431)**	**(116)**	**6**	**(0)**		**27**	**3,224**
o/w debt instruments in the form of securities	*75*	*(27)*	*(21)*		*1,350*	*(1,045)*	*(0)*	*6*			*3*	*341*
o/w equity instruments					*60*							*60*
o/w loans and receivables	*2,814*	*92*	*169*		*7,225*	*(7,386)*	*(116)*		*(0)*		*25*	*2,823*
Derivative instruments not eligible for hedge accounting (positive fair value)	**2,548**	**841**	**(343)**		**446**	**(1,488)**	**(339)**	**486**	**0**		**55**	**2,207**
o/w interest rate derivatives	*122*	*306*	*(10)*		*10*	*(63)*	*(5)*	*381*			*1*	*741*
*o/w currency derivatives**	*1,299*	*(171)*	*(91)*		*279*	*(75)*	*(328)*	*13*			*50*	*976*
o/w credit derivatives	*725*	*64*	*9*		*2*	*(582)*		*1*			*9*	*229*
o/w equity derivatives	*402*	*643*	*(251)*		*155*	*(768)*	*(5)*	*90*	*0*		*(5)*	*262*
o/w other												
Other financial assets held for trading												
Financial assets to be valued at fair value through profit or loss	**1,490**	**50**	**35**	**(0)**	**32**	**(298)**		**3**	**(5)**	**(4)**	**6**	**1,308**
o/w equity instruments	*577*	*32*	*7*	*(0)*	*30*	*(26)*			*(5)*	*(4)*	*1*	*613*
o/w debt instruments in the form of securities	*862*	*18*	*28*		*0*	*(265)*					*4*	*647*
o/w loans and receivables	*51*				*2*	*(8)*		*3*				*49*
Financial assets designated under the fair value option	**0**	**(0)**									**0**	
o/w debt instruments in the form of securities		*(0)*									*0*	
o/w equity instruments												
o/w loans and receivables												
Financial assets at fair value through other comprehensive income	**48**	**1**		**26**	**256**	**(2)**			**(8)**		**(0)**	**321**
o/w equity instruments	*48*	*1*		*26*	*256*	*(2)*			*(8)*		*(0)*	*321*
o/w debt instruments in the form of securities												
o/w loans and receivables												
TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE	**6,975**	**958**	**(160)**	**26**	**9,369**	**(10,218)**	**(455)**	**495**	**(14)**	**(4)**	**88**	**7,060**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Financial liabilities *(in millions of euros)*	Level 3 opening balance 01/01/2019	Gains and losses recognized in the period – Income statement – On outstanding transactions at the reporting date	Gains and losses recognized in the period – Income statement – On transactions expired or redeemed at the reporting date	Gains and losses recognized in the period – Gains and losses recognized directly in equity	Transactions carried out in the period – Procurement/ Issues	Transactions carried out in the period – Sales/ Redemptions	Reclassifications in the period – From Level 3 to Level 3	Reclassifications in the period – To Level 3 [a]	Reclassifications in the period – Other reclassifications [a]	Change in consolidation scope	Translation adjustments	Level 3 closing balance 31/12/2019*
Securities held for trading		**5**			**26**	**(32)**			**0**			
Derivative instruments not eligible for hedge accounting (negative fair value)	**2,054**	**(151)**	**(225)**		**250**	**(264)**	**(401)**	**598**			**39**	**1,898**
o/w interest rate derivatives	*192*	*63*	*(22)*		*45*	*(24)*	*(15)*	*302*			*2*	*542*
*o/w currency derivatives**	*1,042*	*(32)*	*5*		*89*	*(30)*	*(375)*	*8*			*18*	*724*
o/w credit derivatives	*251*	*65*	*10*		*2*	*(23)*		*1*			*11*	*316*
o/w equity derivatives	*569*	*(249)*	*(218)*		*114*	*(188)*	*(10)*	*287*			*9*	*315*
o/w other		*1*										*1*
Other financial liabilities held for trading	**1,176**	**37**	**(37)**		**1,161**	**(1,526)**	**(2)**					**809**
Financial liabilities under the fair value option through profit or loss	**185**	**475**	**(2)**		**3,339**	**(1,905)**		**4,975**	**2,296**		**5**	**9,368**
o/w securities under the fair value option	*182*	*475*	*(2)*		*3,339*	*(1,905)*		*4,975*	*2,296*		*5*	*9,366*
o/w other financial liabilities under the fair value option	*3*	*(1)*										*2*
TOTAL FINANCIAL LIABILITIES RECOGNIZED AT FAIR VALUE	**3,415**	**365**	**(264)**		**4,776**	**(3,727)**	**(403)**	**5,573**	**2,297**		**44**	**12,075**

The flows presented under the "Reclassifications in the period" columns of the above table are determined on the basis of outstanding transactions at December 31, 2019.

(a) Debt issues were reclassified to Level 3 of the fair value hierarchy along with the underlying instruments, both for instruments deemed unobservable during the period and for issues related to instruments already classified in Level 3 at December 31, 2018 (the latter are recorded under "other reclassifications").

** Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

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 unobservable inputs was estimated at December 31, 2020. With the aid of probable assumptions, this sensitivity was used to estimate the impacts of market fluctuations in uncertain economic environments. This estimate was established using assumptions about additional adjustments to the valuation of interest rate, foreign exchange, credit and equity instruments.

(in millions of euros)	Potential impact on income statement
Shares and other equity instruments, and derivatives	21
Interest rate and/or foreign exchange instruments, and derivatives	14
Credit instruments and derivatives	13
SENSITIVITY OF LEVEL 3 FINANCIAL INSTRUMENTS	**48**

7.5.2 Restatement of the deferred margin on financial instruments

The deferred margin covers only financial instruments eligible for Level 3 of the hierarchy. It is calculated after determining the valuation adjustments for uncertainty as described in Note 5.6. The outstanding non-amortized amount is recognized on the balance sheet under "Financial instruments marked to market on the income statement" less the market value of the related transactions.

(in millions of euros)	01/01/2019	Margin on new transactions	Margin recognized during the period	Other changes	31/12/2019	Margin on new transactions	Margin recognized during the period	Other changes	**31/12/2020**
Interest rate derivative instruments	1	7	(3)	4	9	14	(12)	3	14
Currency derivative instruments	0	2	(1)	0	0	2	(2)	3	3
Credit derivative instruments	16	8	(4)	(10)	10	2	(2)	(6)	4
Equity derivative instruments	70	98	(69)	0	99	112	(67)	(11)	133
Repurchase agreements		9	(11)	5	4	6	(12)	11	9
TOTAL	**87**	**124**	**(88)**	**(1)**	**122**	**136**	**(95)**	**0**	**163**

7.5.3 Financial assets and liabilities at fair value: transfers between fair value levels

Financial assets

		31/12/2020					31/12/2019				
	From	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**	Level 1	Level 2	Level 2	Level 3	Level 3
(in millions of euros)	**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		**1,019**	**101**	**522**		**323**	**306**	**230**	**495**		**455**
Financial assets held for trading		**906**	**74**	**485**		**12**	**289**	**119**	**6**		**116**
o/w debt instruments in the form of securities		*903*	*74*	*52*		*12*	*233*	*119*	*6*		*0*
o/w equity instruments		*3*					*2*				
o/w loans and receivables				*433*							*116*
o/w security deposits paid		*0*					*54*				
Derivative instruments not eligible for hedge accounting (positive fair value)		**113**	**27**	**(3)**		**312**	**16**	**111**	**486**		**339**
o/w interest rate derivatives				*0*		*108*			*381*		*5*
o/w currency derivatives				*(30)*		*176*			*13*		*328*
o/w credit derivatives				*10*		*1*			*1*		
o/w equity derivatives		*111*	*12*	*16*		*26*	*16*	*109*	*90*		*5*
o/w other		*2*	*15*					*2*			
Financial assets to be valued at fair value through profit or loss		**0**		**0**		**0**			**3**		
o/w debt instruments in the form of securities		*0*		*0*		*0*					
o/w loans and receivables									*3*		
Financial assets designated under the fair value option				**40**							
Financial assets at fair value through other comprehensive income		**252**	**414**				**273**	**588**			
o/w equity instruments											
o/w debt instruments in the form of securities		*252*	*414*				*273*	*588*			
o/w loans and receivables											

Financial liabilities

		31/12/2020					31/12/2019				
	From	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**	Level 1	Level 2	Level 2	Level 3	Level 3
(in millions of euros)	**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		**44**	**0**	**162**		**238**	**12**	**199**	**598**		**403**
Securities held for trading		**4**	**0**	**0**				**83**			
Derivative instruments not eligible for hedge accounting (negative fair value)		**40**	**0**	**162**		**238**	**12**	**116**	**598**		**401**
o/w interest rate derivatives						*55*			*302*		*15*
o/w currency derivatives				*94*		*165*			*8*		*375*
o/w credit derivatives				*1*		*0*			*1*		*0*
o/w equity derivatives		*37*	*0*	*57*		*12*	*12*	*115*	*287*		*10*
o/w other		*3*		*10*		*5*		*1*			
Other financial liabilities held for trading											**2**
Financial liabilities designated under the fair value option				**505**		**556**			**4,975**		
o/w securities under the fair value option				*503*		*556*			*4,975*		
o/w other financial liabilities under the fair value option				2							

7.5.4 Fair value of financial assets and liabilities at amortized cost

Financial assets

(in millions of euros)	At December 31, 2020					At December 31, 2019				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**	Carrying amount	Fair value	Level 1	Level 2	Level 3
Loans and receivables due from banks at amortized cost	**44,691**	**45,002**		**44,313**	**688**	**48,115**	**48,580**		**48,276**	**303**
Current accounts overdrawn	*5,181*	*5,133*		*5,090*	*43*	*5,782*	*5,785*		*5,782*	
Loans and receivables	*36,728*	*37,085*		*36,440*	*645*	*40,357*	*40,819*		*40,516*	*303*
Reverse repurchase agreements	*2,755*	*2,757*		*2,757*		*1,936*	*1,937*		*1,937*	
Other	*27*	*27*		*27*		*40*	*40*		*40*	
Loans and receivables due from customers at amortized cost	**67,939**	**68,312**		**46,199**	**22,113**	**71,089**	**71,281**		**49,262**	**22,019**
Current accounts overdrawn	*2,621*	*2,621*		*2,621*		*2,632*	*2,632*		*2,632*	
Other loans and receivables	*61,080*	*61,453*		*39,344*	*22,109*	*62,436*	*62,628*		*40,742*	*21,886*
Reverse repurchase agreements	*4,141*	*4,141*		*4,141*		*3,541*	*3,541*		*3,541*	
Finance leases	*34*	*34*		*30*	*4*	*40*	*40*			*40*
Factoring	*0*	*0*		*0*		*2,346*	*2,346*		*2,346*	
Security deposits paid	*62*	*62*		*62*	*0*	*93*	*93*			*93*
Other	*1*	*1*		*1*		*1*	*1*		*1*	
Debt instruments in the form of securities at amortized cost	**1,930**	**1,983**		**890**	**1,092**	**1,558**	**1,609**		**686**	**923**
TOTAL FINANCIAL ASSETS	**114,560**	**115,297**		**91,403**	**23,893**	**120,762**	**121,471**		**98,224**	**23,245**

Financial liabilities

(in millions of euros)	At December 31, 2020					At December 31, 2019				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**	Carrying amount	Fair value	Level 1	Level 2	Level 3
Amounts due to credit institutions	**84,408**	**84,502**		**84,440**	**62**	**71,928**	**72,174**		**71,949**	**225**
o/w accounts and deposits	*75,162*	*75,259*		*75,197*	*62*	*64,917*	*65,162*		*64,937*	*225*
o/w repurchase agreements	*9,129*	*9,128*		*9,128*		*6,888*	*6,888*		*6,888*	
o/w security deposits received	*82*	*82*		*82*		*65*	*65*		*65*	
o/w other	*35*	*34*		*34*		*58*	*58*		*58*	
Amounts due to customers	**29,798**	**29,745**		**28,446**	**1,299**	**30,485**	**30,489**		**28,663**	**1,826**
o/w accounts and deposits	*28,469*	*28,445*		*27,198*	*1,247*	*28,320*	*28,324*		*26,944*	*1,380*
o/w repurchase agreements	*17*	*17*		*17*		*121*	*121*		*121*	
o/w other	*1,312*	*1,283*		*1,230*	*52*	*2,044*	*2,044*		*1,597*	*446*
Debt securities	**35,652**	**35,602**		**33,395**	**2,207**	**47,375**	**47,376**		**44,861**	**2,515**
Subordinated debt	**3,934**	**4,271**		**303**	**3,969**	**3,971**	**4,307**		**3,686**	**622**
TOTAL FINANCIAL LIABILITIES	**153,792**	**154,121**		**146,584**	**7,537**	**153,759**	**154,346**		**149,159**	**5,187**

IFRS 13 requires disclosure in the notes to the financial statements of the fair value, as well as the associated fair value hierarchy, of all financial instruments carried at amortized cost, including loans. The valuation methods used to determine the fair value disclosed in the notes to the financial statements are described below.

Loans recognized at "amortized cost"

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

The fair value of repurchase agreements is calculated by discounting expected cash flows at the market rate on the closing date and adding a liquidity spread.

If there is a quoted price that meets the criteria of IFRS 13, the quoted price is used.

The fair value of loans with an initial term of less than one year is considered to be the same as their carrying amount. This is also generally the case for financial assets with a term of one year or less and current accounts. The corresponding receivables are classified in Level 2 of the fair value hierarchy.

Borrowings and savings

The measurement of the fair value of Natixis' borrowings and debt securities is based on the discounted cash flow method using inputs at the reporting date such as the underlying's interest-rate curve and the spread applied to lending/borrowing between Natixis and Group entities. The fair value of debts maturing in less than one year is considered to be the same as their carrying amount; these debts are classified in Level 2 of the fair value hierarchy.

7.6 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.

7.6.1 Loans and receivables due from banks at amortized cost

(in millions of euros)	31/12/2020			31/12/2019		
	Unimpaired financial assets [(a)]	**Impaired financial assets [(b)]**	**Total**	Unimpaired financial assets [(a)]	Impaired financial assets [(b)]	Total
Current accounts overdrawn	5,182	5	5,187	5,783	0	5,783
Loans and receivables	39,515	24	39,538	42,335	48	42,383
Security deposits paid						
Value adjustments for credit losses	(5)	(29)	(34)	(3)	(48)	(51)
TOTAL [(c)]	**44,691**	**0**	**44,691**	**48,115**	**0**	**48,115**

(a) *Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Stage 1) or lifetime expected credit losses (Stage 2).*
(b) *Impaired financial assets (Stage 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 credit institutions.*
(c) *As of December 31, 2019, Coface contributed €313.8 million to "Loans and receivables due from banks at amortized cost".*

Reconciliation of loans and receivables due from banks at amortized cost

(in millions of euros)	**Loans and receivables due from banks at amortized cost at 31/12/2020**									
	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 AT 01/01/2019	**25,806**	**(0)**	**594**	**(2)**	**49**	**(48)**	**0**	**0**	**26,449**	**(50)**
New originated or acquired contracts	24,396	0	71	0					24,467	0
Changes in contractual cash flows not giving rise to derecognition	(29)	0	0	0	0	0			(29)	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	(7,046)	0	110	(1)	2	0			(6,933)	(2)
Financial asset transfers	*14*	*0*	*(14)*	*0*	*0*	*0*			*0*	*0*
Transfers to S1	20	0	(20)	0	0	0			0	0
Transfers to S2	(6)	0	6	0	0	0			0	0
Transfers to S3	0	0	0	0	0	0			0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Contracts fully repaid or sold during the period	(11,210)	0	(47)	0	(3)	0			(11,259)	0
Impairment in value *(write-off)*					(1)	1			(1)	1
Variations linked to changes in exchange rates	80	0	1	0	1	0			82	0
Changes in the model used										0
Other changes [(b)]	14,835	0	0	0	0	0			14,835	0
Balance at 31/12/2019 [(a)]	**46,846**	**0**	**715**	**(3)**	**48**	**(48)**	**0**	**0**	**47,609**	**(51)**
New originated or acquired contracts	24,286	(0)	3	(0)					24,289	(0)
Changes in contractual cash flows not giving rise to derecognition	0	0	0	0	0	0			0	0
Variations linked to changes in credit risk parameters *(excluding transfers)*	(6,976)	(0)	(154)	(2)	1	(0)			(7,129)	(2)
Financial asset transfers	*0*	*0*	*(0)*	*(0)*	*0*	*0*			*0*	*0*
Transfers to S1	65	0	(65)	0	0	0			0	0
Transfers to S2	(65)	0	65	(0)	0	0			0	0
Transfers to S3	0	0	0	0	0	0			0	0
Transfer to non-current assets held for sale [(c)]	(99)	0	0	0	0	0			(99)	0
Contracts fully repaid or sold during the period	(19,522)	0	(24)	0	(1)	1			(19,546)	1
Impairment in value *(write-off)*					(17)	17			(17)	17
Variations linked to changes in exchange rates	(570)	0	(58)	0	(1)	1			(629)	1
Changes in the model used										0
Other changes	31	(0)	(40)	0	(0)	0			(8)	0
BALANCE 31/12/2020 [(a)]	**43,997**	**0**	**442**	**(4)**	**29**	**(29)**	**0**	**0**	**44,468**	**(34)**

(a) *Gross carrying amount excluding insurance company contributions, i.e. €257 million at December 31, 2020 and €558 million at December 31, 2019.*
(b) *Corresponds to outstanding loans with the SFS division's retail banking entities in the amount of €14,734 million at January 1, 2019.*
(c) *Corresponds to the assets of H2O classified as non -current assets held for sale at December 31, 2020.*

7.6.2 Loans and receivables due from customers

	31/12/2020			31/12/2019		
(in millions of euros)	**Unimpaired financial assets** [(a)]	**Impaired financial assets** [(b)]	**Total**	Unimpaired financial assets [(a)]	Impaired financial assets [(b)]	Total
Reverse repurchase agreements	4,141		4,141	3,541	0	3,541
Current accounts overdrawn	2,606	42	2,648	2,625	22	2,646
Finance leases	32	6	38	38	8	45
Factoring				2,347	0	2,347
Other	58,882	3,548	62,430	60,749	3,043	63,792
Security deposits paid	62		62	93	0	93
Value adjustments for credit losses	(209)	(1,171)	(1,380)	(119)	(1,255)	(1,375)
TOTAL [(c)]	**65,514**	**2,425**	**67,939**	**69,272**	**1,817**	**71,089**

(a) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Stage 1) or lifetime expected credit losses (Stage 2).
(b) Impaired financial assets (Stage 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 credit institutions.
(c) As of December 31, 2019, Coface contributed €2,345.8 million to "Loans and receivables due from customers at amortized cost".

Reconciliation table for loans and receivables due from customers at amortized cost

	Loans and receivables due from customers at amortized cost at 31/12/2020									
	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**	
(in millions of euros)	**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 AT 01/01/2019	**50,255**	**(31)**	**17,758**	**(91)**	**2,143**	**(1,021)**	**363**	**(96)**	**70,518**	**(1,239)**
New originated or acquired contracts	16,918	(17)	1,386	(13)	0	0	0	0	18,304	(30)
Changes in contractual cash flows not giving rise to derecognition	225	1	38	(2)	(3)	(5)	0	0	259	(6)
Variations linked to changes in credit risk parameters *(excluding transfers)*	874	4	573	(9)	378	(367)	107	4	1,933	(368)
Financial asset transfers	*(1,892)*	*(6)*	*1,161*	*10*	*731*	*(4)*	*0*	*0*	*0*	*0*
Transfers to S1 [(a)]	741	(10)	(740)	10	0	0	0	0	0	0
Transfers to S2	(2,285)	3	2,356	(5)	(71)	3	0	0	0	0
Transfers to S3	(347)	1	(455)	6	802	(7)	0	0	0	0
Transfer to non-current assets held for sale(2)										
Contracts fully repaid or sold during the period	(15,008)	10	(4,653)	21	(262)	60	(123)	12	(20,046)	103
Impairment in value *(write-off)*					(191)	194	(3)	3	(195)	197
Variations linked to changes in exchange rates	454	0	173	(1)	9	(8)	5	(1)	641	(9)
Changes in the model used		0		0	0	0	0	0	0	0
Other changes [(a)]	1,256	0	(211)	6	4	(29)	1	0	1,050	(23)
BALANCE AT 31/12/2019	**53,083**	**(40)**	**16,224**	**(79)**	**2,809**	**(1,180)**	**349**	**(77)**	**72,464**	**(1,375)**
New originated or acquired contracts	17,899	(22)	3,533	(9)	0	0	116	(33)	21,548	(63)
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)*	(5,322)	(11)	(594)	(78)	(186)	(727)	(24)	(1)	(6,126)	(818)
Financial asset transfers	*(662)*	*0*	*(1,110)*	*6*	*1,772*	*(6)*	*0*	*0*	*0*	*0*
Transfers to S1 [(a)]	3,172	(6)	(3,172)	6	0	0	0	0	0	0
Transfers to S2	(2,843)	5	2,898	(6)	(55)	0	0	0	0	0
Transfers to S3	(992)	1	(835)	5	1,827	(6)	0	0	0	(0)
Transfer to non-current assets held for sale										
Contracts fully repaid or sold during the period	(9,888)	8	(2,069)	9	(184)	34	(62)	1	(12,202)	53
Impairment in value *(write-off)* [(c)]					(667)	664	(33)	33	(700)	697
Variations linked to changes in exchange rates	(2,336)	2	(823)	5	(173)	72	(19)	3	(3,352)	82
Changes in the model used		0		0	0	0	0	0	0	0
Other changes [(d)]	(2,303)	0	39	(1)	(49)	44	(0)	0	(2,312)	44
BALANCE AT 31/12/2020	**50,470**	**(62)**	**15,200**	**(146)**	**3,323**	**(1,100)**	**327**	**(73)**	**69,319**	**(1,380)**

(a) Of which €525 million corresponds to outstanding loans with the SFS entities sold to BPCE at January 1, 2019.
(b) Including a reclassification of outstandings from bucket 2 to bucket 1, linked to the abandonment of the downgrading criterion for a sector as a reason for moving to bucket 2 in the second quarter. The impact is estimated at €2.8 billion at the date of completion of this modification.
(c) Including -€337.4 million in outstandings partially or fully derecognised, in exchange for a recognition as "unrecoverable losses on receivables", and still subject to enforcement measures.
(d) Of which -€2,346 million corresponds to Coface's contribution as of December 31, 2019, now treated using the equity method.

7.6.2.1 Assets and commitments restructured due to financial difficulties

The following table lists the financial assets (excluding assets held for trading) and financing commitments subject to amendments to original contract terms or refinancing constituting a concession granted due to the debtor's financial situation *(see Note 5.1.3)*.

	31/12/2020					31/12/2019				
	Gross exposures					Gross exposures				
(in millions of euros)	Restructuring: modifications of terms and conditions	Restructuring: refinancing	Total	Value adjustments for credit losses	Guarantees received	Restructuring: modifications of terms and conditions	Restructuring: refinancing	Total	Value adjustments for credit losses	Guarantees received
Balance sheet	1,585	247	1,832	504	799	1,309	82	1,392	423	723
Off-balance sheet	33	14	47	2	18	15	4	18	2	
TOTAL	**1,618**	**261**	**1,879**	**506**	**817**	**1,324**	**86**	**1,410**	**425**	**723**

	31/12/2020					31/12/2019				
	Total		Total Net exposures			Total		Total Net exposures		
(in millions of euros)	Gross exposures	Value adjustments for credit losses	Unimpaired loans	Impaired loans	Total	Gross exposures	Value adjustments for credit losses	Unimpaired loans	Impaired loans	Total
TOTAL	**1,879**	**506**	**301**	**1,072**	**1,373**	**1,410**	**425**	**182**	**802**	**985**
France	*698*	*169*	*88*	*441*	*529*	*238*	*90*	*30*	*117*	*148*
Other EU	*379*	*163*	*80*	*136*	*216*	*395*	*145*	*55*	*195*	*250*
North America	*342*	*85*	*41*	*215*	*256*	*346*	*87*	*35*	*224*	*259*
Other	*460*	*88*	*92*	*280*	*372*	*432*	*103*	*62*	*266*	*329*

7.6.2.2 Other loans and receivables due from customers

	31/12/2020			31/12/2019		
(in millions of euros)	Unimpaired financial assets (a)	Impaired financial assets (b)	Total	Unimpaired financial assets (a)	Impaired financial assets (b)	Total
Commercial loans	416	62	478	823	22	845
Export credit	2,209	114	2,323	3,130	308	3,438
Cash and consumer credit	29,883	1,602	31,485	29,872	1,015	30,887
Equipment loans	7,008	307	7,315	7,307	145	7,452
Home loans	559	6	565	512	8	520
Other customer loans	18,807	1,457	20,264	19,104	1,545	20,649
Value adjustments for credit losses	(204)	(1,146)	(1,350)	(116)	(1,239)	(1,355)
TOTAL	**58,678**	**2,402**	**61,080**	**60,633**	**1,804**	**62,437**

(a) *Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Stage 1) or lifetime expected credit losses (Stage 2).*

(b) *Impaired financial assets (Stage 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 credit institutions.*

7.6.3 Debt securities at amortized cost

(in millions of euros)	**31/12/2020** Unimpaired financial assets [(a)]	Impaired financial assets [(b)]	Total	31/12/2019 Unimpaired financial assets [(a)]	Impaired financial assets [(b)]	Total
Debt instruments	1,884	193	2,076	1,551	155	1,706
Value adjustments for credit losses	(5)	(142)	(146)	(1)	(147)	(148)
TOTAL	**1,879**	**51**	**1,930**	**1,550**	**8**	**1,558**

(a) Comprises unimpaired financial assets for which value adjustments are calculated based on 12-month expected credit losses (Stage 1) or lifetime expected credit losses (Stage 2).

(b) Impaired financial assets (Stage 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 credit institutions.

Reconciliation table for debt securities at amortized cost

	Debt securities at amortized cost at 31/12/2020									
	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**	
(in millions of euros)	**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 AT 01/01/2019	**982**		**95**	**(6)**	**84**	**(84)**	**168**	**(47)**	**1,330**	**(137)**
New originated or acquired contracts	724	(0)	57	(0)					781	(0)
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters *(excluding transfers)*	26	(0)	19	(1)	39	(24)			83	(25)
Financial asset transfers	*0*		*(0)*							
Transfers to S1	0		(0)							
Transfers to S2										
Transfers to S3										
Contracts fully repaid or sold during the period	(306)		(101)	0	(26)	2	(111)	13	(543)	15
Impairment in value *(write-off)*										
Variations linked to changes in exchange rates	14	(0)	1	0	(0)	(0)	(0)		14	(0)
Changes in the model used										
IFRS 5 – Entities held for sale										
Other changes	34		7	6	(5)	14	5	(20)	40	0
BALANCE AT 31/12/2019	**1,474**	**(0)**	**77**	**(1)**	**93**	**(93)**	**63**	**(54)**	**1,706**	**(148)**
New originated or acquired contracts	709		516				38		1,264	
Changes in contractual cash flows not giving rise to derecognition										
Variations linked to changes in credit risk parameters *(excluding transfers)*	(223)	(5)	(53)		2	(4)	5	(1)	(269)	(10)
Financial asset transfers	*(39)*		*39*							
Transfers to S1										
Transfers to S2	(39)		39							
Transfers to S3										
Contracts fully repaid or sold during the period	(385)		(60)						(444)	
Impairment in value *(write-off)*					(4)	4			(4)	4
Variations linked to changes in exchange rates	(148)		(23)		(8)	6			(179)	6
Changes in the model used										
IFRS 5 – Entities held for sale										
Other changes			(2)	1	5	1			3	1
BALANCE AT 31/12/2020	**1,389**	**(5)**	**494**		**87**	**(87)**	**106**	**(55)**	**2,076**	**(146)**

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7.7 Other information relating to financial assets

7.7.1 Financial assets provided as security against liabilities

The table below shows, inter alia, the carrying amount of:

- the underlying assets of the covered bond issues;
- financial instruments (securities and receivables) deposited with central banks and assignable as collateral to guarantee refinancing operations at any time.

These instruments continue to be disclosed in the consolidated balance sheet in accordance with their original classification.

(in millions of euros)	**31/12/2020**	31/12/2019
Debt instruments	4,399	3,976
Loans and receivables	1,313	2,398
Other		
TOTAL	**5,712**	**6,374**

7.7.2 Financial assets transferred

The tables below show financial asset transfers according to the amendment to IFRS 7, which distinguishes two categories of transferred assets: transferred financial assets that are not, partially or wholly, derecognized, and transferred financial assets that are fully derecognized, for which Natixis maintains continuing involvement.

A financial asset is partially or wholly transferred if Natixis transfers the contractual rights to collect cash flow from the financial asset, or retains the contractual rights to collect cash flow from the financial asset but assumes a contractual obligation to pay those cash flows to one or more beneficiaries.

Natixis has continuing involvement in a fully derecognized transferred financial asset if, according to the terms of the transfer, it retains contractual rights or obligations inherent in that asset or obtains or assumes new contractual rights or obligations to that asset.

7.7.2.1 Financial assets transferred but not fully derecognized

Transferred financial assets that are not derecognized are essentially composed of the following instruments:

- repurchased securities;
- securities lending backed by cash remittals;
- dry securities lending;
- securitization for which the counterparties to the associated debts have recourse only to the transferred assets.

These instruments are considered transferred assets because they are the underlying assets of transactions that organize a transfer between Natixis and the assignee of ownership of the assets and the attached cash flows.

They are kept on the asset side of the consolidated balance sheet because virtually all of the benefits and risks are maintained, since the securities must be returned to Natixis (unless Natixis defaults).

Repurchase agreements

	31/12/2020		31/12/2019	
(in millions of euros)	**Carrying amount of assets**	**Carrying amount of associated liabilities**	Carrying amount of assets	Carrying amount of associated liabilities
Financial assets at fair value through profit or loss	8,898	8,677	9,208	8,989
Financial assets at fair value through other comprehensive income				
Loans and receivables at amortized cost				
TOTAL	**8,898**	**8,677**	**9,208**	**8,989**

Securities lending

	31/12/2020	31/12/2019
(in millions of euros)	**Carrying amount of assets**	Carrying amount of assets
Financial assets at fair value through profit or loss	3,089	4,255
Financial assets at fair value through other comprehensive income		
TOTAL	**3,089**	**4,255**

Securitization assets for which the counterparties to the associated debts have recourse only to the transferred assets

(in millions of euros)	31/12/2020 Carrying amount of assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position	31/12/2019 Carrying amount of assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitization assets	4,172	4,412	4,172	4,412	(240)	4,809	4,214	4,809	4,214	595
TOTAL	**4,172**	**4,412**	**4,172**	**4,412**	**(240)**	**4,809**	**4,214**	**4,809**	**4,214**	**595**

7.7.2.2 Fully derecognized transferred financial assets for which continuing involvement is maintained

The fully derecognized transferred financial assets for which Natixis maintains continuing involvement include transfers of assets to a deconsolidated securitization vehicle in which Natixis has an interest or an obligation, where these latter do not compromise the transfer of virtually all of the advantages and risks attached to the transferred assets.

At December 31, 2020 (as at December 31, 2019), there was no material impact from continuing involvement in a securitization vehicle maintained by Natixis.

7.7.3 Financial assets received as security and able to be sold or reused as security

This heading covers financial assets received as security under financial guarantee agreements with the right to reuse the assets in the absence of any default on the part of the owner of the guarantee.

The fair value of the financial assets received as security that Natixis may sell or reuse as security was €219 billion at December 31, 2020, versus €234 billion at December 31, 2019.

The fair value of the financial assets received as security that were resold or reused as security was €167 billion at December 31, 2020, versus €177 billion at December 31, 2019.

7.7.4 Financial assets that are past due but not impaired

The table below provides, by type of financial instrument, a breakdown of the age of financial assets which were past due but not individually impaired at the reporting date. It does not take into account impairments based on any portfolios that may have been created.

Past due assets are assets in arrears (i.e. missed principal or interest payments), but which have not yet been impaired.

For overdrafts, arrears are counted as of the date when the customer is notified; the amount shown represents the total overdraft.

"Technical" delinquencies, meaning those related to incidents occurring in the collection process and unrelated to the counterparty's financial situation, are not included.

The age of each amount in arrears is determined according to the age of the first missed payment on the balance in question. The breakdown for the period is prepared on the basis of the first missed payment.

Type of assets (in millions of euros)	Payment arrears at 31/12/2020 ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year	Total	Payment arrears at 31/12/2019 ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year	Total
Loans and receivables due from banks						2				2
Customer loans and receivables	333				333	1,404				1,404
Other financial assets										
TOTAL [(a)]	**333**				**333**	**1,406**				**1,406**

(a) Including €690.6 million from Coface at 31/12/2019.

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7.8 Deferred tax assets and liabilities

(in millions of euros)	31/12/2020			31/12/2019		
	Standard	**Deferred tax assets**	**Deferred tax liabilities**	Standard	Deferred tax assets	Deferred tax liabilities
Sources of deferred taxes [(a)]						
Tax amortization of goodwill [(b)]	(1,193)			(1,295)		
Provision for employee benefits	195			231		
Other non-deducted provisions	1,247			1,295		
Non-deducted accrued expenses (including deferred compensation)	463			535		
Elimination of equalization reserve	(61)			(321)		
Other sources of deferred tax through profit or loss	(169)			(141)		
Ordinary tax losses	7,139			7,396		
Unrecognized sources of deferred tax	(4,286)			(4,617)		
TOTAL SOURCES OF DEFERRED TAX THROUGH PROFIT OR LOSS	**3,335**	**1,323**	**379**	**3,083**	**1,350**	**476**
Sources of deferred tax on recyclable OCI	(734)	(194)	10	(745)	(7)	164
Sources of deferred tax on non-recyclable OCI	269	67	49	274	45	(24)
TOTAL SOURCES OF DEFERRED TAX	**2,870**	**1,196**	**438**	**2,612**	**1,388**	**616**

(a) Positive amounts represent sources of deferred tax giving rise to deferred tax assets, while negative amounts represent sources giving rise to deferred tax liabilities.

(b) Deferred tax related to the tax amortization of goodwill in the United States.

Breakdown of deferred tax assets on losses by geographic area

(in millions of euros)	**31/12/2020**	31/12/2019	Legal carry forward period	Max. recognition period
Deferred tax assets on losses by geographic area				
France [(a)]	580	641	Unlimited	10 years
United States	57	47	Unlimited [(b)]	10 years [(c)]
United Kingdom			Unlimited	10 years
Other	121	101		
TOTAL	**758**	**789**		

(a) The amount of deferred taxes on tax losses recognized at December 31, 2020 was €758 million, of which €580 million capitalized on the tax consolidation group in France. The base of the tax loss recognized for the tax consolidation group in France amounts to €2,254 million, out of a total stock of tax loss carryforwards of €4,176 million. At December 31, 2020, Natixis conducted tests to measure the potential impact on deferred tax assets of the assumptions applied when implementing its tax business plans. These tests, which notably measure the impact of a +/- 10% change in the GDP growth assumptions applied, confirm the likelihood of Natixis being able to deduct tax losses, used to calculate the deferred taxes assets, from future taxable profits;

(b) Except for tax losses that arose prior to January 1, 2018 (limited to 20 years).

(c) Concerning the federal deficit, the "State" and "City" portions may be activated over longer periods (limited to the legal time limit).

7.9 Accrual accounts, other assets and liabilities

This heading corresponds to technical accounts, details of which are given below:

7.9.1 Other assets

(in millions of euros)	**31/12/2020**	31/12/2019*
Accrual accounts [(a)]	1,335	1,342
Securities settlement accounts	15	70
Other items	815	203
Security deposits paid	174	155
Other miscellaneous debtors [(b)]*	2,482	3,245
Other assets	260	280
TOTAL [(c)]	**5,081**	**5,296**

(a) Of which €190 million in contract assets (accrued income) at December 31, 2020 versus €231 million at December 31, 2019.
(b) Of which €843 million in trade receivables at December 31, 2020 versus €1,058 million at December 31, 2019.
(c) Coface contributed €256.2 million to "Accruals and other assets" as of December 31, 2019.
** Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

7.9.2 Other liabilities

(in millions of euros)	**31/12/2020**	31/12/2019*
Accrual accounts [(a)]	2,403	3,215
Miscellaneous creditors*	949	1,363
Securities settlement accounts	4	24
Security deposits received	7	7
Lease liabilities [(b)]	1,011	1,164
Other	5	3
Miscellaneous liabilities	1,888	2,285
TOTAL	**6,265**	**8,060**

(a) Of which €119 million in contract liabilities (prepaid expenses) at December 31, 2020 versus €129 million at December 31, 2019.
(b) Coface contributed €396.3 million to "Accruals and other liabilities" as of December 31, 2019.
** Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

7.10 Property, plant and equipment and intangible assets

(in millions of euros)	**31/12/2020** Gross value	**31/12/2020** Impairment and amortization	**31/12/2020** Net value	31/12/2019 Gross value	31/12/2019 Impairment and amortization	31/12/2019 Net value
Property, plant and equipment	**2,517**	**(1,245)**	**1,272**	**2,611**	**(1,186)**	**1,425**
Land and buildings	371	(270)	101	454	(317)	137
Rights of use in respect of lease agreements (lessees)	1,241	(342)	898	1,232	(209)	1,023
o/w immovable assets	*1,238*	*(341)*	*897*	*1,213*	*(202)*	*1,011*
o/w movable assets	*3*	*(2)*	*1*	*19*	*(6)*	*13*
Other	905	(633)	273	925	(660)	265
Intangible assets [(a)]	**1,899**	**(1,234)**	**665**	**2,008**	**(1,291)**	**717**
Goodwill	30	(7)	23	33	(6)	27
Software	1,471	(1,130)	340	1,506	(1,116)	391
Other	398	(96)	301	468	(169)	298
TOTAL	**4,416**	**(2,479)**	**1,937**	**4,618**	**(2,477)**	**2,142**

(a) Of which for intangible assets:
- €235 million at December 31, 2020 and €244 million at December 31, 2019 for the Asset & Wealth Management division;
- €91 million at December 31, 2020 and €91 million at December 31, 2019 for the Corporate & Investment Banking division;
- €164 million at December 31, 2020 and €172 million at December 31, 2019 for the Insurance division (excluding investment property);
- €159 million at December 31, 2020 and €139 million at December 31, 2019 for the Payments division;
- €16 million at December 31, 2020 and €4 million at December 31, 2019 for the Corporate Center;
- €67 million at December 31, 2019 for Coface.

December 31, 2020

(in millions of euros)	Gross value 01/01/2020	Increase	Decrease	Change in consolidation scope and other items[(1)]	Gross value 31/12/2020
Property, plant and equipment	**2,611**	**283**	**(54)**	**(321)**	**2,517**
Land and buildings	454	12	(7)	(89)	371
Property, plant and equipment provided under operating leases					
Rights of use in respect of lease agreements (lessees)	1,232	175	(13)	(151)	1,241
o/w immovable assets	*1,213*	*175*	*(13)*	*(135)*	*1,238*
o/w movable assets	*19*	*0*	*0*	*(16)*	*3*
Other	925	96	(34)	(81)	905
Intangible assets	**2,008**	**143**	**(18)**	**(233)**	**1,899**
Goodwill	33	0	0	(3)	30
Software	1,506	48	(18)	(66)	1,471
Other	468	95	0	(165)	398
TOTAL	**4,618**	**426**	**(72)**	**(554)**	**4,416**

(a) *Including Coface, which is now treated under IFRS 5 and under the equity method: -€242 million on property, plant and equipment and -€220.5 million on intangible assets.*

December 31, 2019

(in millions of euros)	Gross value 31/12/2018	Impact FTA IFRS 16	Gross value 01/01/2019	Increase	Decrease	Change in consolidation scope and other items	Gross value 31/12/2019
Property, plant and equipment	**1,339**	**1,216**	**2,554**	**155**	**(118)**	**19**	**2,611**
Land and buildings	477		477	13	(49)	12	454
Property, plant and equipment provided under operating leases							
Rights of use in respect of lease agreements (lessees)		1,216	1,216	63	(56)	9	1,232
o/w immovable assets		*1,201*	*1,201*	*58*	*(55)*	*9*	*1,213*
o/w movable assets		*14*	*14*	*6*	*(1)*	*0*	*19*
Other	862		862	78	(13)	(2)	925
Intangible assets	**1,900**		**1,900**	**173**	**(101)**	**35**	**2,008**
Goodwill	31		31		(5)	7	33
Software	1,445		1,445	96	(88)	53	1,506
Other	424		424	77	(8)	(25)	468
TOTAL	**3,239**	**1,216**	**4,454**	**328**	**(219)**	**54**	**4,618**

7.11 Assets obtained by taking possession of guarantees

At December 31, 2020 and December 31, 2019, Natixis did not have any assets obtained by taking possession of guarantees on its balance sheet.

7.12 Goodwill

At December 31, 2020

	01/01/2020	31/12/2020							
(in millions of euros)	Opening balance	Acquisitions during the period [(c)]	Transfers	Impairment	Translation adjustments	Transfers to equity method	Reclassifications	Other changes	Closing balance
Asset & Wealth Management [(a)]	3,235	52			(120)				3,168
Cooperate & Investment banking	144				(9)				135
Insurance	93								93
Payments	137								137
Outside the division [(b)]	282		(282)						0
TOTAL	**3,891**	**52**	**(282)**	**0**	**(129)**	**0**	**0**	**0**	**3,533**

(a) 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 €320.9 million as at December 31, 2020.

(b) -€282 million corresponding to the disposal of goodwill recognized following the loss of control of Coface (see Note 1.2 Significant events).

(c) €52 million corresponding to the goodwill recognized on the acquisition of a 55% stake in La Banque Postale AM following the merger of Natixis IM's interest rate and insurance management activities with the latter.

Furthermore, goodwill on entities consolidated using the equity method amounted to €1.2 million at December 31, 2020.

At December 31, 2019

	01/01/2019	31/12/2019							
(in millions of euros)	Opening balance	Acquisitions during the period	Transfers	Impairment	Translation adjustments	Transfers to equity method	Reclassifications	Other changes	Closing balance
Asset & Wealth Management [(a)]	3,136	42	(2)		30		31	(1)	3,235
Corporate & Investment Banking [(b)]	129	11			4				144
Insurance	93								93
Payments [(c)]	0	10					126		137
Specialized Financial Services [(d)]	157						(157)		(0)
Financial Investments	281				1				282
Other activities	(0)								(0)
TOTAL	**3,796**	**64**	**(2)**	**0**	**34**	**0**	**0**	**(1)**	**3,891**

(a) Of which +€42.1 million in goodwill recorded on the acquisition of Massena Partners. In addition, a goodwill adjustment of -€1 million for MV Crédit was made within the one-year allocation period.

(b) Of which +€11.4 million in goodwill recorded on the acquisition of Azure Capital Holdings Pty Ltd.

(c) Of which +€10.2 million in goodwill recorded on the acquisition of Titres Cadeaux.

(d) The disposal of the SFS division's retail banking entities also altered the presentation of the Natixis CGUs. Within the former SFS CGU, the Payments entities now belong to the "Payments" CGU. The Group reallocated €126 million in goodwill to the Payments CGU, predominantly comprising goodwill recognized on the recent fintech acquisitions in the aforementioned business lines. Natixis Interépargne was reassigned to Asset & Wealth Management (€31 million in "historical" goodwill reallocated).

Furthermore, goodwill on entities consolidated using the equity method amounted to €3.4 million at December 31, 2019.

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 €320.9 million as at December 31, 2020, versus €346.6 million as at December 31, 2019.

7.13 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.

7.13.1 Amounts due to credit institutions

(in millions of euros)	**31/12/2020**	31/12/2019
Current accounts	5,445	5,080
Deposits and loans	69,750	59,888
Repurchase agreements	9,129	6,888
Security deposits received	82	65
Other liabilities	1	5
TOTAL (a)	**84,408**	**71,927**

(a) Including €4,156 million for the insurance entities at December 31, 2020, versus €1,509 million at December 31, 2019; Coface contributed €451.7 million to Credit institutions as of December 31, 2019. The fair value of debts due to banks is provided in Note 7.5.4.

7.13.2 Amounts due to customers

(in millions of euros)	**31/12/2020**	31/12/2019
Current accounts	21,579	23,529
Deposits and loans	6,876	4,764
Repurchase agreements	17	121
Special savings accounts	243	294
Factoring accounts		301
Security deposits received		
Other liabilities	1,069	1,449
Accrued interest	14	27
TOTAL (a)	**29,798**	**30,485**

(a) Coface contributed €301.9 million to "Amounts due to customers" as of December 31, 2019.
The fair value of customer deposits is presented in Note 7.5.4.

7.14 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)	**31/12/2020**	31/12/2019
Money market instruments	33,362	44,127
Bonds	1,650	1,492
Other debt securities	640	1,756
Total (a)	**35,652**	**47,375**

(a) Coface contributed €1,538.7 million to "Debt securities" as of December 31, 2019.
The fair value of debt securities is presented in Note 7.5.4.

7.15 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)	31/12/2020	31/12/2019
Dated subordinated debt [b]	3,629	3,654
Undated subordinated debt	296	297
Accrued interest	9	20
Total [a]	**3,934**	**3,971**

The main features of the subordinated note issues are outlined in Chapter [14] of the Pillar III report.

(a) Including €251 million for the insurance entities at December 31, 2020, versus €640.3 million at December 31, 2019. Coface contributed €389.3 million to "Subordinated debt" as of December 31, 2019.

(b) Subordinated debt issue agreements do not incorporate a clause providing for early redemption in the event that the covenants are not observed.

Changes in subordinated debt over the 2020 fiscal year

(in millions of euros)	31/12/2019	Issues	Redemptions	Translation adjustments	Changes in scope [b]	Other [a]	31/12/2020
Other dated subordinated debt	**3,654**	**350**	**0**	**0**	**(378)**	**3**	**3,629**
Subordinated notes	674				2	3	679
Subordinated loans	2,980	350			(380)		2,950
Other undated subordinated debt	**297**	**0**	**0**	**0**	**0**	**(0)**	**296**
Deeply subordinated notes	0						0
Subordinated notes	46						46
Subordinated loans	251					(0)	250
TOTAL	**3,951**	**350**	**0**	**0**	**(378)**	**3**	**3,925**

This table does not include accrued interest.

(a) Other changes mainly pertained to the revaluation of debts subject to hedging and variations in intra-group securities held by Natixis Funding for the purposes of market making with respect to Natixis' debt on the secondary market.

(b) Concerns Coface, which is now treated using the equity method.

Changes in subordinated debt over the 2019 fiscal year

(in millions of euros)	01/01/2019	Issues	Redemptions	Translation adjustments	Changes in scope	Other [1]	31/12/2019
Other dated subordinated debt	**3,646**	**0**	**0**	**0**	**0**	**8**	**3,654**
Subordinated notes	667					8	674
Subordinated loans	2,980						2,980
Other undated subordinated debt	**297**	**0**	**0**	**0**	**0**	**0**	**297**
Deeply subordinated notes	0						0
Subordinated notes	46						46
Subordinated loans	251						251
TOTAL	**3,943**	**0**	**0**	**0**	**0**	**8**	**3,951**

This table does not include accrued interest

(a) Other changes mainly pertained to the revaluation of debts subject to hedging and variations in intra-group securities held by Natixis Funding for the purposes of market making with respect to Natixis' debt on the secondary market.

7.16 Provisions and impairment

The table below does not include value adjustments for credit losses on financial assets at amortized cost *(see Note 5.1.3)* and at fair value through other comprehensive income *(see Note 5.1.4)*, as well as financing and guarantee commitments given *(see Note 5.20)*.

At December 31, 2020

(in millions of euros)	01/01/2020	Increase	Reversal (utilized provisions)	Reversal (surplus provisions)	Translation adjustments	Other (b)	31/12/2020
Counterparty risks	**916**	**402**	**(2)**	**(353)**	**(71)**	**(2)**	**890**
Financing and guarantee commitments	127	394	0	(345)	(6)	(2)	168
Litigation (a)	779	2	(0)	(2)	(64)	(0)	714
Other provisions	10	6	(2)	(6)	(0)	(0)	8
Impairment risks	**24**	**47**	**(2)**	**0**	**(0)**	**(8)**	**61**
Long-term investments	24	47	(2)	0	(0)	(8)	61
Real estate developments	0	0	0	0	0	0	0
Other provisions	0	0	0	0	0	0	0
Employee benefit obligations	**524**	**80**	**(86)**	**(18)**	**3**	**(2)**	**502**
Operational risks	**179**	**49**	**(13)**	**(14)**	**(2)**	**(28)**	**170**
TOTAL CONTINGENCY RESERVES	**1,642**	**578**	**(103)**	**(385)**	**(70)**	**(40)**	**1,623**

(a) *Of which €503.4 million of provisions at December 31, 2020 for Madoff fraud exposure (see Section 3.2.9 of Chapter [3] "Risk factors, risk management and Pillar III").*

(b) *Mainly corresponds to the impact of the actuarial valuation of defined benefit plans, the change in the accounting classification of the time savings account, now considered as a long-term benefit (+€86.1 million) and the removal of the contribution from Coface at December 31, 2019 for -€102.3 million.*

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At December 31, 2019

(in millions of euros)	01/01/2019	Increase	Reversal (utilized provisions)	Reversal (surplus provisions)	Translation adjustments	Other	31/12/2019
Counterparty risks	**888**	**275**	**(1)**	**(263)**	**15**	**1**	**916**
Financing and guarantee commitments	105	270	(0)	(250)	1	2	127
Litigation (a)	768	0	(0)	(3)	14	0	779
Other provisions	15	5	(0)	(10)	0	(1)	10
Impairment risks	**22**	**4**	**(1)**	**(1)**	**1**	**0**	**24**
Long-term investments	21	4	(1)	(1)	1	0	24
Real estate developments	0	0	0	(0)	0	0	0
Other provisions	0	0	0	0	0	0	0
Employee benefit obligations	**584**	**90**	**(176)**	**(15)**	**5**	**36**	**524**
Operational risks (b)	**188**	**51**	**(42)**	**(17)**	**2**	**(3)**	**179**
TOTAL CONTINGENCY RESERVES	**1,681**	**420**	**(220)**	**(296)**	**23**	**35**	**1,642**

The table does not include value adjustments for credit losses associated with financial assets at fair value through other comprehensive income.

(a) *Of which €551 million of provisions at December 31, 2019 for Madoff fraud exposure (see Section 3.2.9 of Chapter [3] "Risk factors, risk management and Pillar III").*

(b) *Of which €10.5 million of provisions for restructuring costs at December 31, 2019 in respect of the Coface plan.*

NIT dispute

As a reminder, on December 18, 2019, the French antitrust body (Autorité de la Concurrence) announced that France's four historical meal voucher companies were to be fined a total of nearly €415 million for price fixing. On a financial level, the fine incurred by Natixis came to €83.3 million (of which €4.4 million for Natixis Intertitres alone, with Natixis being severally liable for the balance). Natixis has appealed this decision and believes it has numerous arguments in its defense with which to challenge it. Under these conditions, no provisions were booked in the financial statements at December 31, 2019 or December 31, 2020.

7.17 Breakdown of financial assets and liabilities by contractual maturity

The table below presents the balances of financial assets and liabilities by contractual maturity in the balance sheet. Variable-income assets, derivative financial instruments for trading and hedging purposes as well as revaluations of components hedged or unhedged by financial assets and liabilities are considered as having a "perpetual" maturity. Likewise, delinquencies and non-performing loans are deemed to have a "perpetual" maturity.

The technical provisions of insurance companies, which for the most part are equivalent to demand deposits, are not shown in the table below.

Assets *(in billions of euros)*	**31/12/2020** Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated	Total	**31/12/2019*** Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated*	Total
Cash and amounts due from central banks	31					0	31	21					0	21
Assets at fair value through profit and loss – excluding trading derivatives	1	0	0	1	1	154	157	0	0		2	1	165	168
Derivatives not eligible for hedge accounting*						54	54						53	53
Hedging derivatives						0	0						0	0
Financial assets at fair value through other comprehensive income	1	1	0	1	9	1	13	1	0	0	1	9	1	12
Loans and receivables due from credit institutions	10	3	14	8	10	1	45	7	4	16	10	10	1	48
Customer loans and receivables	14	5	10	26	11	3	68	16	5	7	26	13	4	71
Debt instruments at amortized cost	0	0	1	0	1	0	2	0	0	0		1	0	2
Revaluation adjustments on portfolios hedged against interest rate risk														
TOTAL	**56**	**8**	**25**	**36**	**32**	**212**	**369**	**46**	**10**	**23**	**38**	**34**	**223**	**375**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Assets *(in billions of euros)* **Insurance business investments**	**31/12/2020** Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated	Total	**31/12/2019** Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated	Total
Assets at fair value through profit and loss – excluding trading derivatives	0	0	0	0	1	26	28	0	0	2	0	2	19	23
Available-for-sale financial assets	0	1	3	12	28	8	52	0	0	3	13	25	10	51
Loans and receivables	0					13	13	0	0		0		14	14
Held-to-maturity financial assets		0	0	0	0		1			0	0	0		1
TOTAL	**0**	**1**	**3**	**12**	**30**	**47**	**94**	**0**	**1**	**2**	**15**	**22**	**43**	**85**

Liabilities (in billions of euros)	31/12/2020 Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated	Total	31/12/2019* Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Un-dated*	Total
Due to central banks														
Financial liabilities designated at fair value through profit or loss	9	0	0	2	12	135	158	12	1	0	1	11	133	159
o/w repurchase agreements						*95*	*95*						*96*	*96*
Secured debt	*9*	*0*	*0*	*2*	*12*	*37*	*60*	*12*	*1*	*0*	*1*	*11*	*34*	*59*
o/w senior debt														
Unsecured debt	*0*		*0*	*0*	*0*	*3*	*4*	*0*	*0*	*0*	*0*	*0*	*4*	*4*
o/w senior debt														
Covered bonds						*0*	*0*						*0*	*0*
Trading derivatives*						50	50						51	51
Hedging derivatives						1	1						1	1
Amounts due to credit institutions	28	10	17	24	1	4	84	17	14	12	24	3	2	72
o/w repurchase agreements	*4*	*0*	*1*	*0*		*3*	*9*	*4*	*1*	*1*		*0*	*1*	*7*
Amounts due to customers	25	2	1	0	1	0	30	21	4	3	1	2	0	30
Debt securities	16	8	10	1	1	0	36	16	11	17	1	2	0	47
o/w secured debt														
Covered bonds														
Subordinated debt	1		0	0	3	0	4			0			4	4
FINANCIAL LIABILITIES BY MATURITY	**79**	**19**	**28**	**27**	**18**	**190**	**362**	**66**	**30**	**33**	**27**	**17**	**191**	**364**
FINANCING COMMITMENTS GIVEN	**2**	**8**	**13**	**31**	**6**	**0**	**59**	**2**	**4**	**8**	**32**	**6**		**52**
GUARANTEE COMMITMENTS GIVEN	**1**	**3**	**9**	**5**	**6**		**24**	**2**	**3**	**6**	**8**	**8**		**26**

* Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).

7.18 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 *(see Note 6.22)*. The data presented are taken from the ALM management databases and concern financial instruments with a maturity exceeding December 31, 2021, taking into account the following conventions:

- financial assets and liabilities excluding derivatives are presented on the basis of their nominal 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 December 31, 2020;
- repurchase agreements are broken down by Eonia, Euribor and Libor indices before accounting offsetting;
- for derivatives comprising a borrowing leg and a lending leg, each exposed to a reference rate, the two legs have been reported in the notes to the financial statements to effectively reflect Natixis' exposure to the reference rates on these two legs;
- demand financial assets and liabilities are excluded from the exposures presented, as their maturity was considered to be prior to December 31, 2021.

(in millions of euros)		Financial assets	Financial liabilities	Derivatives (notional)
EURIBOR – Euro Interbank Offered Rate		35,473	18,689	1,539,938
EONIA – Euro OverNight Index Average	Euro Short-Term Rate (€STER)	1,578	1,305	188,369
LIBOR – London Interbank Offered Rate – USD	Secured Overnight Financing Rate (SOFR)	16,319	6,096	1,410,984
LIBOR – London Interbank Offered Rate – GBP	Reformed Sterling Overnight Index Average (SONIA)	799	0	173,887
LIBOR – London Interbank Offered Rate – CHF	Swiss Average Rate Overnight (SARON)	125	0	28,635
LIBOR – London Interbank Offered Rate – JPY	Tokyo Overnight Average (TONA)	158	1,025	134,070
LIBOR – London Interbank Offered Rate – EUR	Euro Short-Term Rate (€STER)	187	0	2,901
TOTAL		**54,639**	**27,115**	**3,478,784**

Note 8 Notes on insurance activities

8.1 Consolidation of insurance entities

Natixis opted to continue applying the provisions set out in IAS 39 for insurance entities *(see Note 1.1.1)*.

In accordance with ANC recommendation No. 2017-02, Natixis presents its insurance businesses separately on the balance sheet and income statement.

The "Insurance business investments" line on the asset side of the balance sheet consists of insurance business assets representative of:

- financial investments (i.e. in financial instruments) including advances to policyholders;
- financial investments in unit-linked products;
- derivative instruments;
- revaluation differences on interest rate risk-hedged portfolios.

Financial investments in securities are classified in the balance sheet under the various categories of investments defined in IAS 39.

The other balances related to the insurance business are aggregated with the balances related to the other balance sheet items by type.

On the liability side of the balance sheet, the "Liabilities related to insurance policies" line consists of:

- insurance companies' technical reserves;
- insurance and reinsurance liabilities, including amounts due to policyholders;
- derivative instruments held by Insurance businesses;
- shares of the revaluation on interest rate risk-hedged portfolios;
- the deferred profit-sharing liability.

The income statement line item "Net income from insurance activities" mainly covers:

- premiums written and the change in unearned premium reserves;
- investment income including income from investment properties;
- investment expenses;
- changes in fair value of investments at fair value through profit or loss, as well as gains and losses on the sale of investments, including investment property;
- impairment charges and reversals on investments at amortized cost or at fair value through other comprehensive income;
- amortization of acquisition costs;
- external expenses on policy benefits;
- income and expenses net of reinsurance transfers.

8.2 Accounting principles

8.2.1 Financial assets under IAS 39

At initial recognition, financial assets and liabilities are measured at fair value, corresponding to their acquisition price at that date. Their subsequent accounting treatment depends on their balance sheet classification. In accordance with IAS 39, financial assets are classified in one of the four categories of financial assets set out below:

Financial assets measured at fair value through profit and loss

These are instruments held for trading purposes or designated at fair value through profit or loss on initial recognition in accordance with the fair value option amendment to IAS 39 (published by the IASB in June 2005 and adopted by the European Union on November 15, 2005).

Securities held for trading purposes are those acquired by Natixis principally to be sold in the near term and those forming part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Securities valued under this option fall into one of the following three categories:

- hybrid instruments that contain one or more significant and separable embedded derivative features;
- instruments belonging to a group of financial assets valued and managed on a fair value basis;
- instruments that present an inconsistency in accounting treatment with a related financial liability.

Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that Natixis has the clear intention and ability to hold through to maturity, other than those that are designated on initial recognition as at fair value through profit or loss (fair value option) or available-for-sale, and those that meet the definition of loans and receivables.

On initial recognition, available-for-sale financial assets are measured at fair value including transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method and tested for impairment at each reporting date. Where necessary, an impairment charge is recorded in income under "Provision for credit losses". Transactions intended to hedge interest rate risk on these securities are not permitted under IFRS.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than those designated as at fair value through profit or loss or available-for-sale. This excludes assets for which the holder cannot recover the majority of the initial investment other than because of a credit deterioration, which should be classified as available-for-sale.

When they are hedged, loans and receivables also include the fair value of the hedged component of assets classified in this category (fair value hedges).

On initial recognition, loans and receivables are measured at fair value (i.e. face value) plus transaction costs and less any discount and transaction revenues. In the case of loans, transaction costs include fees and any expenses directly attributable to setting up the loan.

After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method and tested for impairment at each reporting date. Where necessary, an impairment charge is recorded in income under "Provision for credit losses".

When loans are granted at below-market interest rates, a discount corresponding to the difference between the face value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the face value of the loan. The market rate of interest is the rate applied by the vast majority of financial institutions at any given time for instruments and counterparties with similar characteristics.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Securities classified in this category are initially recognized at their market value. At the reporting date, they are remeasured at their market value determined based on the market price for listed instruments.

Gains or losses arising from changes in the fair value (excluding revenues) of available-for-sale financial assets that are not hedged are recognized directly in equity under "Gains and losses recorded directly in equity". Accrued or earned income is recognized in the income statement under "Net income from insurance activities" using the effective interest rate method. Available-for-sale financial assets are tested for impairment at each reporting date. Where there is objective evidence that an asset is impaired and a decline in the fair value has already been recognized directly in equity, the cumulative impairment loss is removed from equity and recognized in income under "Provision for credit losses" (debt instruments) or "Net income from insurance activities" (equity instruments).

8.2.2 Provisions for impairment of financial assets

At the reporting date, the relevant entities assess whether there is any objective evidence of individual or collective impairment for loans and receivables. To identify evidence of impairment, they analyze trends in a number of objective criteria, but also rely on the judgment of its own expert teams. Similarly, they may use expert judgment to establish the likely timing of recoveries.

Assets measured at amortized cost and available-for-sale debt instruments

A provision for impairment is set aside as soon as there is reason to believe the issuer may not be able to meet its commitments regarding the payment of principal and interest, such as a default on interest or principal payments. Securities in this category are determined on a case-by-case basis at each reporting date after the portfolios are reviewed.

Available-for-sale equity instruments

The impairment criteria for non-amortizing securities categorized as available-for-sale assets are as follows:

- automatic impairment if there are unrealized losses of more than 50% at the reporting date;
- automatic impairment if there are unrealized losses for a period of more than 24 consecutive months;
- case-by-case analysis of securities presenting unrealized losses of more than 30% at the reporting date;
- case-by-case analysis of securities presenting unrealized losses for more than six consecutive months.

Identified securities give rise to an impairment charge based on their total carrying amount so that their post-impairment value reflects the recoverable value. The impairment charge is never reversed.

In accordance with IFRIC 10, an additional impairment charge will be recognized on investment securities for which a provision has already been made if its value has declined further at the reporting date, regardless of threshold or duration requirements.

8.2.3 Fair value of financial instruments

The general principles of fair value of financial instruments are the same as those presented in Note 5.6.

8.2.4 Reinsurance transactions

Transfers

Insurance transactions are recognized before reinsurance transfers. Reinsurance transfers are recognized in accordance with the terms of the different reinsurance treaties.

Acceptances

Reinsurance acceptance policies are recognized as insurance policies.

Guarantees given or received as part of these transactions are recognized on the balance sheet (cash deposits) or off-balance sheet (securities pledged or received as collateral).

No Natixis reinsurance policies fall under the scope of IAS 39.

8.2.5 Liabilities related to insurance policies

Policies managed by the insurance subsidiaries of the Coface and Natixis Assurances sub-groups meet the definitions of insurance policies and investment contracts with a discretionary participation feature set out in IFRS 4. Accordingly, they result in the recognition of technical reserves in liabilities. These reserves are measured in accordance with French GAAP pending the entry into force of IFRS 17 dealing with technical liabilities of insurance companies.

Technical reserves for insurance policies meet the commitments of insurance companies with regard to policyholders and contract beneficiaries.

In accordance with IFRS 4, insurance technical reserves are calculated using methods stipulated by local regulations. A liability adequacy test is carried out in order to ensure that the insurance liabilities as presented in the consolidated financial statements are sufficient to cover future cash flows estimated at that date. The test is based on a stochastic or deterministic valuation model of discounted future cash flows.

Technical reserves for life-insurance policies are primarily composed of mathematical reserves corresponding to the surrender value of the contract.

Insurance offered primarily covers death, disability, work disability, dependency, damage to persons or property, health, legal protection and financial loss. Related technical reserves are calculated using specialized tables (life, experience and Bureau Commun des Assurances Collectives/BCAC tables).

Technical reserves for non-life insurance policies include reserves for unearned premium income and for claims to be paid (not discounted).

Reserves for unearned premium income are prorated separately for each insurance policy. They correspond to the portion of premium income remaining between the fiscal year-end and the premium due date.

Claims reserves include an estimate of claims reported but not settled at the reporting date. In addition to the amount of claims payable, a provision is set aside for unknown claims, calculated on a statistical basis by reference to the final amount of claims to be paid following settlement of risks and after any debt recovery measures.

Reserves also include economic hazards related to end-of-year premiums as well as a reserve for management fees.

In addition to this statistical estimation, specific reserves are recognized for major disasters based on the probability of default and of severity, estimated on a case-by-case basis.

Policy acquisition costs are expensed to the period. In particular, acquisition costs for non-life insurance policies are expensed over the acquisition period of the premiums: the portion of deferred acquisition costs is calculated pro rata to the unearned premiums at the end of the year.

Pursuant to paragraph 30 of IFRS 4, insurance policies and investment contracts with discretionary participation (life insurance) are measured using shadow accounting, which consists in recognizing the portion of unrealized gains or losses potentially attributable to policyholders as a deferred profit-sharing reserve. The deferred profit-sharing reserve thus reflects the potential entitlement of policyholders to unrealized gains for financial investments or their portion of unrealized losses. Considering the pay-out ratio in the 2019 budget and in accordance with the pay-out ratio recorded for 2019, the deferred profit-sharing rate adopted at December 31, 2020 was 87% compared with 89% at December 31, 2019.

In the event of net unearned losses, a deferred profit-sharing asset is recognized up to the amount for which future deferred profit-sharing of policyholders is estimated to be highly probable.

Deferred profit-sharing assets and liabilities arise mainly on:

- the revaluation of “available-for-sale financial assets” and “financial assets at fair value through profit or loss”;
- the revaluation of real estate assets held to cover insurance policies;
- the restatement in the consolidated financial statements of the capital reserve and the liquidity risk reserve.

The change in the deferred profit-sharing asset and liability is recognized:

- in equity when it relates to changes in the value of “available-for-sale assets”;
- in income when it relates to changes in the value of assets “at fair value through profit or loss” or investment property held to cover insurance policies, as well as changes in provisions for prolonged declines in value in “available-for-sale assets”.

Application of the shadow accounting mechanism resulted in the recognition of a deferred profit-sharing liability on December 31, 2020 as on December 31, 2019.

(in millions of euros)	**2020**	2019
Total net deferred profit-sharing asset	-	-
Total net deferred profit-sharing liability	4,692	4,039

In the case of deferred profit-sharing assets, a recoverability test is carried out. Deferred profit-sharing may be recovered depending on the intention and ability of companies to steer future compensation of contracts according to resources. These are sensitive to:

- changes in the equity and bond markets;
- changes in net inflows, which result from the commercial appeal of policies and the propensity of policy holders to renew their contracts;
- available reserves and own resources within companies to hold assets for a period compatible with changes in liabilities and consistent with market cycles.

Prospective analysis of the deferred profit-sharing asset’s recoverability is therefore carried out to demonstrate the ability and intention of companies to meet liquidity requirements over the remaining recoverability period without selling investments in unrealized losses. This process corresponds to a forward-looking view of future cash flows, built following regulatory and contractual conditions applied to contracts and with the help of economic scenarios based on historical probability.

8.3 Net income from insurance activities

(in millions of euros)	31/12/2020	31/12/2019
Earned premiums	***10,557***	***13,862***
Premiums written	10,599	13,881
Change in unearned premium income	(41)	(19)
Other income from insurance activities	***11***	***9***
Revenue from insurance activities	**0**	**138**
Investment income (net of expenses)	**1,512**	**3,484**
Investment income	1,546	1,792
Investment expenses	(296)	(279)
Capital gains and losses on disposal of investments (net of reversals, write-downs and amortization)	131	205
Change in fair value of investments carried at fair value through profit or loss	306	1,833
Change in write-downs on investments	(176)	(67)
Amortization of acquisition costs	**2**	**(3)**
Policy benefit expenses	**(10,256)**	**(14,661)**
Income and expenses net of reinsurance transfers	**208**	**(36)**
Reinsurance transfer income	3,004	3,455
Reinsurance transfer expenses	(2,796)	(3,491)
Net income from insurance activities [(a)]	**2,034**	**2,792**

(a) At December 31, 2019, Coface contributed +€849.8 million to net income from insurance businesses.

8.3.1 Transition between the presentation applicable to insurance companies and to banks

The following table shows a reconciliation between insurance companies' financial statements as presented and how they would translate into the banking format.

At December 31, 2020

Insurance format *(in millions of euros)*	31/12/2020								
		Bank format							
		NR							
	TOTAL	Net income from Insurance	Other net revenue items (excl. net income from Insurance)	Expenses	Gross operating income	Provision for credit losses	Tax	Other items	Net income
Premiums written	*10,599*	*10,599*	*0*	*0*	*10,599*	*0*	*0*	*0*	*10,599*
Change in unearned premium income	*(41)*	*(41)*	*0*	*0*	*(41)*	*0*	*0*	*0*	*(41)*
Earned premiums	10,557	10,557	0	0	10,557	0	0	0	10,557
Banking operating income	0	0	0	0	0	0	0	0	0
Revenues and income from other activities	0	0	0	0	0	0	0	0	0
Other operating income	22	11	0	11	22	0	0	0	22
Investment income	*1,662*	*1,546*	*116*	*0*	*1,662*	*0*	*0*	*0*	*1,662*
Investment expenses	*(390)*	*(296)*	*(82)*	*(12)*	*(390)*	*0*	*0*	*0*	*(390)*
Capital gains and losses on disposal of investments (net of reversals, write-downs and amortization)	*131*	*131*	*0*	*0*	*131*	*0*	*0*	*0*	*131*
Change in fair value of investments carried at fair value through profit or loss	*362*	*307*	*56*	*0*	*362*	*0*	*0*	*0*	*362*
Change in write-downs on investments	*(176)*	*(176)*	*0*	*0*	*(176)*	*0*	*0*	*0*	*(176)*
Investment income (net of expenses)	1,590	1,512	90	(12)	1,590	0	0	0	1,590
Policy benefit expenses	(10,358)	(10,256)	0	(102)	(10,358)	0	0	0	(10,358)
Reinsurance transfer income	*3,000*	*3,004*	*(4)*	*0*	*3,000*	*0*	*0*	*0*	*3,000*
Reinsurance transfer expenses	*(2,784)*	*(2,796)*	*12*	*0*	*(2,784)*	*0*	*0*	*0*	*(2,784)*
Income and expenses net of reinsurance transfers	215	207	8	0	215	0	0	0	215
Provision for credit losses	0	0	0	0	0	0	0	0	0
Banking operating expenses	0	0	0	0	0	0	0	0	0
Policy acquisition costs	(702)	2	(597)	(106)	(702)	0	0	0	(702)
Amortization of portfolio values and related items	0	0	0	0	0	0	0	0	0
Administrative costs	(668)	0	(542)	(126)	(668)	0	0	0	(668)
Other recurring operating income and expenses	(179)	0	(50)	(128)	(179)	0	0	0	(179)
Other non-recurring operating income and expenses	(13)	0	(13)	0	(13)	0	0	0	(13)
Operational income (loss)	**464**	**2,034**	**(1,106)**	**(464)**	**464**	**0**	**0**	**0**	**464**
Finance expenses	(12)	0	(12)	0	(12)	0	0	0	(12)
Share in income of associates	(64)	0	0	0	0	0	0	(64)	(64)
Income taxes	(172)	0	0	0	0	0	(172)	0	(172)
After-tax income from discontinued activities	0	0	0	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	0	0	0	0
CONSOLIDATED NET INCOME	**216**	**2,034**	**(1,118)**	**(464)**	**452**	**0**	**(172)**	**(64)**	**216**

At December 31, 2019

	31/12/2019								
		Bank format							
		NR							
Insurance format *(in millions of euros)*	TOTAL	Net income from Insurance	Other net revenue items (excl. net income from Insurance)	Expenses	Gross operating income	Provision for credit losses	Tax	Other items	Net income
Premiums written	*13,882*	*13,882*	*0*	*0*	*13,882*	*0*	*0*	*0*	*13,882*
Change in unearned premium income	*(20)*	*(20)*	*0*	*0*	*(20)*	*0*	*0*	*0*	*(20)*
Earned premiums	13,862	13,862	0	0	13,862	0	0	0	13,862
Banking operating income	58	0	58	0	58	0	0	0	58
Revenues and income from other activities	161	138	23	0	161	0	0	0	161
Other operating income	19	9	0	11	19	0	0	0	19
Investment income	*1,908*	*1,792*	*116*	*0*	*1,908*	*0*	*0*	*0*	*1,908*
Investment expenses	*(368)*	*(279)*	*(75)*	*(14)*	*(368)*	*0*	*0*	*0*	*(368)*
Capital gains and losses on disposal of investments (net of reversals, write-downs and amortization)	*262*	*204*	*(5)*	*0*	*200*	*(0)*	*0*	*62*	*262*
Change in fair value of investments carried at fair value through profit or loss	*1,829*	*1,833*	*(4)*	*0*	*1,829*	*0*	*0*	*0*	*1,829*
Change in write-downs on investments	*(73)*	*(67)*	*(6)*	*0*	*(73)*	*1*	*0*	*0*	*(73)*
Investment income (net of expenses)	3,560	3,484	26	(14)	3,497	0	0	62	3,560
Policy benefit expenses	(14,783)	(14,662)	4	(124)	(14,783)	0	0	0	(14,783)
Reinsurance transfer income	*3,465*	*3,455*	*11*	*0*	*3,465*	*0*	*0*	*0*	*3,465*
Reinsurance transfer expenses	*(3,478)*	*(3,491)*	*13*	*0*	*(3,478)*	*0*	*0*	*0*	*(3,478)*
Income and expenses net of reinsurance transfers	(14)	(36)	23	0	(14)	0	0	0	(14)
Provision for credit losses	(2)	0	0	0	0	(2)	0	0	(2)
Banking operating expenses	(13)	0	(0)	(13)	(13)	0	0	0	(13)
Policy acquisition costs	(959)	(3)	(761)	(194)	(959)	0	0	0	(959)
Amortization of portfolio values and related items	0	0	0	0	0	0	0	0	0
Administrative costs	(860)	0	(491)	(369)	(860)	0	0	0	(860)
Other recurring operating income and expenses	(324)	0	(73)	(253)	(327)	0	0	2	(324)
Other non-recurring operating income and expenses	(7)	0	4	(11)	(7)	0	0	0	(7)
Operational income (loss)	**699**	**2,792**	**(1,187)**	**(969)**	**635**	**(2)**	**0**	**65**	**698**
Finance expenses	(32)	0	(33)	(0)	(32)	0	0	0	(32)
Share in income of associates	10	0	0	0	0	0	0	10	10
Income taxes	(208)	0	0	(2)	(2)	0	(205)	0	(208)
After-tax income from discontinued activities	0	0	0	0	0	0	0	0	0
Non-controlling interests	(118)	0	0	0	0	0	0	(118)	(118)
CONSOLIDATED NET INCOME	**351**	**2,792**	**(1,219)**	**(971)**	**600**	**(2)**	**(205)**	**(43)**	**351**

8.4 Insurance business investments

(in millions of euros)	Notes	31/12/2020	31/12/2019
Investment property	8.4.3	1,438	1,498
Financial assets at fair value through profit or loss	8.4.1	27,905	23,360
Hedging derivatives			
Available-for-sale financial assets	8.4.2	51,939	51,391
Loans and receivables	8.4.5	13,003	13,994
Held-to-maturity financial assets	8.4.6	764	918
Share held by cedents and retrocessionaires in liabilities relating to insurance policies and financial contracts		16,504	15,218
Receivables arising from Insurance and assumed reinsurance activities		853	1,265
Receivables arising from reinsurance transfers		28	86
Deferred acquisition costs		265	323
Other			
TOTAL [(a)]		**112,698**	**108,053**

(a) As of December 31, 2019, Coface contributed +€3,987.4 million to "Insurance business investments".

8.4.1 Financial assets at fair value through profit or loss

(in millions of euros)	Notes	31/12/2020	31/12/2019
Securities held for trading		**5,668**	**2,286**
Debt instruments in the form of securities			
Other equity instruments issued [(a)]		5,668	2,286
Loans and receivables			
Derivative instruments not eligible for hedge accounting		**17**	**19**
Hedging derivatives		**29**	
Securities under the fair value option through profit or loss	**8.4.1.1**	**22,190**	**21,055**
Debt instruments in the form of securities		1,684	2,046
Other equity instruments issued [(a)]		4,011	785
Investments backed by unit-linked policies		16,495	18,224
Loans and receivables at fair value through profit and loss	**8.4.1.1**	**0**	**0**
Banks			
Customers			
TOTAL		**27,905**	**23,360**

(a) Including mutual fund units.

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8.4.1.1 Conditions for classification of financial assets 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. This arises for example in the case of an asset and a hedging derivative when the criteria for hedge accounting are not met;
- where a portfolio of financial assets and liabilities is managed and recognized at fair value as part of a documented policy of asset and liability management.

Financial assets designated at fair value through profit or loss mainly consist of financial assets representative of unit-linked policies from insurance activities.

(in millions of euros)	31/12/2020				31/12/2019			
	Carrying amount	**Accounting mismatch**	**Managed on a fair value basis**	**Embedded derivatives**	Carrying amount	Accounting mismatch	Managed on a fair value basis	Embedded derivatives
Loans and receivables due from banks								
Loans and receivables due from customers								
Debt instruments in the form of securities	2,257	553		1,704	2,670	622		2,048
Other equity instruments issued	19,933	19,933			18,385	18,385		
TOTAL	**22,190**	**20,486**		**1,704**	**21,055**	**19,007**		**2,048**

8.4.2 Available-for-sale financial assets

The table below shows available-for-sale financial assets by type of instrument (fixed-income securities, variable-income securities). It discloses the gross value before impairment, the amount of impairment and the net value after impairment.

(in millions of euros)	31/12/2020	31/12/2019
Securities	**52,161**	**51,592**
▪ Debt instruments	43,186	42,651
▪ Other equity instruments issued [(a)]	8,571	8,509
▪ Accrued interest	404	432
Impairment of available-for-sale assets	**(223)**	**(201)**
▪ Debt instruments	(57)	(50)
▪ Other equity instruments issued [(b)]	(166)	(151)
TOTAL [(c)]	**51,939**	**51,391**

(a) Including mutual fund units.

(b) At December 31, 2020, permanent impairment of variable-income securities stood at €168 million, compared with €53 million at December 31, 2019. This expense is offset by an amount of 87% respectively, taking into account the profit-sharing mechanism (89% at December 31, 2019). The 2020 expense can be broken down into an additional impairment loss on previously impaired securities for €144 million (€16 million at December 31, 2019) and an allowance for newly impaired securities for €25 million (€37 million at December 31, 2019).

(c) Coface contributed €2,911 million to "Available-for-sale financial assets" as of December 31, 2019.

8.4.3 Investment property

(in millions of euros)	31/12/2020			31/12/2019		
	Gross value	**Impairment and amortization**	**Net value**	Gross value	Impairment and amortization	Net value
Investment property – At fair value	1,018		1,018	1,070		1,070
Investment property – At historical cost	40	(14)	26	40	(14)	26
Investment property – UL policies	394		394	402		402
TOTAL	**1,452**	**(14)**	**1,438**	**1,512**	**(14)**	**1,498**

The fair value of investment property, for which the valuation techniques are described in Note 5.7, is classified in Level 3 of the fair value hierarchy of IFRS 13.

Changes in fair value give rise to the symmetrical recognition of a deferred profit-sharing reserve equal to 87% of the related base amount on average at December 31, 2020, compared with 89% at December 31, 2019.

8.4.4 Fair value of financial assets and liabilities carried at fair value in the balance sheet

Financial assets and liabilities measured at fair value are categorized based on the fair value hierarchy presented in Notes 5.6 and 7.5.

	31/12/2020				31/12/2019			
Assets (in millions of euros)	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	Carrying amount	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	**27,875**	**22,314**	**4,042**	**1,519**	**23,360**	**17,505**	**4,569**	**1,286**
Income securities held for trading	**5,668**	**5,668**	**0**	**0**	**2,286**	**2,202**	**84**	
o/w debt instruments in the form of securities	*0*	*0*	*0*	*0*				
o/w equity instruments	*5,668*	*5,668*	*0*	*0*	*2,286*	*2,202*	*84*	
Derivative instruments not eligible for hedge accounting (positive fair value)	**17**	**15**	**2**	**0**	**19**	**14**	**5**	**0**
o/w interest rate derivatives	*0*	*0*	*0*	*0*	*1*		*1*	
o/w currency derivatives	*4*	*2*	*2*	*0*	*9*	*6*	*4*	*0*
o/w credit derivatives								
o/w equity derivatives	*13*	*13*	*0*	*0*	*8*	*8*		*0*
o/w other	*0*	*0*	*0*	*0*	*0*			*0*
Other financial assets held for trading								
Financial assets designated under the fair value option through profit or loss	**22,190**	**16,631**	**4,040**	**1,519**	**21,055**	**15,289**	**4,480**	**1,286**
o/w debt instruments in the form of securities	*1,684*	*89*	*77*	*1,517*	*2,046*	*98*	*663*	*1,285*
o/w equity instruments	*4,011*	*3,035*	*977*	*0*	*785*	*125*	*659*	
o/w loans and receivables	*0*	*0*	*0*	*0*				
o/w investments backed by unit-linked policies	*16,495*	*13,508*	*2,986*	*1*	*18,224*	*15,065*	*3,159*	*0*
Hedging derivatives	**29**	**0**	**29**	**0**				
Available-for-sale financial assets	**51,939**	**42,774**	**6,239**	**2,925**	**51,391**	**43,317**	**5,279**	**2,795**
Available-for-sale securities – Equity investments	**96**	**0**	**0**	**96**	**240**	**0**	**0**	**240**
Other available-for-sale securities	**51,843**	**42,774**	**6,239**	**2,830**	**51,151**	**43,317**	**5,279**	**2,554**
o/w debt instruments in the form of securities	*43,533*	*36,996*	*3,707*	*2,830*	*43,033*	*37,311*	*3,189*	*2,534*
o/w equity instruments	*8,310*	*5,778*	*2,532*	*0*	*8,118*	*6,006*	*2,091*	*21*
o/w other available-for-sale financial assets								
TOTAL	**79,843**	**65,089**	**10,311**	**4,444**	**74,751**	**60,822**	**9,848**	**4,081**

Financial assets at fair value measured using Level 3 of the fair value hierarchy

At December 31, 2020

(in millions of euros)	**Level 3 opening balance 01/01/2020**	Gains and losses recognized in the period – Income statement – On outstanding transactions at the reporting date	Gains and losses recognized in the period – Income statement – On transactions expired or redeemed at the reporting date	Gains and losses recognized in the period – Gains and losses recognized directly in equity
Financial assets at fair value through profit or loss	**1,286**	**(12)**	**(2)**	**0**
Derivative instruments not eligible for hedge accounting (positive fair value)				
o/w currency derivatives				
o/w equity derivatives				
o/w other				
Financial assets designated under the fair value option through profit or loss	**1,286**	**(12)**	**(2)**	**0**
o/w debt instruments in the form of securities	1,285	(12)	(2)	0
o/w investments backed by unit-linked policies	0	0	0	0
Available-for-sale financial assets	**2,795**	**(4)**	**(4)**	**(14)**
Available-for-sale securities – Equity investments	**240**	**0**	**0**	**(6)**
Other available-for-sale securities	**2,554**	**(4)**	**(4)**	**(8)**
o/w debt instruments in the form of securities	2,534	(4)	(4)	(8)
o/w equity instruments	21	0	0	0
o/w other available-for-sale financial assets	0			
TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE	**4,081**	**(16)**	**(5)**	**(14)**

At December 31, 2019

(in millions of euros)	Level 3 opening balance 01/01/2019	Gains and losses recognized in the period – Income statement – On outstanding transactions at the reporting date	Gains and losses recognized in the period – Income statement – On transactions expired or redeemed at the reporting date	Gains and losses recognized in the period – Gains and losses recognized directly in equity
Financial assets at fair value through profit and loss – Trading	**1,238**	**87**	**(3)**	**0**
Derivative instruments not eligible for hedge accounting (positive fair value)	**0**			
o/w currency derivatives	0			
o/w equity derivatives	0			
o/w other	0			
Financial assets designated under the fair value option through profit or loss	**1,238**	**87**	**(3)**	
o/w debt instruments in the form of securities	1,238	87	(3)	
Available-for-sale financial assets	**2,475**	**(11)**	**51**	**14**
Available-for-sale securities – Equity investments	**208**			**12**
Other available-for-sale securities	**2,267**	**(11)**	**51**	**3**
o/w debt instruments in the form of securities	2,218	(11)	(4)	3
o/w equity instruments	49		55	
o/w other available-for-sale financial assets	0			
TOTAL FINANCIAL ASSETS RECORDED AT FAIR VALUE	**3,713**	**76**	**48**	**14**

Transactions carried out in the period		Reclassifications in the period					
Procurement/ Issues	Sales/ Redemptions	From level 3 to level 3	To level 3	Other reclassifications	Change in consolidation scope	Translation adjustments	**Level 3 closing balance 31/12/2020**
60	**(167)**	**(160)**	**513**	**0**	**(0)**	**0**	**1,519**
60	**(167)**	**(160)**	**513**	**0**	**0**	**0**	**1,519**
60	*(167)*	*(160)*	*512*	*0*	*0*	*0*	*1,517*
0	*0*	*(0)*	*1*	*0*	*0*	*0*	*1*
493	**(206)**	**(317)**	**351**	**(26)**	**(142)**	**0**	**2,925**
9	**0**	**0**	**0**	**(5)**	**(142)**	**0**	**96**
484	**(206)**	**(317)**	**351**	**(21)**	**0**	**0**	**2,830**
484	*(206)*	*(317)*	*351*	*0*	*0*	*0*	*2,830*
0	*0*	*0*	*0*	*(21)*	*0*	*0*	*0*
552	**(373)**	**(477)**	**864**	**(26)**	**(143)**	**0**	**4,444**

Transactions carried out in the period		Reclassifications in the period					
Procurement/ Issues	Sales/ Redemptions	From level 3 to level 3	To level 3	Other reclassifications	Change in consolidation scope	Translation adjustments	Level 3 closing balance 31/12/2019
201	**(207)**	**(31)**	**0**	**1**	**0**	**0**	**1,286**
0				**(0)**			
				(0)			
0							
201	**(207)**	**(31)**	**0**	**1**			**1,286**
201	*(207)*	*(31)*		*1*			*1,285*
740	**(601)**	**(572)**	**685**	**14**	**0**	**1**	**2,795**
17				**3**		**1**	**240**
724	**(601)**	**(572)**	**685**	**10**	**0**	**0**	**2,554**
724	*(507)*	*(572)*	*685*				*2,534*
	(94)			*10*			*21*
							0
941	**(808)**	**(603)**	**685**	**15**	**0**	**1**	**4,081**

Financial assets at fair value: transfer between fair value levels

		31/12/2020					31/12/2019				
	From	**Level 1**	**Level 2**	**Level 2**	**Level 3**	**Level 3**	Level 1	Level 2	Level 2	Level 3	Level 3
(in millions of euros)	**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				**513**		**160**	**0**	**0**	**0**	**0**	**31**
Financial assets designated under the fair value option through profit or loss				**513**		**160**	**0**	**0**	**0**	**0**	**31**
o/w debt instruments in the form of securities				*512*		*160*					*31*
o/w equity instruments											
o/w investments backed by unit-linked policies				*1*		*0*					
Available-for-sale financial assets		**279**		**351**		**317**	**401**	**825**	**685**	**0**	**572**
Available-for-sale securities – Equity investments											
Other available-for-sale securities		**279**		**351**		**317**	**401**	**825**	**685**	**0**	**572**
o/w debt instruments in the form of securities		*279*		*351*		*317*	*99*	*544*	*685*		*572*
o/w equity instruments							*302*	*280*			

8.4.5 Loans and receivables

8.4.5.1 Loans and receivables due from credit institutions

(in millions of euros)	**31/12/2020**	31/12/2019
Outstanding	**303**	**682**
Loans and receivables	*303*	*681*
Accrued interest	*1*	*1*
Provisions		
Total (a)	**303**	**682**

(a) Coface contributed €16.7 million to "Loans and receivables due from banks" as of December 31, 2019.

8.4.5.2 Customer loans and receivables

(in millions of euros)	**31/12/2020**	31/12/2019
Outstanding	**12,700**	**13,312**
Loans and receivables	*12,686*	*13,299*
Debt instruments in the form of securities		
Financing against reverse repos		
Other		
Accrued interest	*13*	*13*
Provisions		
Total (a)	**12,700**	**13,312**

(a) Of which €11,089 million for guarantee deposits made for the acceptance of reinsurance treaties, compared with €11,666 million at December 31, 2019. Coface contributed €59.2 million to "Loans and receivables due from customers" as of December 31, 2019.

8.4.6 Held-to-maturity financial assets

(in millions of euros)	31/12/2020	31/12/2019
Government securities	**507**	**636**
Gross value	507	636
Provisions		
Bonds	**257**	**282**
Gross value	258	283
Provisions	(1)	(1)
TOTAL	**764**	**918**

8.4.7 Fair value of financial assets valued at amortized cost on the balance sheet

	31/12/2020					31/12/2019				
(in millions of euros)	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Loans and receivables due from credit institutions	**303**	**303**	**0**	**303**		**682**	**682**	**3**	**679**	
o/w loans and receivables	*303*	*303*	*0*	*303*		*612*	*612*	*3*	*609*	
Other	*1*	*1*		*1*		*70*	*70*		*70*	
Customer loans and receivables	**12,700**	**12,700**	**0**	**12,700**	**0**	**13,312**	**13,312**	**51**	**13,259**	**2**
o/w loans and receivables	*12,700*	*12,700*	*0*	*12,700*	*0*	*13,312*	*13,312*	*51*	*13,259*	*2*
Held-to-maturity assets	**764**	**963**	**820**	**140**	**3**	**918**	**1,124**	**1,051**	**71**	**2**
TOTAL FINANCIAL ASSETS	**13,767**	**13,966**	**820**	**13,143**	**3**	**14,912**	**15,118**	**1,106**	**14,009**	**4**

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8.5 Liabilities related to insurance policies

(in millions of euros)	31/12/2020	31/12/2019
Technical reserves	**93,395**	**90,018**
Technical reserves relating to insurance policies	49,894	48,724
Technical reserves relating to unit-linked policies	14,035	12,164
Technical reserves relating to financial contracts with a discretionary profit sharing feature	19,561	20,161
Technical reserves relating to financial contracts without a discretionary profit sharing feature	-	-
Technical reserves relating to unit-linked policies	5,213	4,930
Deferred profit-sharing liabilities	4,692	4,039
Debts arising from insurance and assumed reinsurance activities	**10,778**	**10,489**
Debts arising from insurance and assumed reinsurance activities	427	475
Debts arising from ceded reinsurance activities	10,351	10,015
Derivatives	**10**	**39**
Derivative instruments not eligible for hedge accounting	5	39
Hedging derivatives	4	-
Other liabilities relating to insurance policies	-	-
TOTAL [(a)]	**104,182**	**100,545**

(a) As of December 31, 2019, Coface contributed €2,022.3 million to "Liabilities related to insurance policies".

8.5.1 Financial liabilities designated at fair value through profit or loss

Information required under IFRS 7 on financial liabilities at fair value through profit or loss is presented in Note 7.1.2.

8.5.2 Due to banks and customer deposits

The information about debts due to banks and customer deposits required by IFRS 7 is presented in Note 7.13.

8.5.3 Debt securities

The information about debt securities required by IFRS 7 is presented in Note 7.14.

8.5.4 Subordinated debt

The information about subordinated debt required by IFRS 7 is presented in Note 7.15.

8.6 Information to be disclosed about the temporary exemption from the application of IFRS 9 for insurance activities

	31/12/2020		31/12/2019	
(in millions of euros)	**Fair value**	**Change in fair value over the period**	Fair value	Change in fair value over the period
SPPI financial assets	42,578	788	43,660	2,011
Non-SPPI financial assets	3,898	28	3,177	54
TOTAL [(a)]	**46,476**	**816**	**46,837**	**2,066**

This table does not include financial assets recognized at fair value through profit or loss, or reinsurance activities.

(a) *Excluding €6,312 million in mutual funds classified as available-for-sale assets at December 31, 2020 versus €5,994 million at December 31, 2019. Coface contributed €2,447.3 million to the total fair value as ofDecember 31, 2019.*

Note 9 Segment reporting

In November 2017, Natixis presented its new 2018-2020 strategic plan, "New Dimension". New Dimension sets out three strong initiatives aimed at developing solutions offering high added value to our clients: to deepen the transformation of our business model, which we achieved under the New Frontier plan, to allocate a significant portion of our investments to digital technologies, reflecting our clear resolve to differentiate ourselves to become a benchmark in the areas where Natixis' teams boast strong and recognized skills.

Subsequent to the sale of the retail banking activities to BPCE S.A., finalized on March 31, 2019, the organizational structure was divided into four business divisions:

- **Asset & Wealth Management**, which includes the Asset Management activities of Natixis Investment Managers, the wealth management business and employee savings plans;
- **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 the Capital Markets. Its duties are threefold: to strengthen the bank's customer 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;
- **Insurance**, which is Groupe BPCE's single platform for the distribution of personal insurance and non-life insurance products;
- **Payments**, which provides the Banque Populaire/Caisse d'Epargne bank customers and direct customers with payment tools, infrastructures and services.

The activities of Private Equity (a proprietary activity retained until it is put into run-off, and portion of sponsored funds) and Natixis Algérie, which are still considered non-strategic, are being added to the Corporate Center.

Based on this new organizational structure, senior management monitors divisional performance, draws up business plans and manages the business from an operational perspective. In accordance with IFRS 8 "Operating Segments", this is the segmentation used by Natixis to define its operating segments.

9.1 Asset & Wealth Management

- **Asset Management:** Asset Management activities are combined within Natixis Investment Managers. They cover all asset categories and are carried out mainly in the US and France. These activities are performed by autonomous entities (specialized Asset Management companies and specialized distribution units) coordinated by a holding company that ensures the organization's consistency by overseeing its strategic direction. These companies are thus able to focus on their core business and on achieving robust performance, while retaining the option of developing their own institutional clientele and drawing on the business line's other support functions, based on appropriate economic models. A number of these asset managers have forged a strong reputation, such as Loomis Sayles, Harris Associates, AEW, DNCA and Ostrum Asset Management. As announced in the third quarter of 2020, Natixis IM announced its gradual withdrawal from H20 *(see Note 1.2.2)*.
- Together, these specialized Asset Management companies enable the Group to provide a full range of expertise meeting demand from all customer segments. Coverage of the various customer segments is optimized by the organization of distribution around a shared platform and the business franchises developed over the long term by the Asset Management companies. Since the start of 2014, Private Equity companies for third party clients have been transferred to Natixis Investment Managers and a sponsoring vehicle was set up to monitor Natixis' commitments in the funds. The teams have extensive expertise in equity financing for generally unlisted, small and medium-sized enterprises in France and Europe via sponsored equity holdings. This business line covers the Private Equity segments for third party investors, such as Private Equity deals (top-line funding for mature companies), venture capital (new, innovative companies) and funds of funds.
- **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 mainly develops its customer base from the clientele of the Caisses d'Epargne and Banques Populaires, and to a lesser extent from that of Natixis. Private Banking offers advisory services, financial planning and expertise, and fund management solutions.
- **Employee Savings Plans:** this business line offers companies an employee savings management solution (administration of employee accounts, fund administration and accounting).

9.2 Cooperate and investment banking

Corporate & Investment Banking advises businesses, institutional investors, insurance companies, banks and public sector entities and offers them a diversified line of customized financing solutions, as well as access to Capital Markets.

Building on the technical expertise of its teams, Natixis designs tailored solutions for its customers incorporating the most recent market developments.

In 2016, its organizational structure was adapted to better support its customers, by strengthening strategic dialog, and to accelerate the implementation of the "Originate to Distribute" model. This led to the creation of a new Investment Banking business line, whose mission is to develop strategic dialog with customers and incorporates the Acquisition & Strategic Finance, Capital & Rating Advisory, Equity Capital Markets and Strategic Equity Transactions business lines. It also includes Bond Origination.

In early 2018, CIB changed the way it presents the earnings and analysis of its financing activities with the creation of three new business lines based on four key sectors defined in the New Dimension plan:

- the **Energy & Natural Resources** sector, which comprises Trade Finance, origination and structuring of structured commodity finance;
- the **Real Assets** business line which brings together origination and structuring in three sectors: Infrastructure, Aviation and Real Estate & Hospitality;
- the **Distribution & Portfolio Management** business line, which comprises syndication and structured and vanilla finance portfolio management.

The Equities, Fixed Income, Credit, Forex, Commodities and Global Structured Credit & Solutions businesses remain part of the Global Markets business line, while short-term Trade Finance and the development of the flow offering are combined under Trade & Treasury Solutions.

Lastly, subsequent to the sale of the retail banking operations to BPCE S.A., the Corporate & Investment Banking division now includes the **Film Industry Financing** business line, which is operated via Coficiné, a subsidiary specializing in structured loans for film and audiovisual activities in France and Europe.

9.3 Insurance

Natixis Assurances is a holding company for various operating insurance subsidiaries. In March 2014, in accordance with the plan to develop the bancassurance model, Natixis Assurances acquired PPI and casualty insurance subsidiary BPCE Assurances, which it now wholly owns. It offers a full range of individual and group life insurance, personal protection insurance, and property & casualty insurance products for the Banque Populaire and Caisse d'Epargne networks. These diversified, customized solutions are designed for retail and small business customers, farmers, companies and non-profits.

9.4 Payments

This business line provides tools, infrastructures and services for payments: electronic payment, issuance and collection of mass electronic transfers, check processing, service vouchers, e-commerce, etc. to become a "pure player" in the European payments segment and accelerate its digital transformation. Payments recently acquired several start-ups specializing in electronic payment and e-commerce, namely: Payplug, S Money, Dalenys and Comiteo.

9.5 Corporate center

In addition to these operational centers, there are Corporate Center activities, which primarily include central financial mechanisms and income related to management of Natixis' assets and liabilities. To this end, it includes all Treasury activities, including the short-term Treasury business, which has been part of Natixis' Finance Department since the start of 2017 (it was previously part of Corporate & Investment Banking).

It also includes the net income from the bank's portfolio of equity investments that does not fall under the activity of a division, as well as the proprietary Private Equity activities (retained until it is put into run-off) and those of Natixis Algérie.

Following the sale of 29.5% of the share capital of Coface (with Natixis retaining a 12.7% stake), Coface's remaining contribution to Natixis' consolidated financial statements is presented in the income statement on the line "Share in income of associates". As a reminder, Coface's main activities are credit insurance, factoring abroad, corporate information and rating, and accounts receivable.

In terms of costs, the Corporate Center recognizes the bank's structural costs and the contribution to the Single resolution Fund.

9.6 Segment information

9.6.1 Segment reporting in the income statement

At December 31, 2020

	31/12/2020					
(in millions of euros)	Asset & Wealth Management [(b)]	Corporate & Investment Banking	Insurance	Payment	Corporate Center [(c)]	Total
Net revenues	3,225	2,663	901	431	86	7,306
2019/2020 change [(a)]	*(14)%*	*(17)%*	*6%*	*2%*	*(91)%*	*(21)%*
Expenses	(2,387)	(2,037)	(491)	(391)	(522)	(5,828)
2019/2020 change [(a)]	*(4)%*	*(6)%*	*3%*	*6%*	*(54)%*	*(12)%*
Gross operating income	838	626	410	39	(436)	1,478
2019/2020 change [(a)]	*(34)%*	*(41)%*	*12%*	*(25)%*	*146%*	*(42)%*
Provision for credit losses	(27)	(819)	0	2	(8)	(851)
2019/2020 change [(a)]	*234%*	*163%*		*(210)%*	*(18)%*	*157%*
Net operating income	811	(193)	410	42	(444)	626
2019/2020 change [(a)]	*(36)%*	*(126)%*	*12%*	*(17)%*	*137%*	*(72)%*
Associates	1	10	(17)	0	(47)	(53)
2019/2020 change [(a)]	*50%*	*(5)%*	*(271)%*			*(351)%*
Other	(55)	(0)	0	0	(132)	(187)
2019/2020 change [(a)]					*(119)%*	*(127)%*
Income before tax	757	(183)	393	42	(622)	386
2019/2020 change [(a)]	*(40)%*	*(125)%*	*4%*	*(17)%*		*(87)%*
Net income Group share	459	(139)	271	29	(519)	101
2019/2020 change [(a)]	*(31)%*	*(126)%*	*5%*	*(14)%*	*(225)%*	*(95)%*

This information is determined based on the accounting principles applied in accordance with IFRS as adopted by the European Union at December 31, 2020.

(a) Change between December 31, 2020 and December 31, 2019.
(b) Of which for Asset Management:
- net banking income: €2,948 million;
- expenses: -€2,157 million;
- gross operating income: €792 million;
- provision for credit losses: -€27 million;
- pre-tax profit: €711 million.
(c) Of which short-term cash:
- net banking income: €140 million;
- expenses: -€62 million;
- gross operating income: €78 million;
- provision for credit losses: -€0 million;
- pre-tax profit: €78 million.
Of which Coface:
- share of net income of companies accounted for under the equity method: -€47 million (-€57.5 million of impairment on the value of equity-accounted investments and +€10.5 million) in euros in respect of operating income for 2020);
- other: -€145.6 million corresponding to the gain on disposal of 29.5% (see Note 1.2.).

Breakdown of net revenues

(in millions of euros)	Net revenues	2019/2020 change
Asset & Wealth Management	**3,225**	**(14)%**
Asset Management	*2,948*	*(16)%*
Wealth Management	*178*	*20%*
Employee Savings	*99*	*(1)%*
Corporate & Investment Banking	**2,663**	**(17)%**
Capital Markets [(a)]	*944*	*(32)%*
Global finance & Investment banking	*1,671*	*(7)%*
Other	*48*	*97%*
Insurance	**901**	**6%**
Payment	**431**	**2%**
Corporate Center	**86**	**(91)%**
TOTAL	**7,306**	**(21)%**

(a) Of which €1,069 million excluding the net revenues of the XVA desks, which can be broken down into €1,114 million in net revenues for FICT and -€45 million for Equities.

At December 31, 2019 – Restated

The two sectors "Financial investments" and "Corporate Center" have been grouped into a single "Corporate Center".

	31/12/2019*					
(in millions of euros)	Asset & Wealth Management [(a)]	Corporate & Investment Banking	Insurance	Payment	Corporate Center [(b)]	Total
Net revenues	3,760	3,223	846	423	967	9,219
Expenses	(2,492)	(2,170)	(478)	(370)	(1,144)	(6,655)
Gross operating income	1,268	1,053	368	52	(177)	2,564
Provision for credit losses	(8)	(312)	0	(2)	(10)	(332)
Net operating income	1,260	741	368	50	(187)	2,232
Associates	1	10	10	0	0	21
Other	5	(15)	0	0	702	692
Income before tax	1,266	737	378	50	515	2,945
NET INCOME GROUP SHARE	**662**	**527**	**258**	**34**	**416**	**1,897**

This information is determined based on the accounting principles applied in accordance with IFRS as adopted by the European Union at December 31, 2019.

* *This information is presented according to the new organization of the business lines adopted by Natixis at December 31, 2020.*

(a) *Of which for Asset Management:*
- net banking income: €3,511 million;
- expenses: -€2,253 million;
- gross operating income: €1,258 million;
- provision for credit losses: -€6.5 million;
- pre-tax profit: €1,257 million.

(b) *Of which short -term cash:*
- net banking income: €114 million;
- expenses: -€65 million;
- gross operating income: €49 million;
- provision for credit losses: €0 million;
- pre-tax profit: €49 million.

Breakdown of net revenues

(in millions of euros)	Net revenues
Asset & Wealth Management	**3,760**
Asset Management	*3,511*
Wealth Management	*149*
Employee Savings	*100*
Corporate & Investment Banking	**3,223**
Capital Markets [(a)]	*1,396*
Global finance & Investment banking	*1,803*
Other	*24*
Insurance	**846**
Payment	**423**
Corporate Center	**967**
TOTAL	**9,219**

(a) *Of which €1,535 million excluding the net revenues of the XVA desks, which can be broken down into €1,118 million in net revenues for FICT and €417 million for Equities.*

As of December 31, 2019 – reported

	31/12/2019						
(in millions of euros)	Asset & Wealth Management [(b)]	Corporate & Investment Banking	Insurance	Payment	Coface	Corporate Center and Financial Investments (excluding Coface) [(c) (d)]	Total
Net revenues	**3,760**	**3,223**	**846**	**423**	**772**	**195**	**9,219**
2018/2019 change [(a)]	*10%*	*3%*	*7%*				*(4)%*
Expenses	**(2,492)**	**(2,170)**	**(478)**	**(370)**	**(561)**	**(584)**	**(6,655)**
2018/2019 change [(a)]	*10%*	*2%*	*7%*				*(2)%*
Gross operating income	**1,268**	**1,053**	**368**	**52**	**211**	**(388)**	**2,564**
2018/2019 change [(a)]	*10%*	*6%*	*8%*				*(8)%*
Provision for credit losses	**(8)**	**(312)**	**0**	**(2)**	**(10)**	**1**	**(332)**
2018/2019 change [(a)]		*78%*					*55%*
Net operating income	**1,260**	**741**	**368**	**50**	**201**	**(388)**	**2,232**
2018/2019 change [(a)]	*9%*	*(9)%*	*8%*				*(13)%*
Associates	**1**	**10**	**10**	**0**	**0**	**0**	**21**
2018/2019 change [(a)]	*(68)%*	*(10)%*	*(32)%*				*(27)%*
Other	**5**	**(15)**	**0**	**0**	**7**	**695**	**692**
2018/2019 change [(a)]	*(87)%*						
Income before tax	**1,266**	**737**	**378**	**50**	**208**	**307**	**2,945**
2018/2019 change [(a)]	*6%*	*(11)%*	*6%*				*11%*
Net income Group share	**662**	**527**	**258**	**34**	**50**	**365**	**1,897**
2018/2019 change [(a)]	*6%*	*(11)%*	*6%*				*11%*

This information is determined based on the accounting principles applied in accordance with IFRS as adopted by the European Union at December 31, 2019.

(a) Change between December 31, 2019 and December 31, 2018.

(b) Of which for Asset Management:
- net banking income: €3,511 million;
- expenses: -€2,253 million;
- gross operating income: €1,258 million;
- provision for credit losses: -€6.5 million;
- pre-tax profit: €1,257 million.

(c) Of which short -term cash: Net banking income: €114 million;
- expenses: -€65 million;
- gross operating income: €49 million;
- provision for credit losses: €0 million;
- pre-tax profit: €49 million.

(d) Net revenues and operating expenses attributable to the Corporate Center include the residual impact of the activities sold to BPCE in the first quarter, subsequent to their deconsolidation at March 31, 2019. The impact on net revenues came to €22.3 million and the impact on operating expenses amounted to -€22.5 million, both are primarily related to EuroTitres.

Breakdown of net revenues

(in millions of euros)	Net revenues	2018/2019 change
Asset & Wealth Management	**3,760**	**10%**
Asset Management	*3,511*	*7%*
Wealth Management	*149*	*3%*
Employee Savings	*100*	*6%*
Corporate & Investment Banking	**3,223**	**3%**
Capital Markets [(a)]	*1,396*	*15%*
Global finance & Investment banking	*1,803*	*1%*
Other	*24*	*(56)%*
Insurance	**846**	**7%**
Payment	**423**	
Financial Investments	**772**	
Corporate Center	**195**	
TOTAL	**9,219**	**(4)%**

(a) Of which €1,535 million excluding the net revenues of the XVA desks, which can be broken down into €1,118 million in net revenues for FICT and €417 million for Equities.

9.6.2 Balance sheet segment analysis

At December 31, 2020

	31/12/2020					
(in millions of euros)	**Asset & Wealth Management**	**Corporate & Investment Banking**	**Insurance**	**Payment**	**Corporate Center**	**Total**
Financial assets at fair value through profit or loss	1,878	209,110		1	(610)	210,378
Financial assets at fair value through other comprehensive income	515	4,169		10	8,499	13,194
Debt instruments at amortized cost		1,500			430	1,930
Loans and receivables due from banks and similar items at amortized cost	705	5,538	221	426	37,801	44,691
Loans and receivables due from customers at amortized cost	4,232	56,616	(286)	9	7,368	67,939
Insurance business investments			112,698			112,698
Non-current assets held for sale	282				446	728
Goodwill	3,168	135	93	137		3,533
Other assets	(5,408)	18,986	(411)	(80)	27,143	40,230
TOTAL ASSETS	**5,371**	**296,463**	**112,316**	**539**	**80,631**	**495,320**
Financial liabilities designated at fair value through profit or loss	65	184,086	3,461		20,854	208,467
Deposits and loans due to banks and similar items	1,167	28,868	4,861	(176)	49,688	84,408
Deposits and loans due to customers	1,855	6,961	(39)	107	20,914	29,798
Debt securities	657	37,487	(2,866)		375	35,652
Liabilities on assets held for sale	55					55
Liabilities related to insurance policies			104,182			104,182
Subordinated debt	10	2,539	1,385			3,934
Other liabilities	1,562	36,773	1,331	358	(11,200)	28,824
TOTAL LIABILITIES	**5,371**	**296,463**	**112,316**	**539**	**80,631**	**495,320**

As of December 31, 2019 – Restated

The two sectors “Financial investments” and “Corporate Center” have been grouped into a single “Corporate Center”.

	31/12/2019					
(in millions of euros)	Asset & Wealth Management	Corporate & Investment Banking*	Insurance	Payment	Corporate Center	Total
Financial assets at fair value through profit or loss*	2,076	227,466	4	22	(766)	228,802
Financial assets at fair value through other comprehensive income	365	3,764		4	7,943	12,076
Debt instruments at amortized cost	140	1,019			400	1,558
Loans and receivables due from banks and similar items at amortized cost	935	26,004	265	440	20,471	48,115
Loans and receivables due from customers at amortized cost	4,461	60,367	(336)	11	6,586	71,089
Insurance business investments			104,066		3,987	108,053
Non-current assets held for sale						
Goodwill	3,235	144	93	137	282	3,891
Other assets*	(5,036)	20,060	(79)	(114)	24,755	39,586
TOTAL ASSETS	**6,175**	**338,823**	**104,013**	**500**	**63,659**	**513,170**
Financial liabilities at fair value through profit or loss*	121	214,322	3,601		235	218,279
Deposits and loans due to banks and similar items	986	42,594	2,114	(198)	26,431	71,927
Deposits and loans due to customers	2,597	12,781	(43)	103	15,047	30,485
Debt securities	670	46,899	(2,357)		2,163	47,375
Liabilities on assets held for sale						
Liabilities related to insurance policies			98,512		2,033	100,545
Subordinated debt	10	2,537	1,034		390	3,971
Other liabilities*	1,791	19,690	1,152	594	17,360	40,587
TOTAL LIABILITIES	**6,175**	**338,823**	**104,013**	**500**	**63,659**	**513,170**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

As of December 31, 2019 – Published

	31/12/2019						
(in millions of euros)	Asset & Wealth Management	Corporate & Investment Banking*	Insurance	Payment	Financial Investments	Corporate Center	Total
Financial assets at fair value through profit or loss*	2,076	227,466	4	22	(136)	(630)	228,802
Financial assets at fair value through other comprehensive income	365	3,764		4	1	7,942	12,076
Debt instruments at amortized cost	140	1,019			339	61	1,558
Loans and receivables due from banks and similar items at amortized cost	935	26,004	265	440	604	19,867	48,115
Loans and receivables due from customers at amortized cost	4,461	60,367	(336)	11	2,916	3,670	71,089
Insurance business investments			104,066		3,987	0	108,053
Non-current assets held for sale		(36)		36		0	
Goodwill	3,235	144	93	137	282	0	3,891
Other assets*	(5,036)	20,096	(79)	(150)	(23)	24,778	39,586
TOTAL ASSETS	**6,175**	**338,823**	**104,013**	**500**	**7,969**	**55,690**	**513,170**
Financial liabilities at fair value through profit or loss*	121	214,322	3,601			235	218,279
Deposits and loans due to banks and similar items	986	42,594	2,114	(198)	518	25,913	71,927
Deposits and loans due to customers	2,597	12,781	(43)	103	1,228	13,819	30,485
Debt securities	670	46,899	(2,357)		1,579	584	47,375
Liabilities on assets held for sale		(251)		250		1	0
Liabilities related to insurance policies			98,512		2,033	0	100,545
Subordinated debt	10	2,537	1,034		390	0	3,971
Other liabilities*	1,791	19,941	1,152	344	2,220	15,139	40,587
TOTAL LIABILITIES	**6,175**	**338,823**	**104,013**	**500**	**7,969**	**55,690**	**513,170**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

9.7 Other disclosures

December 31, 2020

(in millions of euros)	France	Other EU (1)	North America	Other OECD	Other	Total
Net revenues	**3,792**	**530**	**2,248**	**341**	**394**	**7,306**
Net income for the period – Group share	**(276)**	**106**	**269**	**110**	**(108)**	**101**
Financial assets at fair value through profit or loss	166,032	8,797	19,461	15,814	274	210,378
Financial assets at fair value through other comprehensive income	8,984	234	(11)	20	3,967	13,194
Loans and receivables due from banks and similar items at amortized cost	42,285	530	942	35	900	44,691
Customer loans and receivables at amortized cost	32,872	9,382	15,166	80	10,439	67,939
Insurance business investments	106,099	6,605	0	0	(5)	112,698
Non-current assets held for sale	699	17	0	11	1	728
Fixed assets	1,597	145	86	42	68	1,938
Other assets	30,154	(548)	8,799	5,405	(56)	43,754
TOTAL ASSETS	**388,721**	**25,163**	**44,443**	**21,407**	**15,586**	**495,320**

(a) Including United Kingdom.

December 31, 2019

(in millions of euros)	France*	Other EU*	North America	Other OECD	Other	Total
Net revenues	**3,984**	**1,706**	**2,672**	**187**	**669**	**9,219**
Net income for the period – Group share	**657**	**517**	**505**	**14**	**203**	**1,897**
Financial assets at fair value through profit or loss*	170,943	10,746	36,934	9,906	272	228,802
Financial assets at fair value through other comprehensive income	8,270	265	(7)	2	3,546	12,076
Loans and receivables due from banks and similar items at amortized cost	45,236	521	241	67	2,050	48,115
Customer loans and receivables at amortized cost	33,590	10,752	15,354	7	11,386	71,089
Insurance business investments	100,430	6,455	145	838	185	108,053
Non-current assets held for sale						
Fixed assets	1,657	245	120	35	85	2,142
Other assets*	31,936	(224)	7,273	4,104	(196)	42,893
TOTAL ASSETS	**392,062**	**28,760**	**60,060**	**14,958**	**17,328**	**513,170**

* *Amounts restated in relation to the financial statements published in 2019 (see Note 5.4).*

Note 10 Risk management

10.1 Capital adequacy

The information on capital adequacy required under IAS 1 is presented in Section 3.3.1 of Chapter [3] "Risk factors, risk management and Pillar III".

10.2 Credit risk and counterparty risk

The information on risk management required under IFRS 7, with the exception of the disclosures given below, is presented in Section 3.2.3 of Chapter [3] "Risk factors, risk management and Pillar III".

10.2.1 Risk profile

This table aims to present (excluding contributions from insurance companies) the breakdown by credit risk category of the various accounting outstandings eligible for IFRS 9 provisioning (broken down into Stages S1, S2 and S3), and the corresponding impairments and provisions. The credit risk categories are represented by the IFRS 9 probability of default ranges associated with the central scenario *(see Note 5.3)*.

At December 31, 2020

	Gross carrying amount						Impairment or provisions for expected credit losses						
	PD scale						PD scale						
(in millions of euros)	0.00 to < 0.05	0.05 to < 0.10	0.10 to < 0.15	0.15 to < 0.25	0.25 to < 100.0	100.0	0.00 to < 0.05	0.05 to < 0.10	0.10 to < 0.15	0.15 to < 0.25	0.25 to < 100.0	100.0	Net
Debt instruments at fair value through other comprehensive income	**12,534**	**16**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12,550**
S1	12,534	16	0	0	0	0	0	0	0	0	0	0	12,550
S2													0
S3													0
Securities at amortized cost	**1,883**	**0**	**0**	**0**	**0**	**193**	**4**	**0**	**0**	**0**	**0**	**142**	**1,930**
S1	1,389	0	0	0	0	0	5	0	0	0	0	0	1,385
S2	494	0	0	0	0	0	0	0	0	0	0	0	494
S3	0	0	0	0	0	193	0	0	0	0	0	142	51
Loans and receivables due from credit institutions and similar items at amortized cost	**44,146**	**122**	**166**	**3**	**2**	**29**	**2**	**2**	**1**	**0**	**0**	**29**	**44,434**
S1	43,834	2	156	3	2	0	1	0	0	0	0	0	43,996
S2	311	120	10	1	0	0	1	2	1	0	0	0	438
S3	0	0	0	0	0	29	0	0	0	0	0	29	0
Loans and receivables due from customers at amortized cost	**60,268**	**2,663**	**1,051**	**1,109**	**633**	**3,596**	**113**	**39**	**17**	**20**	**19**	**1,172**	**67,939**
S1	48,120	1,429	441	326	154	0	40	11	6	3	2	0	50,408
S2	12,148	1,235	609	783	479	0	73	29	11	17	17	0	15,107
S3	0	0	0	0	0	3,596	0	0	0	0	0	1,172	2,424
Financing commitments given	**57,291**	**989**	**583**	**99**	**8**	**59**	**69**	**14**	**23**	**4**	**1**	**3**	
S1	51,938	592	235	31	5	0	26	5	1	0	0	0	
S2	5,353	397	348	68	3	0	43	9	22	4	1	0	
S3	0	0	0	0	0	59	0	0	0	0	0	3	
Guarantee commitments given	**22,065**	**906**	**352**	**146**	**45**	**433**	**10**	**4**	**5**	**1**	**0**	**34**	
S1	20,244	451	212	35	16	0	5	1	0	0	0	0	
S2	1,821	455	139	110	28	0	5	2	5	1	0	0	
S3	0	0	0	0	0	433	0	0	0	0	0	34	
TOTAL AT DECEMBER 31, 2020	**198,187**	**4,696**	**2,151**	**1,357**	**688**	**4,310**	**198**	**59**	**47**	**25**	**20**	**1,379**	

At December 31, 2019

(in millions of euros)	Gross carrying amount								Impairment or provisions for expected credit losses								
	PD scale								PD scale								
	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 <10,0	10.00 to <100,0	100,0 (default)	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 <10,0	10.00 to <100,0	100,0 (default)	Net
Debt instruments at fair value through equity	**11,563**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,563**
S1	11,529	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,529
S2	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33
S3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities at amortized cost	**1,551**	**0**	**0**	**0**	**0**	**0**	**0**	**155**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**147**	**1,558**
S1	1,474	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,474
S2	77	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	76
S3	0	0	0	0	0	0	0	155	0	0	0	0	0	0	0	147	8
Loans and receivables due from credit institutions and similar items at amortized cost	**47,542**	**17**	**2**	**0**	**0**	**0**	**0**	**48**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**48**	**47,558**
S1	46,844	0	2	0	0	0	0	0	1	0	0	0	0	0	0	0	46,846
S2	698	17	0	0	0	0	0	0	2	0	0	0	0	0	0	0	712
S3	0	0	0	0	0	0	0	48	0	0	0	0	0	0	0	48	0
Loans and receivables due from customers at amortized cost	**66,966**	**119**	**253**	**481**	**1,048**	**519**	**6**	**3,072**	**114**	**5**	**0**	**0**	**0**	**0**	**1**	**1,255**	**71,089**
S1	50,776	0	253	481	1,048	519	6	0	39	0	0	0	0	0	1	0	53,043
S2	16,190	119	0	0	0	0	0	0	75	5	0	0	0	0	0	0	16,229
S3	0	0	0	0	0	0	0	3,072	0	0	0	0	0	0	0	1,255	1,817
Financing commitments given	**52,007**	**118**	**0**	**0**	**0**	**0**	**0**	**76**	**57**	**6**	**0**	**0**	**0**	**0**	**0**	**13**	
S1	46,526	0	0	0	0	0	0	0	15	0	0	0	0	0	0	0	
S2	5,481	118	0	0	0	0	0	0	42	6	0	0	0	0	0	0	
S3	0	0	0	0	0	0	0	76	0	0	0	0	0	0	0	13	
Guarantee commitments given	**24,505**	**47**	**1**	**0**	**0**	**0**	**0**	**130**	**9**	**1**	**0**	**0**	**0**	**0**	**0**	**41**	
S1	21,257	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	
S2	3,247	48	1	0	0	0	0	0	7	1	0	0	0	0	0	0	
S3	0	0	0	0	0	0	0	130	0	0	0	0	0	0	0	41	
TOTAL AT DECEMBER 31, 2019	**204,133**	**301**	**256**	**481**	**1,048**	**519**	**6**	**3,481**	**184**	**12**	**0**	**0**	**0**	**0**	**1**	**1,504**	

10.2.2 Guarantees received for instruments impaired under IFRS 9

The following table presents the exposure of all of Natixis's financial assets to credit and counterparty risk. This exposure to credit risk (determined without taking into account the effect of unrecognized netting and collateral) and counterparty risk is equal to the net carrying amount of the financial assets.

Impaired financial instrument class (a) *(in millions of euros)*	31/12/2020					31/12/2019				
	Maximum risk exposure (b)	Impairment	Maximum exposure net of impairment (c)	Guarantees: Personal guarantees	Guarantees: Real collateral	Maximum risk exposure (b)	Impairment	Maximum exposure net of impairment (c)	Guarantees: Personal guarantees	Guarantees: Real collateral
Debt securities – FVOCI R										
Loans and receivables due from banks – FVOCI R										
Customer loans and receivables – FVOCI R										
Debt securities at amortized cost	193	(142)	51			155	(147)	8		
Loans and receivables due from banks at amortized cost	29	(29)	-			48	(48)	0		
Customer loans and receivables at amortized cost	3,596	(1,172)	2,424	600	552	3,072	(1,255)	1,817	298	945
Financing commitments given	59	(3)	56	19	13	76	(13)	63	5	21
Guarantee commitments given	433	(34)	399	311	18	129	(41)	88	26	26
TOTAL	**4,310**	**(1,379)**	**2,931**	**930**	**582**	**3,480**	**(1,504)**	**1,976**	**328**	**992**

(a) Assets impaired after their origination/acquisition (Stage 3) or on their origination/acquisition (POCI).
(b) Gross carrying amount.
(c) Carrying amount in the balance sheet.

10.3 Market risk, overall interest rate risk, liquidity risk and structural foreign exchange risk

The information on the management of market risks, overall interest rate risks, liquidity risks and structural foreign exchange risks required by IFRS 7 is presented in the section 3.2.7 of Chapter [3] "Risk factors, risk management and pillars III".

Note 11 Headcount, payroll costs, compensation and employee benefits

11.1 Headcount

Number	31/12/2020	31/12/2019
Workforce [(a)]	16,943	19,639

(a) Full-time equivalent current employees of Natixis at the reporting date (including 105 employees of entities restated under IFRS 5 at December 31, 2020 concerning H2O). As of December 31, 2019, Coface had 3,248 employees.
The breakdown of the headcount is presented in Note 6.7.1.1 of Chapter [6] "Non-financial performance report".

11.2 Compensation and employee benefits

Compensation and employee benefits include wages and salaries net of rebilled expenses paid within twelve months of the end of the reporting period in which the services were rendered, deferred cash-settled or equity-settled variable compensation, employee incentives and profit-sharing for the period, the cost of pensions, other employee benefit obligations such as long-service awards and benefits related to capital increases reserved for employees.

Payroll costs totaled €3,505 million at December 31, 2020, versus €3,980 million at December 31, 2019.

11.2.1 Short-term employee benefits

This item includes wages and salaries paid within twelve months of the end of the reporting period in which the related services were rendered, employee incentives and profit-sharing, meeting the definition of short-term benefits under IAS 19R "Employee Benefits". In accordance with this standard, short-term benefits are expensed in the period in which the employees render the services giving rise to such benefits.

11.2.2 Deferred compensation

Share-based employee retention and performance recognition plans

Every year since 2010, Natixis has granted share-based payment plans to certain categories of staff. The accounting treatment of these plans is described in Note 5.16.

Regarding the plan approved by the Board of Directors on February 11, 2021, as these allocations had not yet formally been carried out at the reporting date, these expenses have been estimated using best available estimates of inputs at the reporting date, both in respect of the value of the share and dividend assumptions.

Natixis subsidiaries may also implement share-based payment plans based on their own shares. Taken individually, the impact of these plans is not material for Natixis at the consolidated level. As such, their characteristics are not outlined in the paragraphs that follow.

Long-term cash-settled payment plans indexed to the Natixis share price

Year of plan	Grant date	Number of units originally allocated*	Acquisition date	Number of units acquired by beneficiaries	Fair value of the indexed cash unit at the valuation date *(in euros)*
2015 plan	10/02/2016	6,084,435	Mar-2018 Mar-2019	1,081,907 1,787,527	6.11
2016 plan	10/04/2017	2,835,311	Mar-2019 Mar-2020	868,417 2,124,062	5.47
2017 plan	13/04/2018	2,660,487	Mar-2020 Mar-2021	1,154,437	2.79
2018 plan	12/04/2019	3,260,945	Mar-2021 Mar-2022		2.68
2019 plan	10/04/2020	5,867,435	Mar-2022 Mar-2023		2.50
2020 plan	20/01/2021	1,353,434	Mar-2023 Mar-2024		2.73

* The expected number of units at the vesting date is funded by equity swaps.

Payments under these plans are subject to a continued service requirement and performance criteria.

Short-term cash-settled payment plans indexed to the Natixis share price

Year of plan	Grant date	Rights acquisition date	Valuation of the indexed cash unit *(in euros)*	Initial number of indexed cash units granted	Expected number of indexed cash units at the acquisition date	Fair value of the indexed cash unit at the valuation date *(in euros)*
2020 plan	20/01/2021	01/03/2021	3.17	3,504,747	3,504,747	3.17

The expense corresponding to the short-term plan is recorded in full in the financial statements for fiscal year 2020 for an amount of -€11 million compared to -€28 million at December 31, 2019.

Payment plans settled in shares

Year of plan	Grant date	Initial number of shares granted	Acquisition date	Number of units acquired by beneficiaries	Bonus share price at grant date *(in euros)*	Fair value of the bonus share at the valuation date *(in euros)*
2014 plan	18/02/2015	95,144	01/02/2019		6.18	3.45
2015 plan	28/07/2016	3,081,642	Mar-2018 Mar-2019		3.43	2.80
2016 plan	28/07/2016	151,283	01/07/2020		3.43	1.62
2016 plan	10/04/2017	3,012,307	Mar-2019 Mar-2020		5.70	4.28
2017 plan	23/05/2017	79,369	01/05/2021		6.44	3.32
2017 plan	13/04/2018	2,943,516	Mar-2020 Mar-2021		6.65	5.04
2018 plan	12/04/2019	2,600,406	Mar-2021 Mar-2022		4.99	3.41
2019 plan	10/04/2020	3,598,832	Mar-2022 Mar-2023		2.24	1.35
2020 plan	20/01/2021	1,562,732	Mar-2023 Mar-2024		2.79	2.40

Payments under these plans are subject to a continued service requirement and performance criteria.

Expense for the period for retention and performance plans

Expenses *(in millions of euros)*	Expense for 2020			Expense for 2019 *(in millions of euros)*
	Plans settled in shares	**Plans settled in cash indexed to the share price of Natixis or its subsidiaries**	**Total**	
Previous retention plans	(7.1)	1.0	(6.0)	(24.4)
Retention plans awarded over the period		(4.5)	(4.5)	(2.9)
TOTAL	**(7.1)**	**(3.4)**	**(10.5)**	**(27.3)**

Valuation inputs used to calculate the expense of these plans

	31/12/2020	31/12/2019
Share price	2.79	3.96
Risk-free interest rate	(0.56)%	(0.66)%
Dividend payment rate	7.17%	12.83%
Rights loss rate	4.55%	4.72%

Retention and performance plans settled in cash

Deferred retention and performance bonuses paid in cash are awarded to some staff. These bonuses are subject to a continued service requirement and performance criteria. In terms of accounting treatment, they are recorded under "Other long-term employee benefits". The estimated expense is based on an actuarial estimate of the probability of these conditions being met. The expense is recognized over the vesting period. The amount recognized in respect of fiscal year 2020 was:

Year of plan	Grant date	Acquisition date	Expense for 2020 *(in millions of euros)*	Expense for 2019 *(in millions of euros)*
2016 plan	10/04/2017	Mar-2018 Mar-2019		(0.5)
2017 plan	23/02/2018	Mar-2019 Mar-2020	(1.1)	(9.4)
2018 plan	26/02/2019	Mar-2020 Mar-2021	(5.0)	1.1
2019 plan	22/01/2020	Mar-2021 Mar-2022	(3.2)	(12.1)
2020 plan	20/01/2021	Mar-2022 Mar-2023	(8.0)	
TOTAL			**(17.4)**	**(20.9)**

11.2.3 Pensions and other long-term employee benefits

Post-employment defined-contribution plans

Under defined-contribution plans, Natixis pays fixed contributions into a separate entity and has no obligation to pay further contributions.

The main defined-contribution plans available to Natixis employees are operated in France. They include the mandatory pension scheme and the national schemes AGIRC and ARRCO.

Pension plans for which employees can voluntarily opt are operated by certain Natixis entities and are also classified as defined-contribution plans. These entities have a single contribution obligation ("PERCO" contribution).

Contributions paid under defined-contribution plans are expensed for the period in which the services were provided.

(in millions of euros)	31/12/2020	31/12/2019
Contributions expensed under defined-contribution plans	107	124

Post-employment defined-benefit plans and other long-term employee benefits

Post-employment defined-benefit plans include all post-employment benefits for which Natixis has committed to pay a specified level of benefits.

Liabilities in respect of these awarded benefits are hedged, in full or in part, by assets comprised mainly of outsourced insurance contracts managed by French insurers specializing in retirement. The insurers carry the longevity risk once the annuities are liquidated. Plan assets are invested in the insurers' general funds, which, for the most part, generally consist of bonds. The insurers are subject to French prudential standards and regulations.

The insurers also manage the asset/liability strategy for the portion of the benefit liabilities that they cover.

For the other portion, Natixis has set up interest rate and liquidity hedges backed by long-term cash flows.

Insurance contracts taken up with a related party to Natixis and intended to finance all or part of Natixis' defined-benefit plan commitments are recorded in the asset side of the balance sheet as "Accruals and other assets".

Other long-term employee benefits comprise benefits other than post-employment and termination benefits not wholly due within twelve months of the end of the period in which employees have provided the related services.

These notably include long-service awards, deferred compensation payable in cash twelve months or more after the end of the period and, since 2020, the Working Time Account (CET).

a) Amounts recognized on the balance sheet at December 31, 2020

The amount of the recognized provision on the liability side of the balance sheet corresponds to the value of the actuarial liabilities under the defined benefit plans, less the market value of the assets to hedge these benefit liabilities.

	31/12/2020					31/12/2019				
	Post-employment defined-benefit plan		Other long-term employee benefits			Post-employment defined-benefit plan		Other long-term employee benefits		
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total
Actuarial liabilities	579	212	49	185	1,025	622	238	54	127	1,042
Fair value of plan assets	(423)	(105)	0	0	(528)	(422)	(104)	0	0	(526)
Fair value of separate assets [(a)]	(33)	(29)	0	0	(62)	(32)	(28)	0	0	(61)
Effect of ceiling on assets	0	0	0	0	0	0	0	0	0	0
NET AMOUNT RECOGNIZED IN BALANCE SHEET	**124**	**77**	**49**	**185**	**435**	**168**	**105**	**54**	**127**	**455**
Under liabilities	156	107	49	185	497	200	134	54	127	516
Under assets	33	29	0	0	62	32	28	0	0	61

(a) *Separate asset components are for the most part segregated in the balance sheets of Natixis insurance subsidiaries (ABP Life Insurance), hedging the benefit liabilities of other entities within the Natixis group of consolidated companies which were transferred to hedge the post-employment benefits of a few categories of employees.*

b) Changes in recognized amounts on the balance sheet (Changes in actuarial liabilities)

	31/12/2020					31/12/2019				
	Post-employment defined-benefit plan		Other long-term employee benefits			Post-employment defined-benefit plan		Other long-term employee benefits		
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total
Actuarial liabilities at start of period	**622**	**238**	**54**	**127**	**1,042**	**526**	**215**	**51**	**144**	**936**
Changes recorded in income	*(27)*	*8*	*3*	*(23)*	*(39)*	*(5)*	*3*	*5*	*(15)*	*(12)*
Service cost	6	12	4	18	40	7	12	4	28	50
Past service cost	(13)	0	1	0	(12)	(2)	0	0	0	(2)
o/w plan liquidation and reduction	*(13)*	*0*	*0*	*0*	*(13)*	*(2)*	*0*	*0*	*0*	*(2)*
Interest cost	12	1	0	0	13	15	3	1	0	19
Benefits paid	(32)	(6)	(2)	(41)	(81)	(25)	(11)	(3)	(45)	(84)
o/w amounts paid out in respect of plan liquidation	*(16)*	*(5)*	*0*	*0*	*(21)*	*(11)*	*0*	*0*	*0*	*(11)*
Revaluation adjustments on other long-term employee benefits	0	0	(0)	0	(0)	0	0	4	2	5
Other	(0)	1	0	1	2	0	0	0	0	(1)
Changes recognized directly in other comprehensive income with no recycling	**34**	**2**	**0**	**0**	**36**	**95**	**19**	**0**	**0**	**114**
Revaluation adjustments – demographic assumptions	6	1	0	0	7	(3)	1	0	0	(2)
Revaluation adjustments – financial assumptions	17	4	0	0	21	83	23	0	0	106
Revaluation adjustments – past-experience effect	12	(3)	0	0	9	15	(5)	0	0	10
Translation adjustments	**(28)**	**(0)**	**0**	**(3)**	**(31)**	**2**	**0**	**0**	**0**	**3**
Changes associated with non-current assets held for sale [(a)]	**(21)**	**(36)**	**(9)**	**(3)**	**(68)**	**0**	**0**	**0**	**0**	**0**
Changes in scope	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other [(b)]	**(1)**	**(0)**	**(0)**	**86**	**85**	**5**	**0**	**(1)**	**(1)**	**2**
Actuarial liabilities at end of period	**579**	**212**	**49**	**185**	**1,025**	**622**	**238**	**54**	**127**	**1,042**

(a) *Corresponds to Coface treated for accounting purposes under IFRS 5 and under EM since early 2020.*
(b) *Including €86 million corresponding to the reclassification to the opening of the provision for time savings now considered as a long-term benefit.*

c) Changes in recognized amounts on the balance sheet (Changes in hedging assets)

Plan assets

(in millions of euros)	31/12/2020 Post-employment defined-benefit plan Supplementary pension benefits and other	31/12/2020 End-of-career awards	31/12/2020 Total	31/12/2019 Post-employment defined-benefit plan Supplementary pension benefits and other	31/12/2019 End-of-career awards	31/12/2019 Total
Fair value of assets at start of period	**422**	**104**	**526**	**255**	**102**	**357**
Changes recorded in income	**(18)**	**(0)**	**(19)**	**(6)**	**1**	**(5)**
Interest income	10	0	10	12	1	14
Plan participant contributions	2	0	2	3	0	3
o/w paid by employer	*1*	*0*	*1*	*3*	*0*	*3*
o/w paid by beneficiaries	*0*	*0*	*0*	*0*	*0*	*0*
Benefits paid	(26)	(2)	(28)	(21)	0	(21)
o/w amounts paid out in respect of plan liquidation	*(12)*	*(2)*	*(14)*	*(11)*	*0*	*(11)*
Other	(3)	1	(2)	0	0	0
Changes recognized directly in other comprehensive income with no recycling	**47**	**2**	**49**	**50**	**1**	**51**
Revaluation adjustments – Return on assets	47	2	49	50	1	51
Translation adjustments	**(24)**	**0**	**(24)**	**4**	**0**	**4**
Changes associated with non-current assets held for sale [(a)]	**(1)**	**(1)**	**(2)**	**0**	**0**	**0**
Changes in scope	**0**	**0**	**0**	**0**	**0**	**0**
Other [(b)]	**(3)**	**(0)**	**(3)**	**119**	**0**	**119**
Fair value of assets at end of period	**423**	**105**	**528**	**422**	**104**	**526**

(a) *Corresponds to Coface treated for accounting purposes under IFRS 5 and under EM since early 2020.*

(b) *In 2019, Institution de Prévoyance Austerlitz was transformed into an Institution de Retraite Professionnelle Supplémentaire (IRPS – complementary occupational pension scheme), with the result that the contracts hedging part of Natixis' pension commitments were classified as plan assets.*

Separate assets

(in millions of euros)	31/12/2020 Post-employment defined-benefit plan Supplementary pension benefits and other	31/12/2020 End-of-career awards	31/12/2020 Total	31/12/2019 Post-employment defined-benefit plan Supplementary pension benefits and other	31/12/2019 End-of-career awards	31/12/2019 Total
Fair value of assets at start of period	**32**	**28**	**60**	**147**	**27**	**174**
Changes recorded in income	**(0)**	**0**	**(0)**	**0**	**0**	**0**
Interest income	0	0	0	0	0	0
Plan participant contributions	0	0	0	0	0	0
o/w paid by employer	*0*	*0*	*0*	*0*	*0*	*0*
o/w paid by beneficiaries	*0*	*0*	*0*	*0*	*0*	*0*
Benefits paid	(0)	0	(0)	0	0	0
o/w amounts paid out in respect of plan liquidation	*(0)*	*0*	*(0)*	*0*	*0*	*0*
Other	0	0	0	0	0	0
Changes recognized directly in other comprehensive income with no recycling	**1**	**1**	**2**	**2**	**1**	**3**
Revaluation adjustments – Return on assets	1	1	2	2	1	3
Translation adjustments	**0**	**0**	**0**	**0**	**0**	**0**
Changes associated with non-current assets held for sale	**(0)**	**(0)**	**(0)**	**0**	**0**	**0**
Changes in scope	**0**	**0**	**0**	**0**	**0**	**0**
Others [(a)]	**0**	**0**	**0**	**(117)**	**0**	**(117)**
Fair value of assets at end of period	**33**	**29**	**62**	**32**	**28**	**60**

(a) *In 2019, Institution de Prévoyance Austerlitz was transformed into an Institution de Retraite Professionnelle Supplémentaire (IRPS – complementary occupational pension scheme), with the result that the contracts hedging part of Natixis' pension commitments were classified as plan assets.*

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d) Composition of plan assets

	December 31, 2020				December 31, 2019			
		Fair value of assets				Fair value of assets		
	Weighting by category (in %)	Total	Quoted on an active market (in %)	Not quoted on an active market (in %)	Weighting by category (in %)	Total	Quoted on an active market (in %)	Not quoted on an active market (in %)
Money market	2%	11	31%	69%	4%	22	41%	59%
Equity	21%	111	71%	29%	21%	108	73%	27%
Bonds	51%	271	99%	1%	51%	267	99%	1%
Real estate	2%	9	0%	100%	2%	8	0%	100%
Derivatives	0%	-			0%	-	0%	0%
Investment funds	24%	127	88%	12%	23%	119	88%	12%
Asset-backed securities	0%	-			0%	2	0%	100%
Structured debt instruments	0%	-			0%	-	0%	0%
TOTAL	**100%**	**528**	**88%**	**12%**	**100%**	**526**	**87%**	**13%**

e) Post-retirement plan revaluation differences

Revaluation components of actuarial liabilities

	31/12/2020			31/12/2019		
	Post-employment defined-benefit plan			Post-employment defined-benefit plan		
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Total	Supplementary pension benefits and other	End-of-career awards	Total
TOTAL REVALUATION ADJUSTMENTS AT START OF PERIOD	**328**	**30**	**358**	**233**	**12**	**245**
Revaluation adjustments over the period	18	2	20	95	17	112
Changes associated with non-current assets held for sale [(a)]	(16)	(19)	(35)	0	0	0
TOTAL REVALUATION ADJUSTMENTS AT END OF PERIOD	**330**	**13**	**343**	**328**	**30**	**358**

(a) Corresponds to Coface treated for accounting purposes under IFRS 5 and under EM since early 2020.

Plan assets

	31/12/2020			31/12/2019		
	Post-employment defined-benefit plan			Post-employment defined-benefit plan		
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Total	Supplementary pension benefits and other	End-of-career awards	Total
TOTAL REVALUATION ADJUSTMENTS AT START OF PERIOD	**129**	**3**	**132**	**45**	**2**	**47**
o/w effect of ceiling on assets	**1**	**0**	**1**	**(2)**	**0**	**(2)**
Revaluation adjustments over the period	37	2	39	84	1	86
o/w effect of ceiling on plan assets	*0*	*0*	*0*	*2*	*0*	*2*
TOTAL REVALUATION ADJUSTMENTS AT END OF PERIOD	**166**	**5**	**171**	**129**	**3**	**132**
o/w effect of ceiling on assets	**1**	**0**	**1**	**1**	**0**	**1**

Separate assets

	31/12/2020			31/12/2019		
	Post-employment defined-benefit plan			Post-employment defined-benefit plan		
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	TOTAL	Supplementary pension benefits and other	End-of-career awards	Total
Total revaluation adjustments at start of period	**7**	**6**	**13**	**38**	**5**	**43**
o/w effect of ceiling on assets				**0**	**0**	**0**
Revaluation adjustments over the period	1	1	2	(29)	1	(29)
o/w effect of ceiling on plan assets	*0*	*0*	*0*			
Total revaluation adjustments at end of period	**8**	**7**	**15**	**7**	**6**	**13**
o/w effect of ceiling on assets						

f) Analysis of expenses for the period

The annual payroll costs recognized in respect of defined-benefit plans consist of:

- the costs of services rendered, representing rights vested by beneficiaries over the period;
- past service costs, arising from possible plan changes or curtailments as well as the effects of possible plan settlements;
- the net interest cost reflecting the impact of unwinding the discount on the net obligation.

Obligations in respect of other long-term employee benefits are accounted for using the same actuarial valuation method as that used for post-employment defined-benefit obligations, except for revaluation adjustments, which are immediately recognized in income.

	31/12/2020					31/12/2019
	Post-employment defined-benefit plan		Other long-term employee benefits			
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total	Total
Service cost	6	12	4	18	40	50
Past service cost	(13)	0	1	0	(12)	(2)
Interest cost	12	1	0	0	13	19
Interest income	(10)	(1)	0	0	(10)	(14)
Other	3	(0)	0	1	4	(1)
TOTAL EXPENSE FOR THE YEAR	**(2)**	**13**	**5**	**19**	**34**	**53**

g) Main actuarial assumptions at December 31, 2020

The amount of the provision for post-employment defined-benefit plans is calculated on an actuarial basis using a number of demographic and financial assumptions.

	31/12/2020			31/12/2019		
	France	Europe	United States [(a)]	France	Europe	United States
Discount rate (excluding Time Savings Account)	0.16%	1.34%	2.35%	0.40%	1.43%	3.11%
Inflation rate	1.60%	2.61%	-	1.60%	2.32%	2.64%
Rate of increase in salaries	2.28%	2.44%	-	2.27%	2.58%	3.99%
Rate of increase in healthcare costs	2.40%	0.00%	3.90%	2.42%	0.00%	3.90%
Duration (in years)	13	23	15	13	18	14

(a) The two parameters of inflation rate and wage growth rate are no longer taken into account for the valuation of liabilities in the United States.

	31/12/2020				31/12/2019			
	Post-employment defined-benefit plan		Other long-term employee benefits		Post-employment defined-benefit plan		Other long-term employee benefits	
	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other
Discount rate (excluding Time Savings Account)	1.52%	0.08%	0.07%	1.96%	1.91%	0.35%	0.41%	2.07%
Inflation rate	1.87%	1.60%	1.60%	1.60%	2.37%	1.61%	1.61%	1.63%
salary growth rate (including inflation)	2.32%	2.26%	2.28%	2.96%	2.94%	2.26%	2.26%	3.37%
rate of change in medical costs (inflation included)	3.22%				3.00%			
Duration (in years)	15	9	10	13	15	9	9	13

The discount rate is determined based on the yields of AA-rated corporate bonds of the same duration. This benchmark is obtained from the Bloomberg “EUR Composite (AA) Zero Coupon Yield” yield curve.

For end-of-career awards and long-service awards, employee turnover is calculated by age bracket and grade based on a six-year average. A rate of 0% is used for employees aged 60 and over.

Wage growth including inflation is determined using the average rate of real compensation growth over the past six years. This wage growth is capped at the maximum nominal rate of increase seen over the same period.

h) Analysis of sensitivity to key assumptions

	31/12/2020				31/12/2019			
	Post-employment defined-benefit plan		Other long-term employee benefits		Post-employment defined-benefit plan		Other long-term employee benefits	
(as a percentage)	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other
+0.5% change in discount rate	(9.92)%	(5.58)%	(4.36)%	(1.18)%	(9.99)%	(5.58)%	(5.14)%	(1.89)%
(0.5)% change in discount rate	11.87%	6.10%	4.69%	1.33%	11.98%	6.79%	5.66%	1.98%
+1% change in rate of increase in healthcare costs	1.10%				1.19%			
(1)% change in rate of increase in healthcare costs	(0.91)%				(0.99)%			
+1% change in rate of increase in salaries and income (incl. inflation)	10.35%	12.41%	8.84%		11.39%	12.24%	8.03%	
(1)% change in rate of increase in salaries and income (incl. inflation)	(8.58%)	(10.60%)	(7.80%)		(9.93)%	(10.20)%	(7.14)%	

i) Schedule of undiscounted payments

	31/12/2020		31/12/2019	
	Post-employment defined-benefit plan		Post-employment defined-benefit plan	
(in millions of euros)	Supplementary pension benefits and other	End-of-career awards	Supplementary pension benefits and other	End-of-career awards
n+1 to n+5	120	50	134	61
n+6 to n+10	97	71	112	81
n+11 to n+15	93	77	104	80
n+16 to n+20	96	95	105	101
> n+20	344	156	392	179
TOTAL	**750**	**448**	**847**	**502**

11.2.4 Other share-based plans

Employee stock option plans under the Company employee savings plan

Plan	2014	2014	2015	2016	2018
Entity	Natixis	Coface	Natixis	Natixis	Natixis
Plan announcement date	14/03/2014	12/06/2014	12/03/2015	10/03/2016	23/03/2018
Plan maturity	5 years	5 years	5 years	5 years	5 years
Reference price	€5.05	€10.40	€6.62	€4.09	€6.25
Subscription price	€4.04	€8.32	€5.30	€3.28	€5.00
Face value discount	20.00%	20%	19.99%	19.98%	19.99%
Number of shares subscribed	9,951,325	255,347	8,505,624	7,989,447	11,982,805
Total subscribed amount (in millions of euros)	€40.2M	€2.1M	€45M	€26M	€60M
Risk-free interest rate	0.84%	0.84%	0.14%	0.08%	(0.15)%
Annual security borrowing rate (repos)	0.16%	0.16%	0.05%	(0.12)%	0.05%
Market participant's borrowing rate (five years)	5.47%	5.47%	4.45%	3.93%	3.34%
Lock-up cost	21.28%	21.30%	19.57%	19.43%	16.22%

For the record, there were no capital increases reserved for employees in 2019 or 2020.

At December 31, 2019, Natixis recorded an expense of €2.3 million for the discount granted on subscription to employee stock options under the Company employee savings plan, measured taking into account the five-year lock-up period applicable to the issued securities.

Note 12 Capital management

12.1 Share capital

Ordinary shares	Number of shares	Par value	Capital (in euros)
At January 1	3,153,078,482	1.60	5,044,925,571
Capital increase	2,873,020	1.60	4,596,832
AT DECEMBER 31	**3,155,951,502**		**5,049,522,403**

There were 4,014,663 treasury shares at December 31, 2020 (2,083,199 treasury shares as of December 31, 2019).

The capital increases carried out over the financial year 2020 correspond to the allocation of free shares to certain Natixis employees, as part of the share-based Loyalty and Performance Plans (PFP) for 2017 and 2018 the Long Term Incentive Plan 2016 (LTIP).

12.2 Capital management

Natixis' main capital management objectives are to ensure that the group meets the capital requirements imposed by its external environment and maintains an adequate rating to support its activity and maximize shareholder value.

Natixis adapts the management of its capital structure in line with changes in economic conditions and in the risk profile of its operations. Its objectives, policies and procedures remained unchanged in 2020.

12.3 Equity instruments issued

12.3.1 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 equity given the discretionary nature of their interest.

Deeply subordinated notes amounted to €1,978 million at December 31, 2020 (no change compared to December 31, 2019).

Note that the gross amount of exchange rate fluctuations in deeply subordinated notes in foreign currencies recorded in income at December 31, 2020 amounted to -€85.6 million, or -€58.2 million after tax, compared with +€19.0 million at December 31, 2019, or +€14.3 million after tax.

The main features of the perpetual deeply subordinated notes are outlined in Chapter [14] of the Pillar III report.

12.3.2 Management of the liquidity contract

Natixis entered into a liquidity contract with an independent service provider, and in accordance with the Compliance Charter established with the French Financial Markets Association (Association des Marchés Financiers) on September 23, 2008, approved by the Autorité des Marchés Financiers on October 1, 2008.

Under this contract, this service provider is mandated to intervene in Natixis' treasury shares with a view to increasing transaction liquidity and the trading of Natixis shares so as to avoid price gaps unjustified by market trends.

This authorization is based on the sixteenth-resolution of the General Shareholders' Meeting of May 20, 2020. It authorizes Natixis to acquire, at a maximum price of €10 per share, a number of shares not exceeding 10% of the shares making up the capital of Natixis.

Pursuant to this contract, Natixis has 3,912,890 shares, representing €11 million as of December 31, 2020, compared to 1,981,426 shares, representing €7.9 million, at December 31, 2019.

Note 13 Commitments

13.1 Guarantee commitments

A financial guarantee is a contract that requires the issuer to compensate the holder of the contract for any loss that the holder incurs because a debtor fails to make payment when due. The exercise of these rights is subject to the occurrence of an uncertain future event.

The amounts shown represent the nominal value of the commitment undertaken:

	31/12/2020	31/12/2019
Guarantee commitments given		
To banks	**6,952**	**8,447**
Confirmation of documentary credits	1,317	1,851
Other guarantees	5,635	6,595
To customers	**17,008**	**17,779**
Real estate guarantees	135	205
Administrative and tax bonds	210	292
Other bonds and endorsements given	669	1,728
Other guarantees	15,994	15,554
TOTAL GUARANTEE COMMITMENTS GIVEN	**23,960**	**26,226**
Guarantee commitments received from banks	12,043	12,229

Specific case of guarantees issued to mutual funds

Natixis guarantees the capital and/or returns on units in certain mutual funds. These guarantees are executed solely in the event that the net asset value of each of the units in the fund at maturity is lower than the guaranteed net asset value.

The capital and/or performance guarantees given by Natixis to certain UCITS are recognized as derivatives and are measured at fair value in accordance with the provisions of IFRS 13.

Guarantee commitments reconciliation table

(in millions of euros)	Guarantee commitments given – 31/12/2020									
	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 AT 01/01/2019	**24,669**	**(3)**	**4,947**	**(10)**	**74**	**(20)**	**5**	**(1)**	**29,695**	**(34)**
New OBS commitments originated or purchased	9,153	(1)	203	(1)					9,356	(3)
Variations linked to changes in credit risk parameters *(excluding transfers)*	(2,316)	2	(256)	0	(32)	(4)			(2,604)	(2)
Transfers of guarantee commitments	*(581)*	*(1)*	*529*	*1*	*52*	*0*			*0*	*0*
Transfers to S1	370	(2)	(370)	2	-	-			0	0
Transfers to S2	(929)	1	929	(1)	0	0			0	0
Transfers to S3	(22)	0	(30)	0	52	0			0	0
Transfer to non-current assets held for sale [(c)]										
Fully sold, called or matured commitments	(5,840)	0	(1,439)	2	(18)	1			(7,296)	4
Variations linked to changes in exchange rates	325	0	32	0	0	0			357	0
Changes in the model used										
Other changes [(b)]	(4,154)	0	(723)	1	53	(18)	(2)	1	(4,826)	(16)
BALANCE AT 31/12/2019 [(a)]	**21,257**	**(3)**	**3,294**	**(7)**	**129**	**(41)**	**3**	**0**	**24,682**	**(51)**
New OBS commitments originated or purchased	3,469	(1)	300	(2)			0	0	3,769	(3)
Variations linked to changes in credit risk parameters *(excluding transfers)*	(1,113)	(3)	(748)	(7)	(3)	5	(1)	0	(1,864)	(5)
Transfers of guarantee commitments	*(395)*	*0*	*311*	*0*	*84*	*(0)*			*0*	*0*
Transfers to S1	394	1	(394)	1	0	0			0	2
Transfers to S2	(779)	(1)	780	(1)	(1)	0			0	(1)
Transfers to S3	(10)	0	(75)	0	85	(0)			0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Fully sold, called or matured commitments	(3,983)	1	(468)	2	(1)	0	(0)	0	(4,452)	2
Variations linked to changes in exchange rates	(1,477)	0	(145)	0	(28)	2	0	0	(1,651)	2
Changes in the model used		0		0		0				0
Other changes [(c)]	3,202	0	9	0	252	0	0	0	3,462	1
BALANCE AT 31/12/2020 [(a)]	**20,960**	**(6)**	**2,553**	**(14)**	**433**	**(34)**	**2**	**0**	**23,946**	**(54)**

(a) Gross carrying amount excluding insurance company contributions, i.e. €14 million at December 31, 2020 (versus €1,544 million at December 31, 2019).
(b) Mainly comprising guarantees given to UCITS now recognized as derivatives.
(c) Including an amendment made on December 31, 2020 concerning guarantee commitments in the form of letters of credit granted by the New York branch. In 2019, these guarantees were presented for an amount net of guarantees received from other participants. The impact is of €2,930 million on commitments classified as stage 1 and of €252 million on commitments classified as stage 3.

13.2 Financing commitments

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
  - the amount of the obligation cannot be measured with sufficient reliability.

(in millions of euros)	**31/12/2020**	31/12/2019
Financing commitments given		
To banks	**7,142**	**2,533**
To customers	**51,887**	**49,668**
▪ Opening of documentary credits	2,026	4,171
▪ Other confirmed lines of credit	49,219	45,005
▪ Other commitments	642	492
TOTAL FINANCING COMMITMENTS GIVEN	**59,029**	**52,201**
Financing commitments received		
▪ Banks	12,070	5,530
▪ Customers	8	116
TOTAL FINANCING COMMITMENTS RECEIVED	**12,078**	**5,646**

Financing commitments reconciliation table

	Financing commitments 31/12/2020									
	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	
(in millions of euros)	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 AT 01/01/2019	**43,290**	**(13)**	**6,609**	**(51)**	**46**	**(3)**	**87**	**(4)**	**50,032**	**(71)**
New OBS commitments originated or purchased	11,345	(3)	343	(1)	0	0	0	0	11,688	(4)
Variations linked to changes in credit risk parameters *(excluding transfers)*	(2,863)	4	(2,546)	3	(47)	(4)	(5)	2	(5,462)	5
Transfers of financing commitments	*(1,188)*	*(3)*	*1,146*	*3*	*43*	*(1)*			*0*	*0*
Transfers to S1	256	(4)	(256)	4	0	0			0	0
Transfers to S2	(1,415)	1	1,418	(2)	(3)	0			0	0
Transfers to S3	(29)	0	(16)	1	45	(1)			0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0		
Fully sold, called or matured commitments	(5,148)	1	(418)	0	(21)	1	0	0	(5,586)	2
Variations linked to changes in exchange rates	296	0	80	(1)	0	0	0	0	376	(1)
Changes in the model used										0
Other changes [(a)]	795	(1)	376	(1)	55	(5)	(73)	2	1,153	(6)
BALANCE AT 31/12/2019	**46,527**	**(15)**	**5,590**	**(48)**	**76**	**(12)**	**9**	**0**	**52,201**	**(76)**
New OBS commitments originated or purchased	10,595	(10)	1,258	(8)	0	0	3	0	11,855	(18)
Variations linked to changes in credit risk parameters *(excluding transfers)*	4,173	(10)	(1,804)	(28)	(82)	10	7	(0)	2,293	(29)
Transfers of financing commitments	*(1,721)*	*(1)*	*1,647*	*1*	*74*	*(0)*			*(0)*	*(0)*
Transfers to S1	978	(4)	(976)	4	(2)	0			(0)	(0)
Transfers to S2	(2,683)	3	2,684	(4)	(1)	0			(0)	(0)
Transfers to S3	(16)	0	(61)	0	77	(0)			0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Fully sold, called or matured commitments	(5,864)	1	(316)	2	(4)	0	(4)	0	(6,188)	3
Variations linked to changes in exchange rates	(1,637)	1	(276)	3	(2)	0	(0)	0	(1,916)	4
Changes in the model used										0
Other changes [(b)]	729	2	64	0	(11)	0	0	0	782	2
BALANCE AT 31/12/2020	**52,801**	**(32)**	**6,162**	**(79)**	**51**	**(2)**	**14**	**0**	**59,029**	**(114)**

(a) Gross Bucket 1 exposures comprise outstandings with the 11retail banking entities of the SFS division sold to BPCE.
(b) Including the exit of Coface.

Note 14 Other information

14.1 Lease contracts where Natixis is the lessee

14.1.1 Impact on income of leasing transactions as lessee

The net amount of rights-of-use relating to lessee leases amounts to €898 million as of December 31, 2020 (€1,023 million as of December 31, 2019) of which €897 million (€1,011 million as of December 31, 2019) relating to property leases *(see Note 7.10)*.

The lease liabilities in respect of lease contracts as lessee came to €1,011 million (€1,164 million at December 31, 2019) and are recognized under "Other liabilities" *(see Note 7.9.2)*.

(in millions d'euns of euros)	**31/12/2020**	31/12/2019
Interest expenses on lease liabilities	(13)	(20)
Amortization of rights of use	(194)	(219)
Variable lease payments not included in the valuation of lease liabilities	(9)	(9)
Impact on the income statement of lease agreements recognized in the balance sheet	**(216)**	**(247)**

(in millions of euros)	**31/12/2020**	31/12/2019
Lease expenses on short-term leases	(1)	(2)
Lease expenses on low-value assets	(5)	(3)
Impact on the income statement of lease agreements not recognized in the balance sheet	**(6)**	**(5)**

Lease expenses related to low-value contracts and short-term contracts are recorded under "Expenses from other activities" in the consolidated income statement.

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14.1.2 Income from subleases on right-of-use assets

When Natixis subleases all or part of an asset for which it has taken out a lease, the subleasing contract is subject to a substance-based analysis, similar to the approach taken by the lessors.

Income earned on these contracts is recorded in exactly the same way as it is by the lessor, i.e. under "Income from other activities", in the case of operating leases *(see Note 6.6)*, and under "Interest income", in the case of finance leases *(see Note 6.1)*.

(in millions of euros)	**31/12/2020**	31/12/2019
Sub-lease revenue – operating leases	29	30
Sub-lease revenue – finance leases	0	0

14.1.3 Breakdown of lease liabilities and off-balance sheet commitments by contractual maturity

The amounts presented in the table below comprise non-discounted contractual cash flows.

	31/12/2020								31/12/2019							
(in millions of euros)	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-discounted lease liabilities (before deduction of financial expenses)	40	11	50	100	186	339	352	1,079	43	16	59	119	213	451	343	1,244

The following table presents future cash outflows not included in the measurement of lease liabilities at December 31, 2020 for leases not yet commenced but representing commitments undertaken by Natixis.

	31/12/2020								31/12/2019							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Leases already signed but whose underlying assets have not yet been made available	0	0	0	0	0	104	257	361			1	2	2	61	312	378

14.2 Lease contracts where Natixis is the lessor

	31/12/2020							31/12/2019						
	Residual term							Residual term						
Lease financing *(in millions of euros)*	**< 1 year**	**>= 1 year and < 2 years**	**>= 2 years and <3 years**	**>= 3 years and < 4 years**	**>= 4 years and < 5 years**	**>5 years**	**Total**	< 1 year	>=1 year and < 2 years	>= 2 years and <3 years	>= 3 years and < 4 years	>= 4 years and < 5 years	> 5 years	Total
Finance leases														
Gross investment	12	9	6	4	1	0	32	16	11	7	4	2	0	41
Present value of minimum lease payments receivable	11	8	6	4	1	0	30	14	9	7	4	2	0	36
Unearned finance income	2	1	0	0	0	0	3	3	2	1	0	0	0	5
Operating leases														
Minimum payments receivable under irrevocable leases	47	40	33	28	22	64	234	64	49	41	34	29	94	311

14.3 Related parties

Relations between the Group's consolidated companies

The main transactions between Natixis and related parties (BPCE and subsidiaries, Banque Populaire group including Banque Populaire banks and their subsidiaries, the Caisse d'Epargne network including the Caisses d'Epargne and their subsidiaries and all of the affiliates consolidated using the equity method) are described below:

	31/12/2020				31/12/2019			
(in millions of euros)	BPCE	O/w Solutions and Financial Expertise division [(a)]	Banques Populaires	Caisses d'Epargne	BPCE	O/w Solutions and Financial Expertise division [(a)]	Banques Populaires	Caisses d'Epargne
Assets								
Financial assets at fair value through profit or loss	19,641	258	3,155	4,517	14,376	224	3,196	5,408
Financial assets at fair value through other comprehensive income								
Debt instruments at amortized cost	0		21		52		190	
Loans and receivables due from banks and similar items at amortized cost	38,346	4,469	431	293	39,663	8,223	418	281
Customer loans and receivables at amortized cost	201	135	135		319	267	120	
Insurance business investments	11,557		144	225	12,274		172	225
Non-current assets held for sale								
Liabilities								
Financial liabilities designated at fair value through profit or loss	7,071	258	3,770	3,984	7,970	264	1,590	3,940
Deposits and loans due to banks and similar items	60,743	926	241	121	46,359	1,002	1,726	102
Deposits and loans due to customers	163	72	36	1	346	51	41	14
Debt securities								
Subordinated debt	2,947				2,596			
Liabilities related to insurance policies	0		2	77	0		0	81
Liabilities on assets held for sale								
Shareholders' equity	1,794				1,741			
Commitments								
Commitments given	7,344	581	7	165	2,481	445	100	125
Commitments received	15,089	37	151	971	7,419	13	253	1,037

Relations with associates and joint ventures are not material.

(a) Corresponds to the following entities: Factoring, Consumer Finance, Leasing and Sureties & Financial.

(in millions of euros)	31/12/2020 BPCE	31/12/2020 O/w Solutions and Financial Expertise division [(a)]	31/12/2020 Banques Populaires	31/12/2020 Caisses d'Epargne	31/12/2019 BPCE	31/12/2019 O/w Solutions and Financial Expertise division [(a)]	31/12/2019 Banques Populaires	31/12/2019 Caisses d'Epargne
INCOME								
Interest and similar income	364	46	51	1	187	36	48	1
Interest and similar expenses	(542)	(20)	(4)	(0)	(615)		2	0
Net fee and commission income	(49)	(46)	(419)	(313)	(54)	(46)	(377)	(245)
Net gains or losses on financial instruments at fair value through profit or loss	(1,369)	100	(50)	723	(643)	142	208	1,042
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								
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	51	50	6	15	69	70	3	16
Operating expenses	(74)	4	(1)	(12)	(65)	6	(1)	(15)

Relations with associates and joint ventures are not material.

(a) Corresponds to the following entities: Factoring, Consumer Finance, Leasing and Sureties & Financial.

Management compensation

(in euros)	31/12/2020	31/12/2019
Directors of Natixis [(a)]	612,896	615,674
Executives [(b)]	13,370,043	12,414,147

(a) In 2020 and 2019, compensation paid to members of the Board of Directors included a fixed portion (€8,000 per person) and a variable portion (€2,000 per Board Meeting, per person). Members of the Audit Committee and the Risk Committee received a fixed payment of €3,000 (€17,000 for its Chairman) and a variable payment of €1,000 per Board Meeting and per person (€2,000 for its Chairman). The members of the Appointments Committee and the Compensation Committee received a fixed payment of €2,000 (€15,000 for its Chairman) and a variable payment of €1,000 per meeting per person (€2,000 for its Chairman). The members of the Strategic Committee received a variable payment of €2,000 and the Chairman of the Strategic Committee received a fixed payment of €12,000.

(b) The amounts shown represent the total amount of compensation paid or delivered to the members of the Senior Management Committee.

Compensation of corporate officers

The compensation of corporate officers is given in detail in the standardized tables in accordance with AMF recommendations in section 2.3 of the registration document.

The table below shows the compensation paid in the fiscal year.

	FY20 [(d)]	FY 2019
Laurent Mignon, Chairman of the Board of Directors		
Compensation for the fiscal year	€300,000	€300,000
Value of options granted during the fiscal year	€0	€0
Value of bonus shares granted during the fiscal year	€0	€0
TOTAL	**€300,000**	**€300,000**
François Riahi, Chief Executive Officer		
Compensation for the fiscal year [(a)]	€474,743	€1,790,646
Value of options granted during the fiscal year	€0	€0
Value of bonus shares granted during the fiscal year [(b)]	€160,000	€160,000
TOTAL	**€634,743**	**€1,950,646**
Nicolas Namias, Chief Executive Officer		
Compensation for the fiscal year [(c)]	€525,119	€0
Value of options granted during the fiscal year	€0	€0
Value of bonus shares granted during the fiscal year	€0	€0
TOTAL	**€525,119**	**€0**

(a) *Of which a family allowance of €1,625 in 2020 and €2,384 in 2019.*
(b) *Corresponding to the value of the shares on the allocation date, for a fair value of €73,116 for 2020 and €79,587 for 2019.*
(c) *Including a family allowance of €670 and a vehicle allowance of €3,710 in 2020.*
(d) *François Riahi, Chief Executive Officer until August 3, 2020, Nicolas Namias Chief Executive Officer from August 4, 2020.*

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Executive officer pension plans

Natixis' Chief Executive Officer receives the retirement benefits plan offered to senior management officers ("hors classification"):

- For François Riahi:
  - Social Security contributions in tranche 1[(1)],
  - AGIRC-ARRCO pension regime in tranche 1 [(1)] (13.53%),
  - AGIRC-ARRCO supplementary pension regime in tranche 2 capped at 4x the PASS [(1)] (3.86%),
  - AGIRC-ARRCO pension regime in tranche 22 (21.59%) ;
- for Nicolas Namias:
  - Social Security contributions in tranche 12,
  - AGIRC-ARRCO pension regime in tranche 12 (13.53%),
  - AGIRC-ARRCO supplementary pension regime in tranche 2 capped at 4x the PASS [(1)] (3.86%),
  - AGIRC-ARRCO pension regime in tranche 2 [(1)] (21.59%).

Like the rest of the staff, the Chief Executive Officer is covered by the mandatory pension plan. He is not covered by the kind of supplementary pension plans described in Article 39 (defined benefit plan) or Article 83 (voluntarily defined contribution plan) of the French General Tax Code.

Furthermore, in 2019, Francois Riahi paid into an "Article 82" type life insurance policy (in reference to the French General Tax Code) put in place by BPCE. The premiums on this policy were paid by the Chief Executive Officer and not by Natixis. In 2020, François Riahi paid €69,391 into his policy. This system was not renewed for Nicolas Namias.

Indemnities for cessation of activity

Severance payments and consideration for non-compete agreement

The monthly reference compensation is equal to one-twelfth of the sum of the fixed compensation paid in respect of the last calendar year in activity and the average variable compensation paid over the last three calendar years of activity.

The amount of severance pay is equal to: Monthly Reference Compensation x (12 months +1 month per year of seniority).

The Chief Executive Officer will not receive contract termination payment in the event of gross negligence or willful misconduct, if he leaves the Company at his initiative to take another position or changes his position within Groupe BPCE.

(1) *The annual social security contribution ceiling (PASS) is €40,524. Tranche 1 corresponds to the fraction of annual compensation between €0 and €40,524. Tranche 2 corresponds to the fraction of annual compensation between €40,524 and €324,192. Tranche 2 capped at 4x the PASS corresponds to the fraction of annual compensation between €40,524 and €162,096.*

Furthermore, in line with the provisions of the Afep-Medef corporate governance code, the right to a benefit is contingent on meeting performance criteria and requirements, as verified by the Board of Directors where appropriate.

At its meeting of February 11, 2021, the Board of Directors of Natixis defined new methods for determining the compensation for the termination of service of the Chief Executive Officer, under which the achievement of the objectives will be assessed on the basis of the fiscal years ended before said termination. These performance criteria are as follow:

1. Average Natixis underlying net income over the two fiscal years preceding departure greater than or equal to 75% of the average budget forecast for the period;
2. Average underlying Natixis ROE over the two fiscal years preceding departure greater than or equal to 75% of the average budget forecast for the period;
3. Natixis cost/income ratio below 75% over the last half-year prior to departure.

The amount of the payment shall be determined based on the number of performance criteria met:

- if all three criteria are met: 100% of the agreed payment;
- if two criteria are met: 66% of the agreed payment;
- if one criterion is met: 33% of the agreed payment;
- if none of the criteria is met: no payment will be made.

As a reminder, the amount of the CEO's severance payment, combined with the non-compete indemnity if warranted, may not exceed the equivalent of 24 months of monthly reference compensation.

Non-compete indemnity

The non-compete agreement is limited to a period of six months and carries an indemnity equal to six months of fixed compensation, as in force on the date on which the CEO leaves office.

On February 11, 2021, the Board of Directors decided the following:

The payment of the non-compete compensation is excluded when the executive officer asserts his pension rights. In any event, no non-compete compensation may be paid beyond age 65. It is also specified that the non-competition benefits must be paid in installments during its term.

The amount of the non-compete indemnity, together with the severance payment, if applicable, received by the Chief Executive Officer is capped at 24 months of the monthly reference compensation (both fixed and variable).

Upon the departure of the Chief Executive Officer, the Board of Directors must make a decision regarding whether to enforce the non-compete clause. It is specified that the termination benefits and non-compete schemes will be submitted to the General Shareholders' Meeting of Natixis to be held in May 2021.

Upon the departure of François Riahi, the Board of Directors of August 3, 2020 decided to make a non-compete indemnity of €400,000, corresponding to six months of fixed compensation, paid in installments over six months.

At its meeting of February 11, 2021, the Board of Directors elected to adopt the recommendation of the Compensation Committee at the time of the reassessment of the financial conditions of François Riahi's departure. As a result, the Board noted that the payment of the contract termination payment to François Riahi was illegal, and therefore decided to request its repayment.

It should be noted that this decision does not call into question the role of François Riahi role in the development of Natixis, particularly in the context of the COVID crisis.

Note 15 Statutory Auditors' fees

The bank's financial statements are audited by two independent accounting firms.

The mandate of Deloitte & Associés[1] was renewed by the shareholders at the General Shareholders' Meeting of May 2016, for a term of six years ending as of the General Shareholders' Meeting called to approve the 2022 financial statements.

PricewaterhouseCoopers Audit[2] was appointed by the shareholders at the General Shareholders' Meeting of May 2016, for a term of six years ending as of the General Shareholders' Meeting called to approve the 2022 financial statements.

Deloitte & Associés and PriceWaterhouseCoopers are registered as Statutory Auditors with the "Compagnie Régionale des Commissaires aux Comptes of Versailles" and are under the supervision of the "Haut Conseil du Commissariat aux Comptes".

The Statutory Auditors and their networks were paid the following amounts in return for their duties:

	Deloitte & Associés					PwC					Mazars					TOTAL				
	2020		2019		Change	2020		2019		Change	2020		2019		Change	2020		2019		Change
	Amount	%	Amount	%	%	Amount	%	Amount	%	%	Amount	%	Amount	%	%	Amount	%	Amount	%	%
Independent audit, certification and examination of the parent company and consolidated accounts	**5,957**	**83%**	**7,863**	**83%**	**(32)%**	**8,156**	**78%**	**7,728**	**72%**	**5%**	**2,551**	**77%**	**2,066**	**58%**	**15%**	**16,551**	**80%**	**17,657**	**73%**	**(7)%**
Issuer	*3,554*		*3,675*		*(3)%*	*1,887*		*2,064*		*(9)%*	*2*		*1*		*50%*	*5,443*		*5,740*		*(5)%*
Fully-consolidated subsidiaries	*2,403*		*4,188*		*(74)%*	*6,269*		*5,664*		*10%*	*2,108*		*2,065*		*15%*	*11,108*		*11,917*		*(7)%*
Services other than the certification of accounts	**1,196**	**17%**	**2,591**	**17%**	**(117)%**	**2,294**	**22%**	**2,681**	**25%**	**(17)%**	**732**	**23%**	**1,312**	**37%**	**(79)%**	**4,222**	**20%**	**6,585**	**27%**	**(56)%**
Issuer	*769*		*1,200*		*(56)%*	*1,370*		*1,278*		*7%*	*690*		*1,210*		*(75)%*	*2,829*		*3,688*		*(30)%*
Fully-consolidated subsidiaries	*427*		*1,391*		*(226)%*	*924*		*1,403*		*(52)%*	*42*		*102*		*(143)%*	*1,393*		*2,897*		*(108)%*
TOTAL	**7,153**	**100%**	**10,454**	**100%**	**(46)%**	**10,450**	**100%**	**10,802**	**100%**	**(3)%**	**3,170**	**100%**	**3,546**	**100%**	**(12)%**	**20,773**	**100%**	**24,242**		**(17)%**
of which fees paid to the entity appointed as Statutory Auditor of the consolidating entities for the certification of the accounts	*2,114*					*3,774*					*1,435*					*7,323*				
of which fees paid to the entity appointed as Statutory Auditor of the consolidating entities for services other than the certification of the accounts	*218*					*192*					*2*					*412*				

Services other than the certification of accounts include:

- assistance with ensuring the compliance of mechanisms implemented amounting to €2.5 million;
- tax audits, primarily performed outside the European Union, amounting to €0.7 million;
- technical assistance assignments amounting to €0.6 million;
- the issue of comfort letters in the amount of €0.2 million.

(1) *Deloitte & Associés – 6, place de la Pyramide, 92908 Paris La Défence Cedex, represented by signatory partners Charlotte Vandeputte.*
(2) *PricewaterhouseCoopers Audit – 63 rue de Villiers 92208 Neuilly-Sur-Seine Cedex, represented by signatory partners Emmanuel Benoist.*

Note 16 Operations by country

Article 7 of Law No. 2013-672 of the French Monetary and Financial Code of July 26, 2013, amending Article L.511-45 requires credit institutions to publish information on their locations and activities in each country or territory.

Pursuant to the Article referred to above, the table below specifically provides information linked to net revenues, pre-tax profit, income tax and headcount as at December 31, 2020.

16.1 Entity operations by country at December 31, 2020

Country of operation	Activity
ALGERIA	
NATIXIS ALGÉRIE	Bank
GERMANY	
NATIXIS PFANDBRIEFBANK AG	Credit institution
NATIXIS ZWEIGNIEDERLASSUNG DEUTSCHLAND	Fin. Institutions
NATIXIS INVESTMENT MANAGERS S.A., ZWEIGNIERDERLASSUNG DEUTSCHLAND	Distribution
AEW INVEST GmbH	Distribution
SAUDI ARABIA	
SAUDI ARABIA INVESTMENT COMPANY	Fin. Institutions
AUSTRALIA	
NATIXIS AUSTRALIA PTY LTD	Fin. Institutions
INVESTORS MUTUAL LIMITED	Asset Management
NATIXIS INVESTMENT MANAGERS AUSTRALIA PTY LIMITED	Distribution
AEW ASIA LIMITED AUSTRALIAN BRANCH	Asset Management
AZURE CAPITAL HOLDINGS PTY LTD	M&A and Financial advisory services
AZURE CAPITAL SECURITIES PTY LTD	Fund management and Equity Capital Markets
THE AZURE CAPITAL TRUST	Holding company
AZURE CAPITAL LIMITED	Holding company
BELGIUM	
DALENYS S.A.	Holding company
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company
NATIXIS INVESTMENT MANAGERS S.A., BELGIAN BRANCH	Distribution
CANADA	
NATIXIS CANADA	Fin. Institutions
NATIXIS IM CANADA HOLDINGS LTD	Holding company
CHINA	
NATIXIS SHANGHAI	Fin. Institutions
NATIXIS BEIJING	Fin. Institutions
VERMILION (BEIJING) ADVISORY COMPANY LIMITED	M&A and Financial advisory services
SOUTH KOREA	
NATIXIS INVESTMENT MANAGERS KOREA LIMITED	Distribution
UNITED ARAB EMIRATES	
NATIXIS DUBAI	Fin. Institutions
NATIXIS INVESTMENT MANAGERS MIDDLE EAST	Distribution
SPAIN	
NATIXIS MADRID	Fin. Institutions
NATIXIS INVESTMENT MANAGERS, SUCURSAL EN ESPANA	Distribution
AEW EUROPE LLP SPANISH BRANCH	Distribution
NATIXIS PARTNERS IBERIA, S.A.	M&A and Financial advisory services
UNITED STATES	
AEW CAPITAL MANAGEMENT, INC.	Asset Management
AEW CAPITAL MANAGEMENT, LP	Asset Management
AEW PARTNERS V, INC.	Asset Management
AEW PARTNERS VI, INC.	Asset Management
AEW PARTNERS VII, INC.	Asset Management
AEW REAL ESTATE ADVISORS, INC.	Asset Management
AEW SENIOR HOUSING INVESTORS INC.	Asset Management
ALPHASIMPLEX GROUP LLC	Asset Management
AURORA INVESTMENT MANAGEMENT LLC	Asset Management

Country of operation	Activity
BLEACHERS FINANCE	Securitization vehicle
CASPIAN CAPITAL MANAGEMENT, LLC	Asset Management
EPI SLP LLC	Asset Management
GATEWAY INVESTMENT ADVISERS, LLC	Asset Management
HARRIS ALTERNATIVES HOLDING INC.	Holding company
HARRIS ASSOCIATES LP	Asset Management
HARRIS ASSOCIATES SECURITIES, LP	Distribution
LOOMIS SAYLES & COMPANY, INC.	Asset Management
LOOMIS SAYLES & COMPANY, LP	Asset Management
LOOMIS SAYLES ALPHA, LLC.	Asset Management
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution
NATIXIS ASG HOLDINGS, INC.	Distribution
NATIXIS FINANCIAL PRODUCTS LLC	Derivatives transactions
NATIXIS NEW YORK	Fin. Institutions
NATIXIS NORTH AMERICA LLC	Holding company
NATIXIS REAL ESTATE CAPITAL LLC	Real-estate finance
NATIXIS REAL ESTATE HOLDINGS LLC	Real-estate finance
NATIXIS US MTN PROGRAM LLC	Issuing vehicle
NATIXIS FUNDING CORP	Other financial company
NATIXIS SECURITIES AMERICAS LLC	Brokerage
EPI SO SLP LLC	Asset Management
LOOMIS SAYLES TRUST COMPANY, LLC	Asset Management
VERSAILLES	Securitization vehicle
PETER J. SOLOMON COMPANY LP	M&A and Financial advisory services
HARRIS ASSOCIATES, INC.	Asset Management
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset Management
NATIXIS ADVISORS, LP	Distribution
NATIXIS DISTRIBUTION CORPORATION	Distribution
NATIXIS DISTRIBUTION, LP	Distribution
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	Distribution
OSTRUM AM US LLC (FORMERLY NAM US)	Asset Management
PETER J. SOLOMON SECURITIES COMPANY LLC	Brokerage
AEW SENIOR HOUSING INVESTORS II INC.	Asset Management
FLEXSTONE PARTNERS LLC (FORMERLY CASPIAN Private Equity, LLC)	Asset Management
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset Management
AEW PARTNERS REAL ESTATE FUND IX, LLC	Asset Management
CM REO HOLDINGS TRUST	Secondary markets finance
CM REO TRUST	Secondary markets finance
MSR TRUST	Real-estate finance
AEW PARTNERS REAL ESTATE FUND VIII LLC	Asset Management
AEW SENIOR HOUSING INVESTORS III LLC	Asset Management
AEW SENIOR HOUSING INVESTORS IV LLC	Asset Management
NATIXIS INVESTMENT MANAGERS, LLC (FORMERLY NATIXIS INVESTMENT MANAGERS, LP)	Holding company
MIROVA US LLC	Asset Management
LOOMIS SAYLES OPERATING SERVICES, LLC	Asset Management
SEAPORT STRATEGIC PROPERTY PROGRAM I CO-INVESTORS, LLC	Asset Management
NATIXIS INVESTMENT MANAGERS US HOLDINGS, LLC (FORMERLY NATIXIS US HOLDINGS INC)	Holding company

Country of operation	Activity
FRANCE	
1818 IMMOBILIER	Real estate operations
ALLIANCE ENTREPRENDRE	Asset Management
BPCE ASSURANCES	Insurance company
NAMI INVESTMENT	Insurance real estate investments
NATIXIS ASSURANCES	Insurance company holding company
NATIXIS FONCIÈRE S.A. (formerly SPAFICA)	Real estate investments
NATIXIS FORMATION ÉPARGNE FINANCIÈRE	Holding company
NATIXIS FUNDING	Market making on secondary debt market
NATIXIS IMMO DÉVELOPPEMENT	Residential real estate development
NATIXIS IMMO EXPLOITATION	Real estate operations
NATIXIS INNOV	Holding company
NATIXIS INTERTITRES	Service vouchers offers
NATIXIS LIFE	Life insurance
NATIXIS MARCO	Investment company – (extension of activity)
NATIXIS Private Equity	Private Equity
NATIXIS S.A.	Credit institution
SCI ALTAIR 1	Real estate operations
SCI ALTAIR 2	Real estate operations
SEVENTURE PARTNERS	Asset Management
CONTANGO TRADING S.A.	Brokerage company
NATIXIS PARTNERS	M&A and Financial advisory services
FCT LIQUIDITÉ SHORT 1	Securitization vehicle
DNCA FINANCE	Asset Management
NAXICAP PARTNERS	Management of venture capital mutual funds
OSSIAM	Asset Management
BPCE PRÉVOYANCE (FORMERLY – ABP PRÉVOYANCE)	Personal protection insurance
BPCE VIE (FORMERLY – ABP VIE)	Insurance
FRUCTIFONCIER	Insurance real estate investments
AAA ACTIONS AGRO ALIMENTAIRE	Insurance investment mutual fund
BPCE APS	Service provider
FONCIÈRE KUPKA	Real estate operations
BPCE RELATION ASSURANCES	Service provider
SPG	Mutual fund
REAUMUR ACTIONS (formerly ABP DIVERSIFIÉ)	Insurance investment mutual fund
NATIXIS COFICINÉ	Finance company (audiovisual)
NATIXIS INTERÉPARGNE	Employee savings plan management
NATIXIS PAYMENT SOLUTIONS	Banking services
AEW S.A.	Asset Management
NATIXIS INVESTMENT MANAGERS	Holding company
AEW CILOGER	Real-estate management
NATIXIS WEALTH MANAGEMENT	Credit institution
SELECTIZ	Insurance investment mutual fund
SELECTIZ PLUS FCP 4DEC	Insurance investment mutual fund
NATIXIS PAIEMENT HOLDING	Holding company
S-MONEY	Payment services
LAKOOZ	Payment services
PAYPLUG	Payment services
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	Holding company
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	Holding company

Country of operation	Activity
DALENYS PAYMENT	Payment services
RECOMMERCE	Online service
EOLE COLLATERAL	Securitization vehicle
INVESTIMA 77	Holding company
NATIXIS IM INNOVATION (FORMERLY AEW CO-INVEST)	Asset Management
MIROVA	Management of venture capital mutual funds
MV CREDIT FRANCE	Holding company
OSTRUM AM (NEW)	Asset Management
FONDS TULIP	Insurance investments (Securitization funds)
ALLOCATION PILOTÉE ÉQUILIBRE C	Insurance investment mutual fund
MIROVA EUROPE ENVIRONNEMENT C	Insurance investment mutual fund
ALTER CE (COMITEO)	Online service for Central works councils
MIROVA NATURAL CAPITAL LIMITED, FRENCH BRANCH (FORMER MIROVA-ALTHELIA LIMITED, FRENCH BRANCH)	Asset Management
SEEYOND	Asset Management
NATIXIS INVESTMENT MANAGERS INTERNATIONAL	Distribution
VEGA INVESTMENT MANAGERS	Mutual fund holding company
MASSENA PARTNERS – BRANCH	Asset Management and investment advisory services
SCPI IMMOB ÉVOLUTIF (FORMERLY FRUCTIFONDS IMMOBILIER)	Insurance real estate investments
OPCI FRANCEUROPE IMMO	Insurance investment mutual fund
FCT NA FINANCEMENT DE L'ÉCONOMIE – COMPARTIMENT IMMOCORP II	Insurance investments (Securitization funds)
TITRES CADEAUX	Service vouchers offers
THEMATICS Asset Management	Asset Management
VAUBAN INFRASTRUCTURE PARTNERS	Asset Management
DARIUS CAPITAL CONSEIL	Investment advisory services
DORVAL Asset Management	Asset Management
FLEXSTONE PARTNERS SAS	Asset Management
NATIXIS TRADEX SOLUTIONS (FORMERLY NATIXIS Asset Management FINANCE)	Holding company
H2O AM EUROPE	Asset Management
TEORA	Insurance brokerage firm
NALÉA	Securitization vehicle
DALENYS SERVICES (FORMERLY RENTABILIWEB SERVICES)	Internal services provider
DALENYS MARKETING (FORMERLY RENTABILIWEB MARKETING)	Online service
DALENYS TECHNOLOGIES (FORMERLY RENTABILIWEB TECHNOLOGIES)	Online service
UNITED KINGDOM	
AEW EUROPE ADVISORY LTD	Asset Management
AEW EUROPE CC LTD	Asset Management
AEW EUROPE HOLDING LTD	Asset Management
AEW EUROPE INVESTMENT LTD	Asset Management
AEW EUROPE LLP	Asset Management
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset Management
AEW GLOBAL LTD	Asset Management
AEW GLOBAL UK LTD	Asset Management
H2O Asset Management CORPORATE MEMBER	Asset Management
LOOMIS SAYLES INVESTMENTS LTD (UK)	Asset Management
NATIXIS LONDON	Fin. Institutions
AEW EUROPE PARTNERSHIP	Asset Management
H2O Asset Management LLP	Asset Management
NATIXIS INVESTMENT MANAGERS UK Ltd	Distribution
NATIXIS ALTERNATIVE HOLDING LIMITED	Holding company
FENCHURCH PARTNERS LLP	M&A and Financial advisory services
VERMILION PARTNERS (UK) LIMITED	Holding company
VERMILION PARTNERS LLP	M&A and Financial advisory services

Country of operation	Activity
MV CREDIT LIMITED	Asset Management
MV CREDIT LLP	Asset Management
MIROVA NATURAL CAPITAL LIMITED (FORMERLY MIROVA-ALTHELIA LIMITED)	Asset Management
AEW PROMOTE LP LTD	Asset Management
HONG KONG	
AEW ASIA LIMITED	Asset Management
NATIXIS ASIA LTD	Other financial company
NATIXIS HONG KONG	Fin. Institutions
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Asset Management
VERMILION PARTNERS (HOLDINGS) LIMITED	Holding company
VERMILION PARTNERS LIMITED	Holding company
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Holding company
POINCARÉ HOLDINGS LTD	Asset Management
POINCARE CAPITAL MANAGEMENT LIMITED	Asset Management
NATIXIS INVESTMENT MANAGERS INTERNATIONAL HONG KONG LIMITED (FORMERLY OSTRUM AM HONG KONG LTD)	Asset Management
CAYMAN ISLANDS	
AEW VIA INVESTORS, LTD	Asset Management
DF EFG3 LIMITED	Holding company
IRELAND	
NATINIUM FINANCIAL PRODUCTS	Securitization vehicle
PURPLE FINANCE CLO 1	Securitization vehicle
PURPLE FINANCE CLO 2	Securitization vehicle
ITALY	
NATIXIS MILAN	Fin. Institutions
DNCA FINANCE MILAN BRANCH	Asset Management
AEW CILOGER ITALIAN BRANCH	Distribution
NATIXIS INVESTMENT MANAGERS S.A., ITALIAN BRANCH	Distribution
JAPAN	
NATIXIS JAPAN SECURITIES CO, LTD	Fin. Institutions
NATIXIS TOKYO	Fin. Institutions
NATIXIS INVESTMENT MANAGERS JAPAN CO., LTD	Asset Management
AEW JAPAN CORPORATION	Asset Management
JERSEY	
AEW VALUE INVESTORS ASIA II GP LIMITED	Asset Management
NATIXIS STRUCTURED PRODUCTS LTD	Issuing vehicle
AEW VALUE INVESTORS ASIA III GP LIMITED	Asset Management
LUXEMBOURG	
H2O Asset Management HOLDING	Asset Management
KENNEDY FINANCEMENT LUXEMBOURG	Investment company – Asset Management
KENNEDY FINANCEMENT LUXEMBOURG 2	Central corporate treasury – Asset Management
NATIXIS ALTERNATIVE ASSETS	Holding company
NATIXIS LIFE	Life insurance
NATIXIS REAL ESTATE FEEDER SARL	Investment company
NATIXIS TRUST	Holding company
DAHLIA A SICAR SCA	Private Equity
NATIXIS STRUCTURED ISSUANCE	Issuing vehicle
AEW EUROPE SARL (FORMERLY AEW LUXEMBOURG)	Asset Management
AEW EUROPE GLOBAL LUX	Asset Management
NATIXIS INVESTMENT MANAGERS S.A.	Distribution
MV CREDIT SARL	Asset Management
NATIXIS WEALTH MANAGEMENT LUXEMBOURG	Bank
MASSENA PARTNERS S.A.	Asset Management and investment advisory services
MASSENA WEALTH MANAGEMENT SARL	Asset Management and investment advisory services
DNCA FINANCE BRANCH LUXEMBOURG	Asset Management
THEMATICS SUBSCRIPTION ECONOMY FUND	Asset Management
LOOMIS SAYLES ALPHA LUXEMBOURG, LLC	Asset Management
MALAYSIA	
NATIXIS LABUAN	Fin. Institutions
MEXICO	
NATIXIS IM MEXICO, S. DE R.L DE C.V.	Asset Management
MONACO	
H2O AM MONACO SAM	Asset Management
PROMETHEUS WEALTH MANAGEMENT	Asset Management
NETHERLANDS	
NATIXIS INVESTMENT MANAGERS, NEDERLANDS	Distribution
LOOMIS SAYLES & COMPANY, LP, DUTCH BRANCH	Distribution
DALENYS INTERNATIONAL (EX RENTABILIWEB INTERNATIONAL)	Holding company
DALENYS FINANCE (FORMERLY RENTABILIWEB FINANCE)	Holding company
POLAND	
AEW CENTRAL EUROPE	Asset Management
PORTUGAL	
NATIXIS PORTO	Fin. Institutions
CZECH REPUBLIC	
AEW CENTRAL EUROPE CZECH	Distribution
RUSSIA	
NATIXIS BANK JSC, MOSCOW	Bank
SINGAPORE	
LOOMIS SAYLES INVESTMENTS ASIA PTE LTD	Asset Management
NATIXIS SINGAPORE	Fin. Institutions
AEW ASIA PTE LTD	Asset Management
NATIXIS INVESTMENT MANAGERS SINGAPORE LIMITED (FORMERLY OSTRUM AM ASIA LTD)	Asset Management
H2O AM ASIA PTE LTD	Asset Management
SWEDEN	
NATIXIS INVESTMENT MANAGERS, NORDICS FILIAL	Distribution
SWITZERLAND	
NATIXIS INVESTMENT MANAGERS SWITZERLAND SARL	Asset Management
FLEXSTONE PARTNERS SARL (FORMERLY EURO Private Equity)	Asset Management
TAIWAN	
NATIXIS TAIWAN	Fin. Institutions
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING CO. LTD	Asset Management
URUGUAY	
NATIXIS INVESTMENT MANAGERS URUGUAY S.A.	Distribution

16.2 Net banking income, pre-tax income and headcount by country at December 31, 2020

Country of operation	NBI *(in millions of euros)*	Profit or loss before taxes, including operating taxes	Profit or loss before tax	Corporate income tax	Headcount (FTE)
Algeria	57	27	26	(6)	750
Germany	66	23	22	(11)	124
Saudi Arabia	0	(0)	(0)	0	3
Australia	45	20	20	(7)	102
Belgium	0	(0)	(0)	(0)	5
Canada	8	7	7	(0)	5
China	17	3	2	(1)	58
South Korea	2	1	1	(0)	3
United Arab Emirates	31	(24)	(25)	0	48
Spain	54	39	38	(11)	76
United States	2,240	374	327	(59)	2,670
France	3,792	134	(87)	(113)	10,541
United Kingdom	432	177	172	(24)	617
Hong Kong	191	23	18	26	437
Cayman Islands	0	0	0	0	0
Ireland	7	(22)	(22)	8	0
Italy	96	33	32	(11)	93
Japan	49	18	16	(3)	101
Jersey	0	(0)	(0)	0	0
Luxembourg	111	46	40	(14)	228
Malaysia	3	2	2	(0)	4
Mexico	0	0	0	(0)	7
Monaco	(10)	(16)	(16)	5	13
Netherlands	1	0	0	(0)	10
Poland	0	(1)	(1)	0	5
Portugal	(0)	6	6	(1)	739
Czech Republic	0	0	0	0	2
Romania	(0)	1	1	0	0
Russia	4	(0)	(0)	(0)	33
Singapore	93	(138)	(142)	17	229
Sweden	0	0	0	(0)	1
Switzerland	6	2	2	(0)	19
Taiwan	7	3	2	(0)	18
Uruguay	1	0	0	(0)	2
	7,306	739	439	(204)	16,943

Note 17 Comparative consolidation scope

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 %		31/12/2019 %		Country
			Control	Ownership	Control	Ownership	
CORPORATE & INVESTMENT BANKING							
NATIXIS Pfandbriefbank AG	Credit institution	FC	100	100	100	100	Germany
Azure Capital Holdings Pty Ltd (u)	M&A and Financial advisory services	FC	53	53	52	52	Australia
Azure Capital Securities Pty Ltd (u)	Fund management and Equity Capital Markets	FC	53	53	52	52	Australia
The Azure Capital Trust (u)	Holding company	FC	53	53	52	52	Australia
Azure Capital Limited (u)	Holding company	FC	53	53	52	52	Australia
NATIXIS AUSTRALIA PTY Ltd	Fin. Institution	FC	100	100	100	100	Australia
Saudi Arabia Investment Company	Fin. Institution	FC	100	100	100	100	Saudi Arabia
NATIXIS BELGIQUE INVESTISSEMENTS	Investment company	FC	100	100	100	100	Belgium
EDF GROUP INVESTMENT (r)	Investment company	EM	8	8	6	6	Belgium
Vermilion (Beijing) Advisory Company Limited	M&A and Financial advisory services	FC	51	51	51	51	China
TREZ COMMERCIAL FINANCES LIMITED PARTNERSHIP (b)	Real-estate finance				100	100	Canada
Natixis Partners Iberia, S.A.*	M&A and Financial advisory services	FC	80	80	80	80	Spain
NATIXIS NORTH AMERICA LLC	Holding company	FC	100	100	100	100	United States
Peter J. Solomon Company LP	M&A and Financial advisory services	FC	51	51	51	51	United States
Peter J. Solomon Securities Company LLC	Brokerage	FC	51	51	51	51	United States
NATIXIS FUNDING CORP	Other financial company	FC	100	100	100	100	United States
Versailles	Securitization vehicle	FC	100	0	100	0	United States
Bleachers finance	Securitization vehicle	FC	100	0	100	0	United States
NATIXIS SECURITIES AMERICAS LLC	Brokerage	FC	100	100	100	100	United States
NATIXIS FINANCIAL PRODUCTS LLC	Derivatives transactions	FC	100	100	100	100	United States
NATIXIS REAL ESTATE HOLDINGS LLC	Real-estate finance	FC	100	100	100	100	United States
NATIXIS REAL ESTATE CAPITAL LLC	Real-estate finance	FC	100	100	100	100	United States
CM REO HOLDINGS TRUST	Secondary markets finance	FC	100	100	100	100	United States
CM REO TRUST	Secondary markets finance	FC	100	100	100	100	United States
MSR TRUST	Real-estate finance	FC	100	100	100	100	United States
Natixis US MTN Program LLC	Issuing vehicle	FC	100	100	100	100	United States
NATIXIS S.A.	Credit institution	FC	100	100	100	100	France
NATIXIS FUNDING**	Market making on secondary debt market	FC	100	100	100	100	France
NATIXIS IMMO DEVELOPPEMENT	Residential real estate development	FC	100	100	100	100	France
CONTANGO TRADING S.A.	Brokerage company	FC	100	100	100	100	France
Natixis Partners	M&A and Financial advisory services	FC	100	100	100	100	France
FCT Liquidité Short 1	Securitization vehicle	FC	100	100	100	100	France
EOLE Collateral	Securitization vehicle	FC	100	100	100	100	France
SPG	Mutual fund	FC	100	100	100	100	France
NATIXIS MARCO	Investment company – (extension of activity)	FC	100	100	100	100	France
NATIXIS INNOV	Holding company	FC	100	100	100	100	France
Investima 77	Holding company	FC	100	100	100	100	France
Natixis Alternative Holding Limited	Holding company	FC	100	100	100	100	United Kingdom
Fenchurch Partners LLP	M&A and Financial advisory services	FC	51	51	51	51	United Kingdom
Vermilion Partners (UK) Limited	Holding company	FC	51	51	51	51	United Kingdom
Vermilion Partners LLP	M&A and Financial advisory services	FC	51	51	51	51	United Kingdom
NATIXIS ASIA LTD	Other financial company	FC	100	100	100	100	Hong Kong
Natixis Holdings (Hong Kong) Limited	Holding company	FC	100	100	100	100	Hong Kong
Vermilion Partners (Holdings) Limited	Holding company	FC	51	51	51	51	Hong Kong
Vermilion Partners Limited	Holding company	FC	51	51	51	51	Hong Kong
NATINIUM FINANCIAL PRODUCTS	Securitization vehicle	FC	100	100	100	100	Ireland
DF EFG3 Limited	Holding company	FC	100	100	100	100	Cayman Islands
NATIXIS JAPAN SECURITIES CO, Ltd	Fin. Institution	FC	100	100	100	100	Japan
NATIXIS STRUCTURED PRODUCTS LTD	Issuing vehicle	FC	100	100	100	100	Jersey
NATIXIS TRUST	Holding company	FC	100	100	100	100	Luxembourg
NATIXIS REAL ESTATE FEEDER SARL	Investment company	FC	100	100	100	100	Luxembourg
NATIXIS ALTERNATIVE ASSETS	Holding company	FC	100	100	100	100	Luxembourg
NATIXIS STRUCTURED ISSUANCE	Issuing vehicle	FC	100	100	100	100	Luxembourg
Natixis Bank JSC, Moscow	Bank	FC	100	100	100	100	Russia
Branches							
NATIXIS Zweigniederlassung Deutschland	Fin. Institution	FC	100	100	100	100	Germany
NATIXIS CANADA	Fin. Institution	FC	100	100	100	100	Canada
NATIXIS SHANGHAI	Fin. Institution	FC	100	100	100	100	China
NATIXIS BEIJING	Fin. Institution	FC	100	100	100	100	China
NATIXIS DUBAI	Fin. Institution	FC	100	100	100	100	United Arab Emirates
NATIXIS NEW YORK	Fin. Institution	FC	100	100	100	100	United States
NATIXIS MADRID	Fin. Institution	FC	100	100	100	100	Spain

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	31/12/2020 % Ownership	31/12/2019 % Control	31/12/2019 % Ownership	Country
NATIXIS LONDON	Fin. Institution	FC	100	100	100	100	United Kingdom
NATIXIS HONG KONG	Fin. Institution	FC	100	100	100	100	Hong Kong
NATIXIS GRAND CAYMAN (x)	Fin. Institution				100	100	Cayman Islands
NATIXIS MILAN	Fin. Institution	FC	100	100	100	100	Italy
NATIXIS TOKYO	Fin. Institution	FC	100	100	100	100	Japan
NATIXIS LABUAN	Fin. Institution	FC	100	100	100	100	Malaysia
NATIXIS PORTO	Fin. Institution	FC	100	100	100	100	Portugal
NATIXIS SINGAPORE	Fin. Institution	FC	100	100	100	100	Singapore
NATIXIS TAIWAN	Fin. Institution	FC	100	100	100	100	Taiwan
Film industry financing							
NATIXIS COFICINE**	Finance company (audiovisual)	FC	100	100	100	100	France
ASSET & WEALTH MANAGEMENT							
Asset Management							
Natixis Investment Managers							
AEW Invest Gmbh	Distribution	FC	60	60	60	60	Germany
Natixis Investment Managers Australia Pty Limited	Distribution	FC	100	100	100	100	Australia
Investors Mutual Limited	Asset Management	FC	52	52	52	52	Australia
Natixis IM Canada Holdings Ltd	Holding company	FC	100	100	100	100	Canada
Natixis Investment Managers Korea Limited	Distribution	FC	100	100	100	100	South Korea
AEW CAPITAL MANAGEMENT, INC.	Asset Management	FC	100	100	100	100	United States
AEW CAPITAL MANAGEMENT, LP	Asset Management	FC	100	100	100	100	United States
AEW PARTNERS V, INC.	Asset Management	FC	100	100	100	100	United States
AEW PARTNERS VI, INC.	Asset Management	FC	100	100	100	100	United States
AEW PARTNERS VII, INC.	Asset Management	FC	100	100	100	100	United States
AEW REAL ESTATE ADVISORS, INC.	Asset Management	FC	100	100	100	100	United States
AEW SENIOR HOUSING INVESTORS INC.	Asset Management	FC	100	100	100	100	United States
AEW SENIOR HOUSING INVESTORS II INC.	Asset Management	FC	100	100	100	100	United States
AEW Value Investors Asia II GP Limited	Asset Management	FC	100	100	100	100	Jersey
AEW VIA INVESTORS, LTD	Asset Management	FC	100	100	100	100	Cayman Islands
AEW Partners Real Estate Fund VIII LLC	Asset Management	FC	100	100	100	100	United States
AEW Senior Housing Investors III LLC	Asset Management	FC	100	100	100	100	United States
AEW Senior Housing Investors IV LLC	Asset Management	FC	100	100	100	100	United States
AEW Partners Real Estate Fund IX, LLC	Asset Management	FC	100	100	100	100	United States
Seaport Strategic Property Program I Co-Investors, LLC (ee)	Asset Management	FC	100	100			United States
ALPHASIMPLEX GROUP LLC	Asset Management	FC	100	100	100	100	United States
ALTERNATIVE STRATEGIES GROUP LLC (g)	Holding company				100	100	United States
AURORA INVESTMENT MANAGEMENT LLC	Asset Management	FC	100	100	100	100	United States
CASPIAN CAPITAL MANAGEMENT, LLC	Asset Management	FC	100	100	100	100	United States
CREA WESTERN INVESTORS I, INC. (x)	Asset Management				100	100	United States
EPI SLP LLC	Asset Management	FC	60	60	60	60	United States
EPI SO SLP LLC	Asset Management	FC	60	60	60	60	United States
GATEWAY INVESTMENT ADVISERS, LLC	Asset Management	FC	100	100	100	100	United States
HARRIS ALTERNATIVES HOLDING INC.	Holding company	FC	100	100	100	100	United States
HARRIS ASSOCIATES LP	Asset Management	FC	100	100	100	100	United States
HARRIS ASSOCIATES SECURITIES, LP	Distribution	FC	100	100	100	100	United States
HARRIS ASSOCIATES, INC.	Asset Management	FC	100	100	100	100	United States
LOOMIS SAYLES & COMPANY, INC.	Asset Management	FC	100	100	100	100	United States
LOOMIS SAYLES & COMPANY, LP	Asset Management	FC	100	100	100	100	United States
LOOMIS SAYLES ALPHA, LLC.	Asset Management	FC	100	100	100	100	United States
LOOMIS SAYLES DISTRIBUTORS, INC.	Distribution	FC	100	100	100	100	United States
LOOMIS SAYLES DISTRIBUTORS, LP	Distribution	FC	100	100	100	100	United States
LOOMIS SAYLES SOLUTIONS, LLC (x)	Asset Management				100	100	United States
LOOMIS SAYLES TRUST COMPANY, LLC	Asset Management	FC	100	100	100	100	United States
Loomis Sayles Operating Services, LLC (m)	Asset Management	FC	100	100			United States
Ostrum AM US LLC (ex-NAM US)	Asset Management	FC	100	100	100	100	United States
NATIXIS ASG HOLDINGS, INC.	Distribution	FC	100	100	100	100	United States
Flexstone Partners LLC (formerly Caspian Private Equity, LLC)	Asset Management	FC	84	84	84	84	United States
NATIXIS INVESTMENT MANAGERS HOLDINGS, LLC (f)	Holding company				100	100	United States
NATIXIS INVESTMENT MANAGERS, LLC (d)	Holding company				100	100	United States
Natixis Investment Managers, LLC (formerly NATIXIS INVESTMENT MANAGERS, LP) (e)*	Holding company	FC	100	100	100	100	United States
Natixis Advisors, LP	Distribution	FC	100	100	100	100	United States
Natixis Distribution Corporation	Distribution	FC	100	100	100	100	United States
Natixis Distribution, LP	Distribution	FC	100	100	100	100	United States
NATIXIS INVESTMENT MANAGERS INTERNATIONAL, LLC	Distribution	FC	100	100	100	100	United States
VAUGHAN NELSON INVESTMENT MANAGEMENT, INC.	Asset Management	FC	100	100	100	100	United States
VAUGHAN NELSON INVESTMENT MANAGEMENT, LP	Asset Management	FC	100	100	100	100	United States

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	 Ownership	31/12/2019 % Control	 Ownership	Country
Mirova US LLC	Asset Management	FC	100	100	100	100	United States
NATIXIS IM INNOVATION (FORMERLY AEW CO-INVEST)	Asset Management	FC	100	100	100	100	France
AEW S.A.	Asset Management	FC	60	60	60	60	France
AEW CILOGER	Real-estate management	FC	60	60	60	60	France
ALLIANCE ENTREPRENDRE	Asset Management	FC	100	100	100	100	France
DARIUS CAPITAL CONSEIL*	Investment advisory services	FC	70	70	70	70	France
DNCA Courtage (h) (y)	Asset Management				92	79	France
DNCA Finance (h)	Asset Management	FC	100	85	92	79	France
DNCA Management (h) (z)	Asset Management				72	72	France
Dorval Asset Management* (j)	Asset Management	FC	89	89	55	55	France
Flexstone Partners SAS	Asset Management	FC	84	84	84	84	France
Mirova	Management of venture capital mutual funds	FC	100	100	100	100	France
Natixis Investment Managers International	Distribution	FC	100	100	100	100	France
Ostrum AM (New) (t)	Asset Management	FC	55	55	100	100	France
Natixis TradEx Solutions (formerly Natixis Asset Management Finance)	Holding company	FC	100	100	100	100	France
NATIXIS FORMATION ÉPARGNE FINANCIÈRE	Holding company	FC	100	100	100	100	France
NATIXIS INVESTMENT MANAGERS	Holding company	FC	100	100	100	100	France
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 1	Holding company	FC	100	100	100	100	France
NATIXIS INVESTMENT MANAGERS PARTICIPATIONS 3	Holding company	FC	100	100	100	100	France
NAXICAP PARTNERS	Management of venture capital mutual funds	FC	100	100	100	100	France
OSSIAM	Asset Management	FC	75	75	75	75	France
SEVENTURE PARTNERS	Asset Management	FC	59	59	59	59	France
SEEYOND	Asset Management	FC	100	100	100	100	France
MV Credit France	Holding company	FC	100	100	100	100	France
H2O AM Europe	Asset Management	FC	50	50	50	50	France
Thematics Asset Management (q)	Asset Management	FC	50	50	50	40	France
Vauban Infrastructure Partners (i)	Asset Management	FC	61	61	81	81	France
AEW EUROPE ADVISORY LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW EUROPE CC LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW EUROPE HOLDING LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW EUROPE INVESTMENT LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW EUROPE LLP	Asset Management	FC	60	60	60	60	United Kingdom
AEW EUROPE PARTNERSHIP	Asset Management	FC	60	60	60	60	United Kingdom
AEW GLOBAL ADVISORS (EUROPE) LTD	Asset Management	FC	100	100	100	100	United Kingdom
AEW GLOBAL LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW GLOBAL UK LTD	Asset Management	FC	60	60	60	60	United Kingdom
AEW UK INVESTMENT MANAGEMENT LLP	Asset Management	EM	50	30	50	30	United Kingdom
AEW Promote LP Ltd	Asset Management	FC	100	60	100	60	United Kingdom
H2O Asset Management LLP	Asset Management	FC	50	50	50	50	United Kingdom
H2O Asset Management Corporate member	Asset Management	FC	50	50	50	50	United Kingdom
LOOMIS SAYLES INVESTMENTS LTD (UK)	Asset Management	FC	100	100	100	100	United Kingdom
NATIXIS INVESTMENT MANAGERS UK LTD	Distribution	FC	100	100	100	100	United Kingdom
Mirova Natural Capital Limited (formerly Mirova-Althelia Limited)	Asset Management	FC	100	100	100	100	United Kingdom
MV Credit Limited	Asset Management	FC	100	100	100	100	United Kingdom
MV Credit LLP	Asset Management	FC	100	100	100	100	United Kingdom
Arctic Blue Capital Ltd (x)	Asset Management				50	29	United Kingdom
AEW ASIA LIMITED	Asset Management	FC	100	100	100	100	Hong Kong
NATIXIS INVESTMENT MANAGERS HONG KONG LIMITED	Asset Management	FC	100	100	100	100	Hong Kong
Poincaré Holdings Ltd	Asset Management	FC	50	25	50	25	Hong Kong
Poincaré Capital Management Ltd	Asset Management	FC	50	25	50	25	Hong Kong
Natixis Investment Managers International Hong Kong Limited (formerly Ostrum AM Hong Kong Ltd)*	Asset Management	FC	100	100	100	100	Hong Kong
PURPLE FINANCE CLO 1	Securitization vehicle	FC	89	89	89	89	Ireland
PURPLE FINANCE CLO 2	Securitization vehicle	FC	100	100	71	71	Ireland
Arctic Blue Capital Management Ltd (x)	Asset Management				50	29	Cayman Islands
Asahi Natixis Investment Managers Co. Ltd*	Distribution	EM	49	49	49	49	Japan
NATIXIS INVESTMENT MANAGERS JAPAN CO., LTD	Asset Management	FC	100	100	100	100	Japan
AEW Japan Corporation	Asset Management	FC	100	100	100	100	Japan
AEW Value Investors Asia III GP Limited	Asset Management	FC	100	100	100	100	JERSEY
AEW EUROPE SARL (formerly AEW Luxembourg)	Asset Management	FC	60	60	60	60	Luxembourg
AEW EUROPE GLOBAL LUX	Asset Management	FC	100	60	100	60	Luxembourg
H2O Asset Management HOLDING	Asset Management	FC	50	50	50	50	Luxembourg
KENNEDY FINANCEMENT Luxembourg	Investment company – Asset Management	FC	100	100	100	100	Luxembourg
KENNEDY FINANCEMENT LUXEMBOURG 2	Central corporate treasury – Asset Management	FC	100	100	100	100	Luxembourg
Loomis Sayles Alpha Luxembourg, LLC (cc)	Asset Management	FC	100	100			Luxembourg

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	31/12/2020 % Ownership	31/12/2019 % Control	31/12/2019 % Ownership	Country
NATIXIS INVESTMENT MANAGERS S.A.	Distribution	FC	100	100	100	100	Luxembourg
DNCA Luxembourg (h) (y)	Asset Management				92	79	Luxembourg
MV Credit SARL	Asset Management	FC	100	100	100	100	Luxembourg
Thematics Meta Fund (b)	Asset Management				42	42	Luxembourg
Thematics AI and Robotics Fund (k) (aa)	Asset Management				47	47	Luxembourg
Thematics Subscription Economy Fund (bb)	Asset Management	FC	57	57			Luxembourg
Natixis IM Mexico, S. de RL de CV	Asset Management	FC	100	100	100	100	Mexico
H2O AM Monaco SAM	Asset Management	FC	50	50	50	50	Monaco
Prometheus Wealth Management SAM	Asset Management	FC	50	25	50	25	Monaco
AEW CENTRAL EUROPE	Asset Management	FC	60	60	60	60	Poland
Natixis Investment Managers Singapore Limited (formerly Ostrum AM Asia Ltd)*	Asset Management	FC	100	100	100	100	Singapore
AEW Asia Pte Ltd	Asset Management	FC	100	100	100	100	Singapore
LOOMIS SAYLES INVESTMENTS ASIA Pte Ltd	Asset Management	FC	100	100	100	100	Singapore
H2O AM Asia Pte Ltd	Asset Management	FC	50	50	50	50	Singapore
Flexstone Partners SARL (ex-Euro Private Equity)	Asset Management	FC	84	84	84	84	Switzerland
Natixis Investment Managers Switzerland Sarl	Asset Management	FC	100	100	100	100	Switzerland
NATIXIS INVESTMENT MANAGERS SECURITIES INVESTMENT CONSULTING Co. LTD	Asset Management	FC	100	100	100	100	Taiwan
Natixis Investment Managers Uruguay S.A.	Distribution	FC	100	100	100	100	Uruguay
Branches							
Natixis Investment Managers S.A., Zweignierderlaasung Deutschland	Distribution	FC	100	100	100	100	Germany
AEW Asia Limited Australian Branch	Asset Management	FC	100	100	100	100	Australia
Natixis Investment Managers S.A., Belgian Branch (p)	Distribution	FC	100	100			Belgium
Natixis Investment Managers Middle East	Distribution	FC	100	100	100	100	United Arab Emirates
Natixis Investment Managers Spanish Branch	Distribution	FC	100	100	100	100	Spain
AEW Europe LLP Spanish Branch	Distribution	FC	100	60	100	60	Spain
Mirova Natural Capital Limited, France office (formerly Mirova-Althelia Limited, France office)	Asset Management	FC	100	100	100	100	France
AEW Ciloger Italian Branch	Distribution	FC	60	60	60	60	Italy
Natixis Investment Managers S.A., Italian Branch	Distribution	FC	100	100	100	100	Italy
DNCA Finance Milan branch (h)	Asset Management	FC	100	85	92	79	Italy
DNCA Finance Luxembourg branch (dd)	Asset Management	FC	100	85			Luxembourg
Natixis Investment Managers, Nederlands	Distribution	FC	100	100	100	100	Netherlands
Loomis Sayles & Company, LP, Dutch Branch (cc)	Distribution	FC	100	100			Netherlands
AEW Central Europe Czech	Distribution	FC	60	60	60	60	Czech Republic
AEW Central Europe Romania (x)	Distribution				60	60	Romania
Natixis Investment Managers, Nordics filial	Distribution	FC	100	100	100	100	Sweden
Other entities							
Natixis Investment Managers US Holdings, LLC (formerly NATIXIS US HOLDINGS Inc) (c)*	Holding company	FC	100	100	100	100	United States
PRIVATE EQUITY – THIRD-PARTY ASSET MANAGEMENT							
NATIXIS Private Equity	Private Equity	FC	100	100	100	100	France
DAHLIA A SICAR SCA	Private Equity	FC	100	100	100	100	Luxembourg
Wealth Management							
NATIXIS Wealth Management Luxembourg	Bank	FC	100	100	100	100	Luxembourg
Natixis Wealth Management							
Natixis Wealth Management**	Credit institution	FC	100	100	100	100	France
VEGA INVESTMENT MANAGERS	Mutual fund holding company	FC	100	100	100	100	France
1818 IMMOBILIER	Real estate operations	FC	100	100	100	100	France
TEORA (s)	Insurance brokerage firm	FC	100	100			France
Massena Partners S.A.	Asset Management and investment advisory services	FC	98	98	98	98	Luxembourg
Massena Wealth Management SARL	Asset Management and investment advisory services	FC	98	98	98	98	Luxembourg
BRANCHES							
Massena Partners – Branch	Asset Management and investment advisory services	FC	98	98	98	98	France
Employee Savings Scheme							
NATIXIS INTERÉPARGNE**	Employee savings plan management	FC	100	100	100	100	France

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	31/12/2020 % Ownership	31/12/2019 % Control	31/12/2019 % Ownership	Country
INSURANCE							
NATIXIS ASSURANCES	Insurance company holding company	FC	100	100	100	100	France
NATIXIS LIFE	Life insurance	FC	100	100	100	100	Luxembourg
BPCE IARD (formerly ASSURANCES Banque Populaire IARD)	Insurance for damage to property	EM	50	50	50	50	France
BPCE Prévoyance (formerly ABP PRÉVOYANCE)	Personal protection insurance	FC	100	100	100	100	France
ADIR	Insurance for damage to property	EM	34	34	34	34	Lebanon
FRUCTIFONCIER	Insurance real estate investments	FC	100	100	100	100	France
BPCE Vie (formerly ABP VIE)	Insurance	FC	100	100	100	100	France
REAUMUR ACTIONS (formerly ABP DIVERSIFIE)	Insurance investment mutual fund	FC	100	100	100	100	France
NAMI INVESTMENT	Insurance real estate investments	FC	100	100	100	100	France
ECUREUIL VIE DÉVELOPPEMENT	Insurance	EM	51	51	51	51	France
BPCE RELATION ASSURANCES	Service provider	FC	100	100	100	100	France
SCI DUO PARIS	Real-estate management	EM	50	50	50	50	France
FONDS TULIP	Insurance investments (Securitization funds)	FC	100	100	100	100	France
FCT NA Financement de l'économie – compartiment Immocorp II	Insurance investments (Securitization funds)	FC	100	100	100	100	France
AAA ACTIONS AGRO ALIMENTAIRE	Insurance investment mutual fund	FC	37	37	42	42	France
SCPI IMMOB ÉVOLUTIF (FORMERLY FRUCTIFONDS IMMOBILIER)	Insurance real estate investments	FC	50	50	51	51	France
OPCI FranceUROPE IMMO	Insurance investment mutual fund	FC	55	55	53	53	France
SELECTIZ	Insurance investment mutual fund	FC	56	56	55	55	France
SELECTION PROTECTION 85	Insurance investment mutual fund				28	28	France
SELECTIZ PLUS FCP 4DEC	Insurance investment mutual fund	FC	54	54	53	53	France
ALLOCATION PILOTÉE ÉQUILIBRE C	Insurance investment mutual fund	FC	43	43	40	40	France
MIROVA EUROPE ENVIRONNEMENT C	Insurance investment mutual fund	FC	36	36	34	34	France
BPCE ASSURANCES	Insurance company	FC	100	100	100	100	France
BPCE APS	Service provider	FC	53	53	53	53	France
Branches							
NATIXIS LIFE	Life insurance	FC	100	100	100	100	France
PAYMENTS							
Payments							
NATIXIS PAYMENT SOLUTIONS**	Banking services	FC	100	100	100	100	France
NATIXIS INTERTITRES	Service vouchers offers	FC	100	100	100	100	France
NATIXIS PAIEMENT HOLDING	Holding company	FC	100	100	100	100	France
ALTER CE (COMITÉO)	Online service for Central works councils	FC	70	70	70	70	France
TITRES CADEAUX	Service vouchers offers	FC	100	100	100	100	France
S-MONEY	Payment services	FC	100	100	100	100	France
LAKOOZ	Payment services	FC	100	100	100	100	France
PAYPLUG	Payment services	FC	99	99	99	99	France
DALENYS group							
DALENYS S.A.	Holding company	FC	100	100	100	100	Belgium
DALENYS INTERNATIONAL (formerly RENTABILIWEB INTERNATIONAL)*	Holding company	FC	100	100	100	100	Netherlands
DALENYS FINANCE (formerly RENTABILIWEB FINANCE)*	Holding company	FC	100	100	100	100	Netherlands
DALENYS PAYMENT	Payment services	FC	100	100	100	100	France
DALENYS SERVICES (formerly RENTABILIWEB SERVICES)*	Internal services provider	FC	100	100	100	100	France
DALENYS MARKETING (formerly RENTABILIWEB MARKETING)*	Online service	FC	100	100	100	100	France
DALENYS TECHNOLOGIES (formerly RENTABILIWEB TECHNOLOGIES)*	Online service	FC	100	100	100	100	France
RECOMMERCE	Online service	FC	100	100	100	100	France
RENTABILIWEB (23)	Online service				100	100	Romania
COFACE							
Coface groupCoface group							
Coface S.A. (a)	Holding company	EM	42	42	42	42	France
Coface EUROPE (a)	Credit insurance and related services	EM	42	42	42	42	France
Coface RE (a)	Reinsurance	EM	42	42	42	42	Switzerland
BUSINESS DATA INFORMATION (a)	Marketing and other services	EM	42	42	42	42	Israel
COFACE BELGIUM SERVICES (a)	Business and solvency data	EM	42	42	42	42	Belgium
COFACE CHILE S.A. (a)	Insurance	EM	42	42	42	42	Chile
COFACE DEBITOREN (a)	Receivables management and data	EM	42	42	42	42	Germany
COFACE DO BRASIL SEGUROS DE CREDITO (a)	Credit insurance and related services	EM	42	42	42	42	Brazil
COFACE FINANZ (a)	Factoring	EM	42	42	42	42	Germany
COFACE HOLDING AMERICA LATINA (a)	Financial data	EM	42	42	42	42	Mexico
COFACE HOLDING ISRAEL (a)	Holding company	EM	42	42	42	42	Israel
COFACE ITALIA (a)	Holding company	EM	42	42	42	42	Italy
COFACE NEDERLAND SERVICES (a)	Receivables management and data	EM	42	42	42	42	Netherlands
COFACE NORTH AMERICA (a)	Credit insurance and related services	EM	42	42	42	42	United States

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	31/12/2020 % Ownership	31/12/2019 % Control	31/12/2019 % Ownership	Country
COFACE NORTH AMERICA HOLDING COMPANY [(a)]	Holding company	EM	42	42	42	42	United States
COFACE NORTH AMERICA INSURANCE COMPANY [(a)]	Credit insurance and related services	EM	42	42	42	42	United States
COFACE POLAND CMS [(a)]	Financial data	EM	42	42	42	42	Poland
COFACE POLAND FACTORING [(a)]	Factoring	EM	42	42	42	42	Poland
COFACE SERVICES AUSTRIA [(a)]	Receivables management and data	EM	42	42	42	42	Austria
COFACE SERVICES NORTH AMERICA GROUP [(a)]	Holding company	EM	42	42	42	42	United States
COFACE SERVICIOS ESPANA SL [(a)]	Receivables management and data	EM	42	42	42	42	Spain
COFACE UK HOLDING [(a)]	Holding company	EM	42	42	42	42	United Kingdom
COFACE ROMANIA CMS [(a)]	Insurance	EM	42	42	42	42	Romania
COFACE RUS INSURANCE COMPANY [(a)]	Credit insurance	EM	42	42	42	42	Russia
COFACE SEGURO DE CREDITO MEXICO [(a)]	Insurance	EM	42	42	42	42	Mexico
COFACE SIGORTA TURKEY [(a)]	Insurance	EM	42	42	42	42	Turkey
COFACE SOUTH AFRICA [(a)]	Insurance	EM	42	42	42	42	South Africa
COFACE SOUTH AFRICA SERVICES [(a)]	Insurance	EM	42	42	42	42	South Africa
COFACE UK SERVICES LTD [(a)]	Receivables management and data	EM	42	42	42	42	United Kingdom
COFACE RATING HOLDING [(a)]	Receivables management and data	EM	42	42	42	42	Germany
COFACE RATING.DE [(a)]	Receivables management and data	EM	42	42	42	42	Germany
COFINPAR [(a)]	Credit insurance and related services	EM	42	42	42	42	France
COGERI [(a)]	Receivables management and data	EM	42	42	42	42	France
FIMIPAR** [(a)]	Buyback of receivables	EM	42	42	42	42	France
COFACE CENTRAL EUROPE HOLDING [(a)]	Holding company	EM	42	42	42	42	Austria
Kisselberg [(a)]	Insurance	EM	42	42	42	42	Germany
Colombes Fund [(a)]	Mutual funds	EM	42	42	42	42	France
Lausanne Fund [(a)]	Mutual funds	EM	42	42	42	42	Switzerland
SEGURO BRASILEIRA CE [(a) (o)]	Credit insurance and related services				42	42	Brazil
VEGA FCT [(a)]	Securitization fund	EM	42	42	42	42	France
COFACE GK Forsikring AS (14) [(a)]	Credit insurance	EM	42	42			Norway
BRANCHES							
COFACE SVERIGE – SUCC (COFACE KREDIT) [(a)]	Insurance	EM	42	42	42	42	Sweden
COFACE IRELAND – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Ireland
COFACE UK – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	United Kingdom
COFACE BELGIUM – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Belgium
COFACE PORTUGAL – SUCC (COFACE Europe) [(a)]	Credit insurance and related services	EM	42	42	42	42	Portugal
COFACE IBERICA – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Spain
COFACE SWITZERLAND – SUCC (COFACE S.A.) [(a)]	Insurance	EM	42	42	42	42	Switzerland
COFACE ISRAEL [(a)]	Credit insurance	EM	42	42	42	42	Israel
COFACE NEDERLAND – SUCC (COFACE KREDIT) [(a)]	Insurance	EM	42	42	42	42	Netherlands
COFACE DANMARK-SUCC (COFACE KREDIT) [(a)]	Insurance	EM	42	42	42	42	Denmark
COFACE ARGENTINA – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Argentina
COFACE CHILE -SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Chile
COFACE CANADA – SUCC (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Canada
COFACE HUNGARY – SUCC (COFACE AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Hungary
COFACE POLAND – SUCC (COFACE AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Poland
LEID – SUCC (Coface AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Lithuania
COFACE ROMANIA INSURANCE – BRANCH (COFACE AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Romania
COFACE TECHNOLOGIE – ROMANIA [(a)]	Data services	EM	42	42	42	42	Romania
COFACE CZECH INSURANCE – BRANCH (COFACE AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Czech Republic
COFACE SLOVAKIA INSURANCE – BRANCH (COFACE AUSTRIA) [(a)]	Insurance	EM	42	42	42	42	Slovakia
COFACE PKZ [(a)]	Credit insurance	EM	42	42	42	42	Slovenia
COFACE JAPAN – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Japan
COFACE SINGAPOR – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Singapore
COFACE HONG KONG – BRANCH (COFACE EUROPE)	Credit insurance and related services	EM	42	42	42	42	Hong Kong
COFACE ECUADOR – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Ecuador
COFACE AUSTRALIA – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Australia
COFACE TAIWAN – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Taiwan
COFACE BULGARIA (Branch) [(a)]	Insurance	EM	42	42	42	42	Bulgaria
COFACE ASSICURAZIONI SPA [(a)]	Credit insurance and related services	EM	42	42	42	42	Italy
COFACE AUSTRIA [(a)]	Holding company	EM	42	42	42	42	Austria
COFACE DEUTSCHLAND [(a)]	Credit insurance and related services	EM	42	42	42	42	Germany
COFACE GREECE – BRANCH (COFACE EUROPE) [(a)]	Credit insurance and related services	EM	42	42	42	42	Greece

Business lines Consolidated subsidiaries	Activity	Consolidation method at December 31, 2020	31/12/2020 % Control	31/12/2020 % Ownership	31/12/2019 % Control	31/12/2019 % Ownership	Country
CORPORATE CENTER							
NATIXIS ALGERIE	Bank	FC	100	100	100	100	Algeria
Naléa	Securitization vehicle	FC	100	100	100	100	France
SCI ALTAIR 1	Real estate operations	FC	100	100	100	100	France
SCI ALTAIR 2	Real estate operations	FC	100	100	100	100	France
NATIXIS IMMO EXPLOITATION	Real estate operations	FC	100	100	100	100	France
FONCIERE KUPKA	Real estate operations	FC	100	100	100	100	France
NATIXIS FONCIÈRE S.A. (formerly SPAFICA)	Real estate investments	FC	100	100	100	100	France

Change in registered company name in 2020.
** *French subsidiaries whose individual prudential oversight is performed based on Group consolidated ratios in accordance with Article 7 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 relative to regulatory requirements applicable to credit institutions and investment firms.*
(a) *Entity treated as an associate following the announcement on February 25, 2020 of the signing of a memorandum of understanding for the sale of the 29.5% stake in Coface*
(b) *Entity deconsolidated in the second quarter of 2020 after the percentage interest fell below eligible levels.*
(c) *In the first quarter of 2020, NIM simplified the organizational structure of the AM holding companies in the United States. As part of this transaction, Natixis US Holdings, Inc. was transformed into a limited liability company (LLC), then renamed Natixis Investment Managers US Holdings, LLC.*
(d) *Entity absorbed by Natixis Investment Managers US Holdings, LLC on January 1, 2020.*
(e) *In the first quarter of 2020, NIM simplified the organizational structure of the AM holding companies in the United States. As part of this transaction, NATIXIS INVESTMENT MANAGERS, LP was transformed into a limited liability company (LLC), then renamed Natixis Investment Managers, LLC.*
(f) *Entity absorbed by Natixis Investment Managers, LLC on January 1, 2020.*
(g) *Entity absorbed by NATIXIS ASG HOLDINGS, INC on March 15, 2020.*
(h) *During second quarter of 2020, DNCA managers exercised the put options on a portion of their DNCA Finance and DNCA Management shares within the buyback window scheduled for 2020. Following these transactions, Natixis IM's ownership stake in DNCA Finance and its subsidiaries reached 85%, while the stake in DNCA Management reached 100%.*
(i) *Vauban IP was cofounded in late 2019 by its partner-managers (who owned 18.6% of the capital) and Natixis IM (owing 81.4% of the capital) as a spin-off of Mirova's Infrastructure business. During the first quarter of 2020, the share held by the partner-managers grew by 20%, reaching the target ownership structure of the transaction. This lowered Natixis IM's share in Vauban from 81.4% to 61.4%.*
(j) *Dorval Finance: the structure's managers exercised their put options and redeemed shares at the end of the first quarter of 2020. Following these transactions, Natixis IM's ownership stake and control of Dorval became 88.72%.*
(k) *During the first half of 2020, some of the seed money invested in the Thematics AI and Robotics fund was redeemed. As a result, Natixis IM's share of that fund became 31% as of 30/06/2020.*
(l) *Deconsolidated entity as of the first quarter of 2020 after the fund matured.*
(m) *Entity recently created and consolidated in the second quarter of 2020, for operational support of Asset Management activities (services, IT infrastructure).*
(n) *Acquisition of the entity in third quarter of 2020.*
(o) *Entity absorbed by Coface Do Brasil Seguros De Credito in the third quarter of 2020.*
(p) *In order to develop its distribution activity in Europe, the Luxembourg entity Natixis Investment Managers S.A. created a branch in Belgium which was consolidated in the third quarter of 2020.*
(q) *During the third quarter of 2020, the managers of Thematics AM exercised the put options on a portion of their shares, representing 10% of the share capital of Thematics AM, within the planned buyback window.*
(r) *The shareholding rate in EDF Investissement Groupe has risen from 6.1% to 7.5% following two capital reductions in the second half of 2020.*
(s) *Consolidation in the fourth quarter of 2020: Natixis Wealth Management will transfer its life insurance brokerage business to this subsidiary.*
(t) *In the fourth quarter of 2020, Ostrum AM's shareholding rate increased from 100% to 55% following the absorption of the activities of La Banque Postale Asset Management (LBPAM).*
(u) *The shareholding rate in Azure entities rose from 52.2% to 53.1% following the departure of two minority shareholders in the first and fourth quarter of 2020.*
(v) *The branch closed in the third quarter of 2020.*
(w) *Entity closed in the fourth quarter of 2020.*
(x) *Deconsolidation of the entity in the fourth quarter of 2020 following its liquidation.*
(y) *Deconsolidation in the fourth quarter of 2020 following absorption by DNCA Finance.*
(z) *Deconsolidation in the fourth quarter of 2020 following absorption by NIM P3 Finance.*
(aa) *Deconsolidation of the entity in the fourth quarter of 2020 after the percentage interest fell below eligible levels.*
(bb) *Consolidation in the fourth quarter of 2020 after thresholds were exceeded.*
(cc) *Consolidation of the entity in the fourth quarter of 2020 as part of the development of Loomis activities in Europe.*
(dd) *Entity consolidated in the fourth quarter of 2020, to accommodate the former activities of its subsidiary DNCA Luxembourg.*
(ee) *Entity created and consolidated in the fourth quarter of 2020 as part of the management of a new real estate fund in the United States.*

17.1 Non-consolidated entities at December 31, 2020

Information on entities that are exclusively controlled, jointly controlled or significantly influenced, and controlled structured entities that are not included in the consolidation scope, are available on the Natixis website at:

https://www.natixis.com/natixis/jcms/ala_5507/en/regulated-information-in-france

17.2 Non-consolidated investments at December 31, 2020

Non-consolidated equity investments at December 31, 2020 representing a fraction of the share capital greater than or equal to 10% and whose net book value is greater than or equal to €5 million are as follows:

Entities	Country	Share of capital held (a)	Amount of shareholders'equity *(in millions of euros)* (b)	Amount of net income *(in millions of euros)* (b)
EFG – HERMES HOLDING	EGYPT	13%	729	73
FIERA CAPITAL	CANADA	11%	348	(7)
CE DÉVELOPPEMENT	France	15%	100	2

(a) Directly or indirectly.
(b) Information on equity and income is that of the last fiscal year as adopted by the General Shareholders' Meeting (December 31, 2019).

In addition, the 25% stake in the share capital of US investment firm WCM Investment Management, which was not consolidated due to the absence of significant influence by Natixis, accounted for a total of €429 million at December 31, 2020 versus €279 million at December 31, 2019.

5.2 Statutory Auditors' report on the consolidated financial statements

Fiscal year ended December 31, 2020

To the General Shareholders' Meeting

Opinion

In compliance with the engagement entrusted to us by your General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of the Natixis Group for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group over the past fiscal year, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Statutory Auditors' responsibilities for the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2020 to the date of our report and in particular we did not provide any services that are prohibited under Article 5(1) of Regulation (EU) No. 537/2014 or under the French Code of Ethics (*code de déontologie*) for Statutory Auditors.

Observation

Without calling into question the opinion expressed above, we draw your attention to the point set out in Note 5.4 to the consolidated financial statements concerning the change in the presentation of option premiums.

Justification of assessments – Key audit matters

The global crisis related to the COVID-19 pandemic has created particular conditions for preparing and auditing the financial statements for this fiscal year. The crisis and the exceptional emergency health measures taken have had multiple consequences for companies, particularly in respect of their activity and financing and have caused increased uncertainties for their future outlook. Some of these measures, such as travel restrictions and remote working, have also had an effect on the internal organization of companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, in accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided to you to address these risks.

These assessments are made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Presentation and valuation of subsidiaries held for sale

Risk identified and main judgments

At December 31, 2020, the Natixis Group recognized two disposal transactions in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations":

- on February 25, 2020, with the signature of a sale agreement to Arch Capital concerning 29.5% of the share capital and voting rights of Coface;
- on November 5, 2020, with the announcement of negotiations regarding the sale of H2O, followed by the signing of the final memorandum of understanding on January 29, 2021.

The Natixis Group recorded the impacts of these disposals in its financial statements at December 31, 2020.

Pursuant to the provisions of IFRS 5, the assets and liabilities of these subsidiaries have been grouped together on a separate line of the balance sheet as assets and liabilities held for sale and have been valued in accordance with the applicable provisions, i.e. lower of their net carrying amount and fair value less costs to sell.

The estimated gains and losses on other assets have been recorded.

Given the importance of these disposals for the Natixis Group, we considered that their accounting treatment, as well as the information provided in this respect in the notes to the consolidated financial statements, was a key audit matter for fiscal year 2020.

In the case of Coface, the amount of non-current assets held for sale amounted to €446.3 million and the loss on disposal recognized was -€145.6 million, presented in gains and losses on other assets.

With regard to H2O, the amount of non-current assets and liabilities held for sale amounted to €281.5 million and €54.7 million respectively, and the estimated loss on disposal was -€47.6 million euros, presented in gains and losses on other assets.

Please refer to Notes 1.2.1, 1.2.2, 2.6, 5.8 and 6.9 to the consolidated financial statements for more details.

Our audit approach

We have reviewed the documentation relating to these transactions made available by Natixis. and assessed their accounting treatment as of December 31, 2020.

Our work consisted in:

- verifying that the proposed divestments did indeed meet the IFRS 5 criteria, enabling them to be classified as activities held for sale;
- examining the identification and presentation of all the components of the assets and liabilities held for sale under "Assets held for sale" and "Liabilities associated with assets held for sale", with regard to the following categories: IFRS 5 provisions;
- assessing the methods used to measure the fair value of assets and liabilities held for sale;
- verifying the estimate made by Natixis of the gains and losses on disposals less the estimated costs of the sale, as well as their recognition under gains and losses on other assets;
- lastly, assessing the appropriateness of the information provided on these transactions and their accounting treatment in the notes to the consolidated financial statements.

Impairment of customer loans and receivables (stages 1, 2 and 3)

Risk identified and main judgments

As part of its financing activities within the Corporate & Investment Banking division, Natixis is exposed to credit risk in respect of loans and receivables and financing commitments given to customers.

The COVID-19 pandemic has led to a health and economic crisis that is affecting borrowers' ability to repay their debts, with mixed situations depending on geographic regions and business sectors. In response to this crisis, each country deployed specific governmental measures (partial unemployment schemes, state-guaranteed loans, moratoriums, etc.).

In accordance with the "impairment" component of IFRS 9, Natixis recognizes impairment and provisions to cover expected credit losses on outstandings that reflect their classification in stage 1, 2 or 3. The stage that outstandings are assigned to depends on the increase in credit risk observed since their initial recognition. The deterioration of the credit risk during fiscal year 2020 was assessed on the basis of the quantitative criteria and qualitative criteria as indicated in Notes 1.4.2 and 5.3 to the consolidated financial statements.

Impairment for expected credit losses on stage 1 or 2 outstandings is the discounted sum of the product of the exposure at default (EAD), probability of default (PD) and loss given default (LGD) inputs in each projection year, including forward-looking information.

In the context of a pandemic marked by a high degree of uncertainty, Natixis made the following changes in 2020:

- an adjustment of the macroeconomic scenarios to take into account the effects of the health crisis on the calculation of the IFRS 9 provisioning parameters;
- a methodological refinement relating to the inclusion of the segment aspects in the assessment of credit risk.

Outstanding loans bearing a known counterparty risk (stage 3) are subject to impairments determined essentially on an individual basis. These impairments are measured based on the recoverable value of the receivable, i.e. the present value of the estimated recoverable future cash flows after taking the impact of any collateral into account.

We considered these impairments to be a key audit matter as it is an area where judgment plays a significant role in the preparation of the financial statements whether in terms of classifying outstanding loans in stage 1, 2 or 3, determining the inputs and procedures for impairment calculations in respect of outstandings in stages 1 and 2, and assessing the individual provisioning level of outstanding loans in stage 3.

Net exposures in respect of customer loans and receivables totaled €67,939 million at December 31, 2020. Provision for credit loss totaled €851 million at December 31, 2020.

Please refer to Notes 1.4, 5.1, 5.3, 5.22, 6.8, 7.6.2 and 10.2 to the consolidated financial statements for more details.

Our audit approach

Our work was adapted to take account of changes in risk and the increased degree of uncertainty. We appreciated the relevance of the internal Natixis control system and in particular its adaptation to the crisis.

Impairment of outstanding loans in stages 1 and 2

Our work mainly consisted in:

- assessing the Natixis control system covering:
  - the classification of outstandings in stage 1 or 2 according to the indicators used to define the significant deterioration in credit risk;
  - validation of internal models;
- assessing the appropriateness of the parameters used in the calculation of impairments at December 31, 2020, in particular the methodological changes and adjustments of the macroeconomic scenarios aimed at taking into account the effects of the COVID-19 pandemic;
- performing counter calculations on a sample of contracts.

Impairment of outstanding loans in stage 3

We evaluated the design and tested the effectiveness of the key controls put in place by the Natixis Group in particular those related to:

- the identification of indicators of impairment (such as past-due payments) and the counterparty rating process;
- the classification of exposures in stage 3;
- the monitoring of guarantees, their analysis and their valuation;
- the determination of individual impairment losses and the associated governance and validation system.

In addition, we carried out a credit review over a sample of files selected based on materiality and risk criteria, particularly files exposed to the business sectors most affected by the health crisis. In this review we:

- took note of the latest available information on the situation of counterparties whose risk has increased significantly;
- performed independent analyses of the assumptions used and the estimates of provisions drawn up by management based on information provided by the institution and external data;
- verified that estimated impairment allowances were correctly recognized.

As part of this work, we verified that the measures granted to customers in the context of the crisis (moratoriums, loans guaranteed by the State, etc.) had indeed been included in the risk assessment.

We also verified the information detailed in the notes on the impairment of customer loans and receivables, including those relating to credit risk.

Provisions for legal and compliance risks

Risk identified and main judgments

The Natixis group is involved in litigation before the courts and is the subject of investigations and requests for information from regulatory and tax authorities in different jurisdictions.

The assessment of the resulting legal and compliance (including tax) risks reflects management's estimates as of the reporting date.

The recognition of a provision and determination of its amount as well as the information disclosed in the notes to the consolidated financial statements require, by their very nature, the exercise of judgment, not least because of the difficulty of estimating the outcome and financial consequences of ongoing proceedings.

We therefore considered provisions for legal and compliance risks to be a key audit matter given the sensitivity of these provisions to the assumptions and options adopted by management.

Provisions for litigation amounted to €714 million at December 31, 2020.

Please refer to Notes 5.22, 6.8 and 7.16 to the consolidated financial statements for more details.

Our audit approach

We examined the identification, assessment and provisioning arrangements for legal and compliance risks.

We took note of the status of ongoing proceedings and the main risks identified by the Natixis group, mainly through regular discussions with management (and more specifically Natixis legal, compliance and tax departments) and by reviewing the documentation made available to us.

Our work also involved assessing the reasonableness of the assumptions and data used by management to estimate the amount of provisions recognized at the reporting date. In particular, we engaged tax law specialists to conduct a critical review of analyses of the tax risks identified by Natixis and the related provisions.

We also carried out confirmation procedures with the Group's legal advisors regarding ongoing proceedings.

Finally, we checked that the provisions thus measured were correctly recorded and verified the related disclosures in the notes to the consolidated financial statements.

Assessment of complex financial instruments

Risk identified and main judgments

As part of its capital markets activities within the Corporate & Investment Banking division, the Natixis group holds on its balance sheet a significant portion of financial instruments recognized at fair value.

Different approaches are used to determine market value depending on the nature and complexity of the instruments: use of directly observable quoted prices (instruments classified in Level 1 of the fair value hierarchy), valuation models with inputs that are mostly observable (instruments classified in Level 2) and valuation models with inputs that are mostly non-observable (instruments classified in Level 3).

In the case of complex financial instruments, particularly those in Level 3 and some in Level 2 of the fair value hierarchy, these approaches may include a significant amount of judgment given:

- the use of internal valuation models;
- the use of valuation inputs unobservable on the market;
- additional valuation adjustments made, to reflect certain market, counterparty or liquidity risks.

In the context of the health crisis and its effects on the financial markets, certain market parameters were adjusted with significant effects, notably on the valuations of equity products, in particular during the first half of 2020, as described in Note 1.4.3.

We considered the assessment of complex financial instruments to be a key audit matter due to the material nature of the exposures and the use of judgment in determining fair value and the effects of the health crisis.

At December 31, 2020, Level 2 financial instruments represented assets of €155,944 million and liabilities of €173,857 million.

At December 31, 2020, Level 3 financial instruments represented assets of €5,534 million and liabilities of €10,809 million.

For more details, please refer to Notes 1.4.3, 5.6, 5.22 and 7.5 to the consolidated financial statements.

Our audit approach

We examined the internal control procedures and systems for the identification, valuation, recognition and classification of complex financial instruments, in particular those classified in Levels 2 and 3.

We tested the effectiveness of the key controls that we deemed relevant to our audit, including those relating to:

- the validation and periodic review, by the Risk division, of valuation models and related adjustments;
- the independent verification of valuation inputs;
- the determination of the main valuation adjustments;
- documenting and periodically reviewing the observability criteria used to classify complex financial instruments in the fair value hierarchy and taking into account the impacts on Day-One Profit.

We carried out these checks with the assistance of our valuation specialists, with whom we also carried out independent valuations by examining, on a sample basis, the assumptions, methodologies and market inputs of the valuation models used to estimate the main valuation adjustments at December 31, 2020.

The valuation impacts related to the health crisis, particularly on equity products, were taken into account in our work with particular attention to the estimates used by Natixis (determination of valuation parameters and adjustments).

We also examined, on a sample basis, any variances in margin calls with Natixis' market counterparties, which helped us assess the appropriateness of the valuations.

Lastly, we verified the information presented in the notes on financial instruments at December 31, 2020, including that relating to the impacts of the health crisis on the fair value of financial instruments.

Insurance technical reserves

Risk identified and main judgments

As part of its insurance business, the Natixis Group recognizes technical reserves that represent its commitments towards policyholders.

We considered the valuation of these provisions to be a key audit matter insofar as they represent a significant amount in the Group's financial statements and since some of these reserves require the exercise of judgment in determining the assumptions (e.g. experience tables and behavioral statistics) or calculation models used, particularly in the context of the COVID-19 pandemic.

Liabilities related to insurance policies amounted to €104,182 million at December 31, 2020.

Please refer to Notes 5.22 and 8.5 to the consolidated financial statements for more details.

Our audit approach

We used the actuarial specialists to assist us in auditing these items.

Depending on the type of risks covered by the reserves, the main audit procedures applied included:

- obtaining an understanding of the general conditions relating to insurance contracts marketed by the Group;
- assessing the methods and assumptions used to calculate these provisions, in particular their compliance with applicable regulations, market practices and the economic and financial context made more uncertain by the health crisis;
- testing, on the basis of accounting reconciliation, recurrence tests, or surveys, the reliability of information relating to insurance contracts recorded in the management systems and used for the valuation of technical reserves;
- carrying out, based on a sample of policies, an independent recalculation of certain reserves;
- assessing calculation methods and the result of the liability adequacy test, as required under IFRS 4.

We also verified the information on insurance liabilities disclosed in the notes to the Group's consolidated financial statements.

Deferred tax assets related to tax loss carryforwards

Risk identified and main judgments

The Natixis group recognizes deferred tax assets at the reporting date in respect of tax loss carryforwards when it is considered likely that the tax entity concerned will have future taxable profits that tax loss carryforwards may be set off against, within a certain time frame.

The estimate of the ability to generate future taxable profits within this period requires the exercise of judgment on the part of management, including in developing tax business plans, to justify the recognition of deferred tax assets.

We identified this issue as a key audit matter due to the sensitivity of deferred tax assets thus recognized to the assumptions and options adopted by management.

At December 31, 2020, €1,196 million was recorded on Natixis' consolidated balance sheet under deferred tax assets, including €758 million in tax loss carryforwards.

Please refer to Notes 5.22 and 7.8 to the consolidated financial statements for more details.

Our audit approach

We acquired information on how budgetary data is compiled to estimate future taxable profits and assessed the reliability of the process of drawing up the tax business plans that are the basis of our assessment of the probability of the Group recovering its deferred tax assets by:

- examining how the last business plan used as a basis of the estimates was developed and approved;
- comparing projected results of previous years to the actual results for those years;
- assessing the reasonableness of the forecast assumptions and the inputs used by management to estimate future profits and the recoverability of recognized deferred tax assets, based on our experience and knowledge of the Group's activities and strategy.

With the help of our specialists, we verified the appropriateness of the model adopted by management to identify existing tax loss carryforwards to be used, whether through deferred tax liabilities or future taxable profits.

Based on projections made by management, we performed tests to check that deferred tax asset bases are properly calculated and that the right tax rates are used.

Goodwill measurement

Risk identified and main judgments

As part of its development, Natixis recognized goodwill on the assets side of its consolidated balance sheet, corresponding to the difference between the acquisition price of the companies acquired and the fair value of the identifiable assets and liabilities assumed at the date of acquisition.

This goodwill is specifically monitored by allocating it to dedicated cash-generating units (CGUs). Each CGU is subject to an impairment test, at least annually, or more frequently when there are indications of impairment, by comparison between its net carrying amount and recoverable amount (determined by discounting future cash flows).

In the context of the health crisis, which is a source of uncertainty regarding future cash flow projections, Natixis reassessed the earnings forecasts for its business lines as part of its impairment tests at December 31, 2020.

We considered that the valuation of goodwill was a key point of our audit because of the judgment by management involved in the determination of the recoverable amount, in particular with regard to the choice of valuation methods used and the main assumptions taken into account in the calculations (in particular the assumptions regarding the growth rate of the projected cash flows from the medium-term plans of the business lines and the discount rates), but also given the current context of the health crisis.

Goodwill recorded on the balance sheet at December 31, 2020 amounted to €3,533 million.

For more details, please refer to Notes 2.5, 5.22 and 7.12 to the consolidated financial statements.

Our audit approach

We reviewed the processes and controls implemented by Natixis to identify any objective indications of impairment and assess the need for goodwill impairment.

We then carried out, with the help of our business valuation experts, a critical review of the methods used to implement the methodology and we assessed the calculation of the recoverable amount of the various CGUs.

We thus verified:

- the relevance of the valuation methods selected by Natixis with regard to market practices;
- the consistency of cash flow projections with management's latest estimates as validated by the Board of Directors, and their reasonableness in the context of the economic and financial health crisis;
- the consistency of the main assumptions (growth rate, discount rate, etc.) by comparison with market data;
- the validity of the calculations made by the Natixis group by carrying out independent counter-calculations.

The impacts of the health crisis (reassessment of business line profit forecasts) were taken into account in our work, with a special focus on the estimates used by Natixis.

We also carried out analyzes of the sensitivity of the valuations to a change in the main assumptions.

Lastly, we examined the appropriateness of the information provided in the notes to the consolidated financial statements closed at December 31, 2020 on impairment tests and sensitivity analyzes.

Specific verifications

In accordance with applicable professional standards in France, we have also performed the specific verifications required by law and regulations of information about the Group disclosed in your Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated Non-Financial Performance Report required by Article L. 225-102-1 of the French Commercial Code is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of the Code, we have not verified the information contained in this report with respect to its fair presentation or the consistency with the consolidated financial statements of the information contained and should be reported on report by an independent third party.

Other verifications or information provided for by French law and regulations

Format of the consolidated financial statements intended to be included in the annual financial report

In accordance with part III of Article 222-3 of the AMF General Regulation, the Management of your company informed us of its decision to postpone the application of the single electronic reporting format as defined by Commission Delegated Regulation 2019/815 of December 17, 2018 for fiscal years beginning on or after January 1, 2021. As a result, this report does not contain any conclusions on compliance with this format in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Natixis S.A. by the General Shareholders' Meetings held on May 24, 2016 in the case of PricewaterhouseCoopers Audit, and on June 16, 1998 in the case of Deloitte & Associés (taking into account the mergers of firms that have occurred since that date). The appointment was previously held by other entities of the Deloitte network for which the full history of appointments cannot be established.

As at December 31, 2020, PricewaterhouseCoopers Audit was in its fifth year of appointment without interruption. As of that date, the length of Deloitte & Associés' uninterrupted appointment was over 20 years, including 15 years since the combination of the IXIS business of the Caisse Nationale des Caisses d'Epargne (CNCE) and the Natexis Banques Populaires business of Banque Fédérale des Banques Populaires (BFBP), which on November 17, 2006 resulted in the incorporation of Natixis through the transfer of CNCE's subsidiary shares and equity investments to the Natexis Banques Populaires entity, which was renamed Natixis.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, the General Inspection of procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit.

In addition:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains audit evidence regarding the financial information of persons or entities included in the scope of consolidation that he considers sufficient and appropriate to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and completion of the audit of the consolidated financial statements as well as for the opinion expressed about those statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also make it aware, when appropriate, of any significant weaknesses we have identified in the internal control system in terms of procedures for preparing and processing accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, March 9, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Emmanuel Benoist	**Charlotte Vandeputte**

5.3 Parent company financial statements and notes

Natixis comparative separate balance sheets

(in millions of euros)

See Note No.	Year ended December 31	2020	2019
	Assets		
4	Cash and balances with central banks	24,526	15,858
6	Government securities and equivalent	18,113	44,221
4	Advances to banks	81,014	87,300
5	Customer transactions	124,144	138,055
23	o/w institutional operations:	886	852
6	Bonds and other fixed-income securities	10,175	15,643
6	Shares and other variable-income securities	38,910	70,504
7	Investments in associates and other long-term investments	154	192
7	Investments in subsidiaries and affiliates	13,510	13,979
11	Intangible assets	91	90
11	Property, plant and equipment	118	137
	Capital subscribed not paid		
7	Treasury shares	17	39
12	Other assets	30,020	45,956
12	Accrual accounts	4,876	6,523
	TOTAL ASSETS	**345,669**	**438,497**

See Note No.	Off-balance sheet items – Commitments received	2020	2019
36	**Financing commitments**	**46,623**	**34,470**
	Commitments received from banks	44,162	33,748
	Commitments received from customers	2,461	722
36	**Guarantee commitments**	**8,937**	**9,402**
	Commitments received from banks	8,937	9,402
36	**Commitments on securities**	**7,702**	**8,480**
36	**Other commitments received**	**7,726**	**13,950**

(in millions of euros)

See Note No.	Year ended December 31	2020	2019
	Liabilities		
13	Due to central banks		
13	Due to banks	119,541	99,615
23	o/w institutional operations:	46	46
14	Customer transactions	100,132	119,320
23	o/w institutional operations:	987	965
15	Debt securities	52,146	62,441
16	Other liabilities	45,254	126,679
16	Accrual accounts	3,158	5,161
23	o/w institutional operations:	8	
17	Provisions for risks and other expenses	2,021	2,264
19	Subordinated debt	5,810	5,554
	Fund for general banking risks		
	Equity excluding fund for general banking risks	17,606	17,463
21	Subscribed capital	5,050	5,045
21	Issue premium	7,426	7,426
21	Reserves	1,735	1,740
20	Regulated provisions and investment subsidies	2	2
23	o/w institutional operations:	2	2
21	Retained earnings	3,250	1,008
	Income/(loss) for the year	143	2,242
	TOTAL LIABILITIES	**345,669**	**438,497**

See Note No.	Off-balance sheet items – Commitments given	2020	2019
36	**Financing commitments**	**108,439**	**81,064**
	Commitments given to banks	48,423	23,348
	Commitments given to customers	60,016	57,716
36	**Guarantee commitments**	**29,202**	**35,126**
	Commitments given to banks	7,861	9,451
	Commitments given to customers	21,341	25,675
36	**Commitments on securities**	**9,117**	**9,321**
36	**Other commitments given**	**20,008**	**23,862**

Natixis comparative separate income statements

(in millions of euros)

See Note No.	Year ended December 31	2020	2019
24	**Interest and similar income**	**5,596**	**7,683**
24	**Interest and similar expenses**	**(4,554)**	**(6,866)**
25	**Income from variable-income securities**	**757**	**931**
	Fee and commission income	**811**	**1,383**
26	Fee and commission expenses	(377)	(997)
27	**Net gains/(losses) on trading portfolio transactions**	**968**	**1,534**
28	**Net gains/(losses) on transactions on securities held for sale**	**(256)**	**43**
	Other banking operating income	**306**	**603**
29	Other banking operating expenses	(106)	(384)
	Net revenues	**3,145**	**3,930**
30	**Operating expenses**	**(2,329)**	**(2,559)**
	▪ **Payroll costs**	**(1,225)**	**(1,339)**
	▪ **Other administrative expenses**	**(1,104)**	**(1,220)**
	Write-down, amortization and impairment of property, plant and equipment and intangible assets	**(80)**	**(79)**
	Gross operating income	**736**	**1,292**
31	**Provision for credit losses**	**(694)**	**(429)**
	Operating income	**42**	**863**
32	Gains/(losses) on fixed assets	(110)	1,258
	Income before tax	**(68)**	**2,121**
	Non-recurring income		
33	**Income taxes**	**211**	**121**
20	**Funding/reversal of funding for general banking risks and regulated provisions**	**0**	**0**
	INCOME FOR THE YEAR	**143**	**2,242**

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Notes and annexes

Note 1 Significant events

1.1 Coface

Natixis announced on February 25, 2020 that it had signed a sale contract with Arch Capital Group (an insurer and reinsurer in the United States) for 29.5% of the share capital and voting rights of Coface, at a unit price per share of €10.70. This price was revised on August 28, 2020 to €9.95 per share. The completion of the deal is contingent on approval from regulatory authorities. All of these were obtained in early February 2021 *(see Note 3 Post-closing events)*.

At December 31, 2020, no gains or losses on disposals or impairment losses were recognized in the parent company financial statements of Natixis.

The residual share of 12.7%, which is not affected by the sale agreement, was however valued on the basis of Coface's closing stock market price (€8.21 per share) for €158.5 million, after the recognition of a provision of -€41.4 million (including an addition of -€37.7 million in the 2020 fiscal year - see note 7 Investments in subsidiaries and affiliates, associates, other long-term investments and treasury shares).

1.2 Impact of the health crisis on the financial statements

The rapid global spread of the COVID-19 pandemic led most of the affected countries to impose lockdown measures on their populations, thereby heavily reducing business, which led to a worsening of the economic situation of numerous business sectors as well as a major disruption to financial markets.

In this environment, many companies are experiencing cash problems, and Natixis is helping its customers get through this crisis, particularly by participating in the implementation of certain government-directed economic support measures *(see Note 2.1 below)*.

The provision for credit losses thus increased during the fiscal year 2020. It amounted to €694 million at December 31, 2020 compared to €429 million at December 31, 2019.

1.2.1 Economic support measures

Measures to support the economy were taken during the fiscal year 2020 involving credit institutions.

1.2.2 Government-backed loans

Government-backed loans (GBLs) are a support measure enacted through Article 6 of the 2020 French Finance Law 2020-289 of March 23, 2020 and by the order of the Minister of the Economy and Finance of March 23, 2020 granting a government guarantee to lending institutions and financing companies effective March 16, 2020 by the French government in order to address the cash flow needs of companies affected by the COVID-19 health crisis. The characteristics of the GBLs (purpose, interest) are the same for all banks.

The GBL is a one-year cash loan with repayment deferred over that period. Recipient companies will be able to decide at the end of the first year to pay off the GBL over a period of one to five additional years. At the end of the first year, the beneficiary companies may extend the amortization period for an additional year. During this period, only interest and the cost of the State guarantee will be paid.

For eligible companies, the amount of the GBL is generally capped at 25% of the Company's revenue. The GBL is 70% to 90% guaranteed by the government, depending on the size of the Company, with the banks assuming the rest of the risk. The government guarantee covers a percentage of the principal, interest and related costs still owed on the debt until it reaches maturity, unless it is called in earlier upon the occurrence of a credit event.

Interest on the GBLs is in return for the time value and credit risk associated with the principal. The early repayment penalty is zero or set in a contractually reasonable manner, and the extension conditions are not set in advance but rather are reviewed at the time of the extension based on market conditions.

GBLs are recognized in the "Transactions with customers" category *(see Note 2.1)*.

The government guarantee is considered an integral part of the terms of the contract and is taken into account in the calculation of any impairment. The guarantee fee paid when the loan is granted by Natixis to the French State is recognized in income over the initial term of the GBL and is presented under "Interest and similar income".

As of December 31, 2020, Natixis had granted 86 GBL applications for an outstanding amount of €2,503 million, and the associated guarantees received from the State amounted to €2,269 million.

Commitments not yet drawn amount to €75 million, all of which concern the press and publishing sector.

1.2.3 Deferment of loan maturities (moratoria) and other restructuring

In the context of the COVID-19 crisis, Natixis granted various forms of concessions (temporary suspensions of due dates, rescheduling payments, etc.) to some of its clients, in order to help them overcome temporary cash flow difficulties caused by the crisis. A case-by-case analysis was carried out in order to determine whether the financial difficulties encountered by the client were purely fleeting and of the moment, and whether the resulting restructuring would enable the counterparty to get through the crisis without jeopardizing its ability to honor its contractual agreements at maturity.

For this reason, the individual granting of moratoria or other concessions did not always lead to those loans being classified as "Restructured loans for which a concession has been granted".

Furthermore, it is noted that Natixis did not grant any "en masse" (or "general") moratoria, meaning moratoria offered on a wide scale to a set of clients with no specific conditions.

As of December 31, 2020, a moratorium was placed on the Group's projects, representing a total gross amount of €2,242 million. Provisions related to these restructured loans amount to €21,4 million as of June 31, 2020.

1.2.4 Fair value of financial assets affected by the health crisis

Given the effects of the COVID-19 health crisis on financial markets, the valuation of some products was affected by market illiquidity.

Against this backdrop, Natixis' activities were exposed to significant remarking of certain value factors, such as the "dividend" component:

- the announcement by some companies that they would suspend their dividends led to a near-elimination of most short-term dividends and was also reflected in the consensus values used for the remarking of this factor;

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- due to a stressed market environment that generated significant fluctuations, the "volatility" factor was also remarked for all of the transactions involved.

This situation affected Natixis' revenues in fiscal year 2020, with a decrease in the level of remarks in the second half of the year.

Note 2 Accounting principles and valuation methods

Natixis' separate financial statements have been prepared and are presented in accordance with regulation No. 2014-07 of the Autorité des Normes Comptables (ANC – French accounting standards authority) dated November 26, 2014 relating to the financial statements of companies in the banking sector and regulation No. 2014-03 (amended) relating to the French General Accounting Plan (PCG – Plan comptable général).

Financial statements for foreign subsidiaries, prepared in accordance with local rules, are restated in accordance with generally accepted accounting principles in France for the preparation of individual financial statements.

The financial statements for the fiscal year are presented in identical format to those for the previous fiscal year. Generally accepted accounting principles have been applied in compliance with the principle of prudence based on the following principles:

- going concern;
- consistency of accounting methods from year to year;
- principle of periodicity.

However, Natixis applied for the first time on December 31, 2020 ANC regulation No. 2020-10 of December 22, 2020 which amends ANC regulation No. 2014-07 on the presentation of securities loans on the balance sheet. This change consists in presenting under "Other liabilities" the debt representing the securities borrowed, less the value of the securities borrowed (classified as trading securities on the balance sheet), and the value of the securities borrowed that have been loaned out (also classified as trading securities on the balance sheet). Details of these changes are presented in notes 6 and 16.

In addition, at December 31, 2020, Natixis modified:

- the presentation in the income statement of negative interest, which is now included:
  - in the "Interest and similar expenses" item when it relates to a financial asset,
  - in the "Interest and similar income" item when it relates to a financial liability.

At December 31, 2019, negative interest was presented net of positive interest on financial assets and liabilities, respectively;

- the presentation of conditional derivatives purchased or sold with a staggered or paid premium.

  Before this change was applied, the amounts of premiums accrued and premiums outstanding were respectively presented in the balance sheet under "Miscellaneous debtors" and "Miscellaneous creditors", separately from the sections on options purchased or sold to which they relate.

  As these premiums are inseparable from derivatives, their presentation on the balance sheet has been modified: the amount of premiums remaining to be paid and the amount of premiums remaining to be received are now included in the value of the conditional derivatives purchased or sold to which they relate *(see Note 2.16)*.

2.1 Advances to banks and customer loans

Advances to banks cover all receivables other than those represented by a security, held in connection with banking transactions with credit institutions, including subordinated loans and reverse repo stock and securities. They are broken down between demand loans and deposits and term loans and time deposits.

Customer loans comprise loans to economic operators other than banks, with the exceptions of those represented by a security, and reverse repo stock and securities. They are broken down by type of loan (current accounts overdrawn, commercial loans, cash loans, equipment loans, export credit, subordinated loans, etc.).

Accrued interest is credited to the corresponding receivables item on the income statement.

Fees earned on the granting or acquisition of loans, as well as marginal transaction costs, are recognized using the effective interest rate actuarial method over the effective life of the loan. Recognition is shown as net interest income in net revenues. Fees and transaction costs to be recognized are included in the relevant loan book.

Loans that have been granted on an irrevocable basis but have not yet given rise to any transfer of funds are included in off-balance sheet items under "Financing commitments given".

Performing and non-performing loans are identified separately.

Loans for which there is an identified credit risk, regardless of any guarantees, which makes it probable that Natixis will be unable to recover all or part of the amount owed by the counterparty under the terms and conditions of the loan agreement, are considered to be non-performing. In particular, loans that include payments over three months overdue are classified as non-performing loans.

Non-performing loans are receivables for which an event of default has been identified as defined in Article 178 of Regulation (EU) No. 575/2013 and the provisions of Regulation (EU) No. 2018/1845 of the European Central Bank on the threshold for assessing the significance of arrears on credit obligations, applicable no later than December 31, 2020. The definition of defaulted loans is specified by:

- the introduction of a relative threshold and an absolute threshold, to be applied to payment arrears to identify default situations;
- clarification of the criteria for the return to sound outstandings with the imposition of a probationary period (12 months for restructured assets and three months for other assets); and
- the introduction of explicit criteria for classifying restructured loans as default.

Loans accelerated by the lender and loans classified among non-performing loans for more than one year for which a write-off is planned are deemed to be irrecoverable.

The reversal of the effect of discounting on impairments of non-performing loans associated with the passage of time is recognized under “Interest and similar expenses” on the income statement.

Specific case of loans restructured due to the debtor’s financial situation

Restructured loans correspond to loans with modified terms under which Natixis grants a concession to borrowers facing or likely to face financial difficulties. They are a combination of a concession granted by Natixis and financial difficulties experienced by the borrower.

The modified terms of restructured loans must put the borrower in a more favorable situation (e.g. suspension of interest or principal payment, extension of term, etc.) and are confirmed by the use of amendments that modify the terms of an existing contract or by the full or partial refinancing of an existing loan.

Financial difficulties are determined by observing a number of criteria such as amounts past due for more than 30 days or an at-risk rating. The restructuring of a loan does not necessarily result in the counterparty being classified in the Basel default category, as the financial difficulty is addressed before the counterparty is downgraded into the Basel default category.

Specific impairments and provisions

Where there is a risk of partial or total non-recovery of loans or of borrowers breaching their covenants, impairment charges (for non-performing loans) or provisions (for off-balance sheet commitments) corresponding to the amount of the probable loss are recognized on the income statement under “Provision for credit losses”. These impairments and provisions are assessed quarterly on a case-by-case basis taking into account an analysis of the risk and available collateral.

Interest corresponding to the remuneration of impaired loans and receivables or to the reversal of the effect of discounting is recognized as interest income.

Impairment losses are calculated as the difference between the gross carrying amount of the receivable and the amounts thought to be recoverable (including flows from the realization of guarantees), discounted at the original effective interest rate for fixed-rate receivables or at the last effective interest rate determined according to the contractual terms for variable-rate receivables.

Impairments on non-performing loans covering risks carried on the asset side of the balance sheet are deduced from the assets in question.

Probable losses stemming from off-balance sheet commitments are recognized as provisions on the liability side of the balance sheet.

Provisions for non-specific credit risk

Financial assets that have not been assigned their own specific credit risk are included in groups of assets with similar risk characteristics. The composition of these portfolios of similar assets is based on two criteria: geographical risk and sector risk.

Portfolios are reviewed quarterly and, where appropriate, loans in sectors or countries where economic circumstances suggest problems may arise are included in the base for performing loans provisions.

Each group of assets is assessed for objective evidence of impairment based on observable data indicating a likely decrease in the estimated recoverable cash flows for that group of assets. A collective write-down in the balance sheet liabilities is taken against any group of assets showing objective evidence of impairment. Assets belonging to that group, which are subsequently specifically identified as impaired (specific risk), are removed from the collective write-down calculation base.

Provisions for geographic risk are primarily based on each country’s internal rating, incorporating different parameters and indicators (political situation, performance of the economy and economic outlook, banking system situation, etc.). Calculation of the impairment loss is based on a correlation table between the internal rating and provisioning rate, with a revision to the rate allocated to a provisioning scale possible.

Provisions for sector risk are based on combinations of indexes specific to each sector (sector growth, cash held by businesses in the sector, cost of commodities, etc.). The method for calculating the impairment loss is the “expected loss” method calculated at maturity.

The COVID-19 health crisis is a global crisis affecting all the geographical areas in which Natixis operates, while its impact is much more differentiated according to the economic sectors. In this context, and taking into account a methodology based solely on country risk on the one hand and sector risk on the other, it appeared that the sector criterion represented the most relevant approach to collective risk. Accordingly, a change in the methods used to calculate collective provisions was made in 2020 to retain the sector-based criterion as the first objective indicator of risk deterioration.

Maintaining the previous methods for estimating collective risk would have led to an increase of €68.0 million on all collective provisions. However, including the change described above, collective provisions increased by €16.5 million over the year, with sectoral provisions showing a marked increase of €76.3 million in 2020. These include the provisioning of new sectors most affected by the consequences of the COVID-19 crisis (aviation, press, automotive construction, hotel and catering, communication/media and transport).

Loans on the watch list, for which a Basel default has been identified, are impaired collectively by sector unless they are already subject to specific write-downs.

Provisions for sector and country risk are shown under liabilities in the balance sheet.

2.2 Securities portfolio

Securities are, in accordance with Book II – Title 3 “Accounting treatment of securities transactions” of regulation No. 2014-07 of the ANC, classified according to:

- their type: government securities (treasury bills and similar securities), bonds and other fixed-income securities (negotiable debt securities and interbank market instruments), shares and other variable income securities;
- the economic purpose for which they are held, into one of the following categories: held for trading, held for sale, held for investment, other long-term securities, investments in associates and investments in subsidiaries and affiliates.

The buying and selling of securities are recorded in the balance sheet at the settlement-delivery date.

In the event of a securities lending transaction, the securities loaned cease to appear on the balance sheet and a receivable representing the carrying amount of the securities loaned is recognized as an asset.

In the case of a securities borrowing transaction, the borrowed securities are recorded in the trading securities category with a corresponding liability to the securities debt to the lender for an amount equal to the market price of the securities borrowed on the date of borrowing. Borrowed securities (including borrowed securities that have been loaned out) are presented in the balance sheet as a deduction from the debt representing the value of the borrowed securities.

The applicable classification and measurement rules are as follows:

- **securities held for trading**: securities that are originally bought or sold with the intention of reselling or repurchasing them in the short term, and securities held as part of a market-making operation. Securities bought or sold for the purposes of the specialized management of a trading portfolio are also classed as securities held for trading. In order to be eligible for this category, the securities must be tradable on an active market as of the date of their initial recognition and their market prices must be accessible, representing actual transactions regularly occurring in the market under normal trading conditions.

  On acquisition, securities held for trading are recognized at the price paid including any accrued interest. Transaction costs are recognized in expenses.

  At each balance sheet date, they are measured at market value and the grand total of any valuation difference is recognized on the income statement under the heading "Balance of transactions on securities held for trading";
- **securities held for sale**: securities which are not classified in any other category are considered as securities held for sale.

  They are reported on the balance sheet at their purchase price, excluding acquisition costs. Any difference between the purchase price (excluding accrued interest) and the redemption price is recognized in income over the remaining life of the securities.

  They are valued at year-end at their lowest carrying amount or market value. Unrealized losses give rise to the recognition of an impairment loss, whose calculation factors in gains from any hedging transactions conducted. Unrealized gains are not recognized;
- **securities held for investment**: Securities held for investment are dated fixed-income securities acquired with the stated intention of holding them to maturity and for which Natixis has the ability to hold them through to maturity.

  They are reported on the balance sheet at their purchase price, excluding acquisition costs. Any difference between the purchase price and the redemption price is recorded in income over the remaining life of the securities.

  In line with regulatory requirements, unrealized losses are not subject to impairment, unless there is a strong likelihood that the instruments will be sold before maturity due to unforeseen circumstances or if there is a risk of default by the issuer of these instruments. Unrealized gains are not recognized;
- **investments in associates, subsidiaries and affiliates and other long-term investments**
  - **other long-term securities**: investments made by Natixis in the form of securities, with the intention of forging lasting professional relationships and creating a special relationship with the issuing company, but without any influence over the management of the corporate entities in which investments were made due to the low percentage of voting rights held.

    They are recognized at their acquisition date at the purchase price excluding acquisition costs.

    They are included in the balance sheet at their lowest historical cost or value in use. Unrealized losses are subject to a provision for impairment;
  - **investments in associates**: investments in the form of securities that are deemed useful to Natixis' business if held for the long term.

    They are recognized at their acquisition date at the purchase price excluding acquisition costs.

    These securities are valued individually at their lowest value in use at the reporting date and their acquisition cost. Unrealized losses are subject to a provision for impairment;
  - **investments in subsidiaries and affiliates**: shares and other variable-income securities in related corporate entities over which Natixis exercises exclusive control, i.e. corporate entities likely to be fully consolidated in Natixis' consolidation scope.

    They are recognized at their acquisition date at the purchase price excluding acquisition costs.

    These securities are valued individually at their lowest value in use at the reporting date and their acquisition cost. Unrealized losses are subject to a provision for impairment.

The measurement approaches used to determine value in use are the following, as appropriate:

- the net asset method (restated or not);
- the peer comparison method;
- the discounted future cash flows (DCF) method;
- the stock market price method; or
- a combination of these methods.

The DCF method for measuring future cash flows is based on the establishment of business plans prepared by the management of the subsidiaries in question and approved by Natixis' senior management. The discount rate on future cash flows is the result of:

- an average rate of return on an investment deemed to be risk-free;
- an average credit spread on the market in which the subsidiary is listed;
- an average beta as reflected in a sample of equivalent companies.
- **Treasury shares**: Natixis may hold treasury shares to regulate its share price under a liquidity agreement. These shares are recognized as securities held for trading and follow the same rules as other securities in this category. Moreover, treasury shares acquired through arbitraging on stock market indexes are recognized as securities held for trading.

  Treasury shares held for distribution to employees are classified as held for sale and follow the corresponding rules.

Income, value adjustments and proceeds on disposal of securities portfolios are recognized as follows:

- income from variable-income securities is recognized as and when received or when the payment has been subject to a resolution at a Shareholders' Meeting;
- income from fixed-income securities is recognized based on the accrual method;

- value adjustments and proceeds from the disposal of securities are recognized under different headings depending on which portfolio they belong to:
  - under "Net revenues" for securities held for trading and securities held for sale,
  - as a provision for credit losses on fixed-income securities in the portfolio of securities held for sale or for investment when adjustments in value relate to counterparty risk exposure,
  - under net gains/(losses) on fixed assets:
    - for adjustments in the value of securities held for investment (excluding impairment for risk exposure to a counterparty) when there is a high probability of disposal of such securities held for investment due to unforeseen circumstances and for all proceeds from the disposal of securities held for investment,
    - for investments in associates, subsidiaries and affiliates and other long-term securities.

Reclassifications from the "securities held for trading" to the "securities held for sale" and "securities held for investment" categories and from "securities held for sale" to "securities held for investment" are permitted in exceptional market circumstances requiring a change in strategy or when the securities in question have ceased to be tradable on an active market since their acquisition.

The regulation allows banks to sell all or part of the securities reclassified as "held for investment" if the following two conditions are met:

- the transfer was motivated by exceptional circumstances;
- the market for these securities has become active again.

Natixis has carried out no such transfers in its separate financial statements.

2.3 Property, plant and equipment and intangible assets

Fixed assets are recognized at acquisition cost plus directly attributable transaction costs and borrowing costs accrued during any phase of construction or installation before they come into service.

Internally-generated software is carried on the asset side of the balance sheet at its direct development cost, including outsourcing expenses and personnel costs directly attributable to its production and preparation where they meet the criteria for capitalization.

After acquisition, fixed assets are carried at cost less any cumulative write-down, amortization and impairment losses.

As soon as they are in a condition to be used by Natixis in the manner in which they are intended, fixed assets are depreciated or amortized over their estimated useful lives on a straight-line or declining balance basis when this better reflects the economic amortization/depreciation. The residual value of the asset is deducted from its depreciable or amortizable amount when it can be measured reliably.

In line with applicable accounting principles, a specific depreciation schedule is defined for each significant component of an item of property, plant and equipment which has a different useful life or is expected to consume future economic benefits differently from the item as a whole. For buildings comprising business and investment property, the following components and depreciation periods are applied:

- land: non-depreciable
- non-destructible buildings (of historical importance): non-depreciable
- walls, roofs and waterproofing: 20 to 40 years
- foundations and framework: 30 to 60 years
- external rendering: 10 to 20 years
- equipment and installations: 10 to 20 years
- internal fixtures and fittings: 8 to 15 years

Other items of property, plant and equipment are depreciated over their estimated useful lives, generally between five to ten years.

Purchased software is amortized on a straight-line basis over its estimated useful life, which in most cases is less than five years. Internally-generated software is amortized over its estimated useful life, which cannot exceed 15 years.

When the fixed assets relate to a leased building, their depreciation period is made consistent with that of the leases. In particular, when Natixis decides not to renew a lease (for example under a so-called 3-6-9 lease), the period of depreciation of the fixed assets relating to the lease (e.g.: fixed fixtures and fittings) is capped at the residual term of the lease.

Depreciation/amortization periods must be reviewed annually and, where applicable, the impact of any change in estimate is recognized prospectively, in income, from the date of the change.

2.4 Debt securities

This line item comprises debt attributable to freely tradable securities held for sale issued by Natixis in France or in foreign countries, with the exception of subordinated instruments recognized as subordinated debt.

This line item notably includes medium-term notes, interbank market instruments, negotiable debt securities and bonds and other fixed-income securities.

Accrued interest payable relating to these issues is disclosed separately as a related payable, with an offsetting entry in the income statement.

Issue or redemption premiums on bond issues are amortized over the life of the issues in question and the related expense is recognized under the heading "interest and similar expenses" on the income statement.

2.5 Subordinated debt

This item covers perpetual and dated subordinated notes, which in the event of liquidation can only be redeemed after all other creditors' claims have been met. Accrued interest is credited to the corresponding receivables item on the income statement.

Where perpetual subordinated notes are treated as equivalent to amortizing securities, each periodic payment is broken down into the repayment of principal, which is deducted from the nominal amount, and interest, which is charged to the income statement under "interest and similar expenses".

2.6 Forward financial instruments (futures and options)

The notional amount of these instruments is recorded off the balance sheet for internal monitoring and regulatory purposes, but is not included in the published statement of off-balance sheet items. Details for these instruments are provided in the notes.

The accounting principles applied depend on the instrument involved and the purpose of the transaction (hedging or for trading purposes).

Interest rate and currency trading

These transactions are carried out for four purposes:

- micro-hedging (affected hedge);
- macro-hedging (global balance sheet management);
- speculative position-taking;
- specialized management of a trading portfolio.

Gains or losses on specific hedges are recognized in income on a symmetrical basis with the income and expenses of the position or transaction being hedged.

Expenses and income arising from forward financial instruments used to hedge and manage Natixis' overall interest rate risk are recognized on a prorata basis. Unrealized gains and losses are not recognized.

The accounting treatment of speculative positions is identical for interest flows. Contracts are marked to market value at each reporting date and any unrealized losses are recognized in income as provisions.

Each instrument in the final category is marked to market on an individual basis. Changes in value during the period are recognized immediately on the income statement. Valuations are adjusted for counterparty risk, the position funding cost and the discounted present value of future contractual management costs.

Forward foreign exchange contracts

Outright foreign currency futures or transactions hedging other foreign currency futures are measured based on the forward foreign exchange rate remaining to run on the currency in question. Differences in interest rates or premiums and discounts associated with hedged foreign currency futures are recognized in stages as interest expense or income over the effective term of the transaction.

Options (interest rate, currency and equity) and futures

The notional amount of the underlying instrument of each option or futures contract is recognized with a distinction being made between hedging and trading contracts.

For hedging transactions, income and expenses are recognized in income on a symmetrical basis with the income and expenses of the hedged items.

For non-hedging activities, positions in a class of option or forward contract are marked to market at the reporting dates. Changes in market value are recognized directly in the income statement. However, for instruments traded on over-the-counter markets, gains or losses are recognized on the income statement only upon settlement of these transactions, without effect on the potential setting aside of provisions for the net risk incurred over the life of the instrument.

The presentation of premiums on options whose payment is due or ultimately has been modified as of December 31, 2020 *(see Note 2)*.

2.7 Institutional operations

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, Natixis manages 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 "Fund for Private Sector Aid and Studies" and the stabilization of interest rates for export credit guaranteed by the State. The related transactions, some of which may be guaranteed by the State, are recognized separately in the financial statements. The State and other related creditors have a specific right over the Natixis' assets and liabilities allocated to these institutional operations. The bank's assets and liabilities relative to these operations are identified on the balance sheet under each of the headings concerned with these operations.

2.8 Employee benefits

Employee benefits are recognized in "Payroll costs".

They fall into four categories:

"Short-term benefits" including salaries, social security contributions, annual leave, employee profit-sharing, incentive plans, top-up contributions and variable compensation payable in the 12 months after they are attributed are expensed in the period in which the corresponding services were rendered.

"Termination benefits" granted to employees upon the termination of their employment and prior to retirement. A provision is accrued for these benefits.

"Post-employment benefits" such as pensions, other supplementary retirement benefits applicable to the banking industry, end-of-career awards and other contractual benefits payable to retirees. Natixis distinguishes between two types of post-employment benefits:

- **defined-contribution plans**, which mainly consist of the social security basic pension scheme and the supplementary schemes Agirc and Arrco, under which an entity has no obligation to pay a specified benefit amount. Contributions paid under defined contribution plans are expensed in the corresponding period;
- **defined-benefit plans** under which Natixis has a legal or constructive obligation to pay a specified benefit amount are valued and funded.

  A provision is set aside for defined-benefit plans based on an actuarial assessment of the benefit obligation using the projected unit credit method. This method draws on demographic and financial assumptions. The value of plan assets is deducted from the actuarial debt. This valuation is carried out on a regular basis by independent actuaries.

  Actuarial assumptions are reviewed annually. Differences resulting from changes in actuarial assumptions and experience adjustments (impact of differences between actuarial assumptions and actual experience) give rise to actuarial gains and losses.

  In accordance with recommendation No. 2013-02 of the Autorité des Normes Comptables (ANC – French accounting standards authority) on rules for measuring and recognizing retirement and similar commitments, dated November 7, 2013 (which allowed the partial adoption of revised IAS 19 as adopted by the European Union in June 2012), Natixis chose to maintain the corridor method approach in the individual financial statements.

Under this method, Natixis does not recognize the portion of net cumulative actuarial gains and losses that is lower than the greater of (i) 10% of the present value of the defined-benefit obligation and (ii) 10% of the fair value of any plan assets at the end of the previous reporting period. The portion of actuarial gains and losses outside the 10%"corridor is therefore recognized over the average remaining working lives of the employees participating in the relevant plan.

In the event of changes to an existing plan or the implementation of a new plan, past service cost is recognized in income over the period until the benefits become vested.

Insurance contracts taken up with a party related to Natixis and intended to finance all or part of Natixis' defined-benefit plan commitments are recorded in the asset side of the balance sheet as "Other assets".

The amount recognized as a provision in the balance sheet represents the present value of the obligation under defined-benefit plans at the closing date:

- minus any past service cost not yet recognized in income,
- plus or minus any unrecognized actuarial gains or losses in accordance with the corridor principle arising from:
  - experience adjustments linked to demographic variables,
  - changes in actuarial assumptions,
  - change in discount rate,
  - differences between expected returns on plan assets and reimbursement rights and their actual returns;
- minus the market value of plan assets at the closing date.

The annual payroll costs recognized in respect of defined-benefit plans consist of:

- rights vested by beneficiaries over the period;
- the interest cost reflecting the impact of unwinding the discount on the obligation;
- the expected return on plan assets;
- amortization of actuarial gains and losses and past service costs;
- the effects of plan curtailments and settlements.

"Other long-term benefits" including long-service awards and deferred compensation payable in cash under Employee Retention and Performance Recognition plans are valued using the same actuarial method as that applied to post-employment benefits under defined-benefit plans, except that actuarial gains and losses are not subject to the corridor method and past service costs are recognized directly as an expense.

The estimated amount of the expense related to cash-settled variable compensation, subject to the employee's continued service in accordance with the Employee Retention and Performance Recognition plans, is recognized over the vesting period.

As of December 31, 2020, amounts due under the Time Savings Account are included in "other long-term benefits" for an amount of €69.8 million, whereas they were recorded as "short-term benefits" for an amount of €64.9 million at December 31, 2019.

2.9 Share-based employee retention and performance recognition plans

Natixis allocates plans, the payment of witch is based on shares, to certain categories of its personnel. These plans are settled in two forms : in Natixis shares for some and cash indexed to the price of the Natixis share of others. Each plan is a three-year plan, with one-third of the plan settled after two years and two-thirds at the end of the vesting period, with the exception of "short-term" plans settled in cash indexed to the Natixis share price, which are settled in the year they are granted.

All of these plans are contingent on satisfying service and/or performance requirements.

Cash-settled employee retention and performance plans indexed to the value of the Natixis share

Cash-settled plans indexed to the share price give rise to the recognition of a payroll expense that is measured taking account of the share price on the balance sheet date and the likelihood of satisfying performance/and or service requirements. Where a service requirement exists, the calculated expense is recognized on a straight-line basis over the vesting period. When no service requirement exists, the expense is recognized immediately as a debt. The latter is then remeasured at each reporting date taking into account performance criteria and any changes in the value of underlying shares.

The corresponding expense recognized in the 2020 income statement was €9.3 million versus €18.0 million at December 31, 2019.

Changes to the terms and conditions of a cash-settled employee retention and performance plan indexed to the value of the Natixis share which would lead to the latter being reclassified as an employee retention and performance plan settled in shares would trigger, when the plan stipulates the allocation of existing shares, the derecognition of the debt recorded for the initial plan indexed to the value of the Natixis share and the recognition of a liability as a provision for the new employee retention and performance plan settled in shares. The difference between the recognition of the new plan and the derecognition of the preexisting debt is taken directly to profit and loss. When the plan provides for the allocation of new shares, only the derecognition of the debt recorded for the initial plan indexed to the value of the Natixis share is taken to profit and loss.

Employee retention and performance plans settled in shares

Plans settled in shares are recognized in accordance with French Accounting Committee (CRC) regulation No. 2008-15, which provides for the recognition of a liability where there is the likelihood or the certainty that the obligation to grant shares generates an outflow in settlement without an offsetting provision:

- if the granting involves the issue of new shares, Natixis incurs no outflow and, as a result, no expense is recognized;
- if the granting involves the repurchase of shares or the granting of existing shares, an outflow will be recognized when the shares are issued to employees, without an offsetting provision. A provision is then set aside taking account of the entry cost of the shares or the share price on the balance sheet date if the shares have not yet been purchased and the probable number of shares granted to employees. The expense is recognized in stages over the vesting period.

2.10 Provisions for risks

A provision for risks is a liability of uncertain timing or amount. A liability is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits that can be reliably measured.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the reporting date. This amount is discounted when the effect of discounting is material. Provisions are reviewed at each reporting date and adjusted if necessary. Provisions recognized on the balance sheet, other than provisions to cover employee benefits and sector and country risks, mainly concern provisions for restructuring, provisions for disputes, fines and penalties and provisions for other risks.

2.11 Transactions denominated in foreign currencies

Off-balance sheet receivables, debts and commitments denominated in foreign currencies are converted to euros at the going exchange rate at the balance sheet date through the revaluation of foreign exchange positions. The difference between amounts resulting from the valuation of euro-denominated foreign exchange positions and amounts reported in equivalent euro-denominated foreign exchange positions is recorded in the income statement.

However, exchange differences relating to institutional operations are recognized under accrual accounts.

2.12 Integration of foreign subsidiaries

The financial statements of foreign subsidiaries, prepared in accordance with local rules, are restated in accordance with generally accepted accounting principles in France, translated into euros when the functional currency is not the euro and included in Natixis' financial statements after the elimination of intra-group transactions.

Items from the balance sheet and income statement are translated at the end of the reporting period.

The difference arising from the translation of foreign subsidiaries' capital allocations are recorded in the accrual accounts.

2.13 Contributions to banking resolution mechanisms

The procedure for setting up the deposit and resolution guarantee fund was changed by a French Ministerial Order dated October 27, 2015. Contributions made to the deposit and resolution guarantee fund may be paid in the form of partner or association certificates and cash security deposits (guarantee of irrevocable commitment) recognized as assets on the balance sheet and contributions (which are non-refundable in the event of a voluntary withdrawal of approval to operate) recorded in income as "Taxes and regulatory contributions" among other operating expenses *(see Note 6.7)*.

Directive 2014/59/EU (BRRD – Bank Recovery and Resolution Directive) which establishes the framework for the recovery and resolution of banks and investment firms and regulation (EU) 806/2014 (SRM regulation) established the introduction of a resolution fund as of 2015. In 2016, this fund became a Single Resolution Fund (SRF) between the member States participating in the Single Supervisory Mechanism (SSM). The SRF is a resolution financing mechanism available to the resolution authority (Single Resolution Board). The latter may use this fund when implementing resolution procedures.

In accordance with delegated regulation 2015/63 and implementing regulation 2015/81 supplementing the BRRD Directive on ex-ante contributions to financing mechanisms for the resolution, the Single Resolution Board set the level of contributions to the Single Resolution Fund for 2019. The contributions paid to the fund may be made in the form of cash guarantee deposits which are recorded as assets on the balance sheet (up to a maximum of 15% of the contributions called up) and contributions recognized in the income statement under the item "Taxes and regulatory contributions".

2.14 Non-recurring income

Non-recurring income and expense items are determined based on their amount, their unusual nature with respect to current operations, and the likelihood of the events in question repeating.

2.15 Corporate income tax

Due to additional contributions, the corporate tax rate used to calculate the expense payable for the year was 32.02% for France. Applicable local corporate tax rates were used for foreign subsidiaries.

2.16 Changes in accounting methods and comparability of financial statements

At December 31, 2020, Natixis applied for the first time ANC regulation No. 2020-10 amending the presentation of securities loans on the balance sheet *(see Note 2)*.

In order to improve the clarity of its financial statements, Natixis has modified the presentation of premiums on options settled on a maturity or final basis *(see Note 2)*.

The impact of these changes on the balance sheet is presented below:

(in millions of euros)	2019 published	Impact of ANC regulation 2020-10	Impact of change in how option premiums are recognized	2019 pro forma	2020 before modification	Impact of ANC regulation 2020-10	Impact of change in how option premiums are recognized	2020 published
Assets								
Government securities and equivalent	44,221	(31,690)		12,531	49,896	(31,783)		18,113
Bonds and other fixed-income securities	15,643	(5,484)		10,159	14,645	(4,470)		10,175
Shares and other variable-income securities	70,504	(29,403)		41,101	68,346	(29,436)		38,910
Treasury shares	39			39	17			17
Other assets	45,956		(16,416)	29,540	45,567		(15,547)	30,020
Other asset items (not affected)	262,134			262,134	248,434			248,434
TOTAL ASSETS	**438,497**	**(66,577)**	**(16,416)**	**355,504**	**426,905**	**(65,689)**	**(15,547)**	**345,669**
Liabilities								
Other liabilities	126,679	(66,577)	(16,416)	43,686	126,490	(65,689)	(15,547)	45,254
Other asset items (not affected)	311,818			311,818	300,415			300,415
TOTAL LIABILITIES	**438,497**	**(66,577)**	**(16,416)**	**355,504**	**426,905**	**(65,689)**	**(15,547)**	**345,669**

Note 3 Post-closing events

3.1 Transformation and efficiency program

Natixis announced on November 5, 2020, at the time of the presentation of its quarterly results, the launch of a program of transformation and operational efficiency that will generate approximately €350 million in sustainable cost savings at the end of 2024 (circa €270 million in exceptional costs over the period), including in particular the transformation of the Cooperate and Investment Banking activity.

To meet the challenges it faces, Natixis will also continue to develop its operating model with a view to competitiveness by drawing on its solid and diversified expertise.

This approach of anticipation, adaptation and development has led Natixis, since 2016, to organize its support functions around two areas of activity in Europe: Paris and Porto. In line with this organizational plan, a development project for the Porto center was presented to the social partners at the end of January 2021.

This would consist of:

- continue the development in Porto of the support functions already established there, in particular Technology & Transformation – with Data & Technology, COO-CIB and Global Business Management & Transformation, Human Resources and Risks;
- locating other support functions in Porto Finance, Workplace and Communication, as well as certain Cooperate and Investment Banking activities within Coverage and Distribution Portfolio Management.

This project, which would result in the repositioning of activities equivalent to 209 jobs, also confirms Porto's position as a center of excellence and expertise.

The strategic review of the equity derivatives activity also confirmed its importance for Natixis and repositioned it on strategic clients while reducing the level of risk. The implementation of this announcement would lead to the elimination of 36 jobs.

To implement the various components of these projects under the best possible conditions following the consultation of the Social and Economic Committee (CSE), an ambitious internal and external mobility plan is planned within the areas concerned. In parallel with the consultation on this project, negotiations will be held with the trade unions to define in detail the measures to support internal and external mobility.

Given the date of announcement of these measures, and the concomitant opening of negotiations on the accompanying measures, it is not possible to provide an estimate of their financial effects on that date.

3.2 Filing of a simplified takeover bid for Natixis shares

On February 9, 2021, BPCE S.A. announced its intention to acquire the shares in the capital of Natixis S.A. that it did not hold, i.e. around 29.3% as at December 31, 2020, and to file a simplified takeover bid with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF).

This proposed takeover bid, at a price of €4.00 per share (dividend attached), will be submitted to the AMF for review and will, if applicable, be followed by a squeeze-out if the conditions of implementation work are satisfied.

This proposed offer would be part of an ambitious industrial project for the development of Natixis' business lines and the simplification of its functional channels, which Groupe BPCE intends to study as part of the preparation of its strategic plan.

This transaction had no impact on the parent company financial statements of Natixis at December 31, 2020.

3.3 Natixis and Arch Capital Group Ltd. announce the completion of the contract to sell 29.5% of the share capital of Coface

Following the approval of the relevant competition and regulatory authorities, Natixis and Arch Capital Group Ltd. announced on February 10, 2021 the sale by Natixis of a 29.5% stake in the share capital of Coface to Arch Financial Holdings Europe IV Limited, an affiliate of Arch Capital Group Ltd., at a price of €9.95 per share (dividend attached).

Natixis is no longer represented on the Board of Directors of Coface, as Arch occupies four of the seats of Natixis. Natixis will hold its residual stake of 12.7% in Coface as a financial investment.

This transaction had no impact on the parent company financial statements of Natixis at December 31, 2020.

Note 4 Interbank and similar transactions

(in millions of euros)	**2020**	2019
Cash and balances with central banks	**24,526**	**15,858**
Advances to banks*	**81,014**	**87,300**
Demand	4,227	4,149
Time	76,787	83,151
Interbank and similar transactions	**105,540**	**103,158**
** o/w subordinated loans*	*0*	*0*
o/w reverse repurchase agreements	*34,692*	*36,220*
o/w accrued interest	*56*	*86*

Non-performing loans amounted to €30 million at December 31, 2020, compared with €48 million at December 31, 2019. At December 31, 2020, as at December 31, 2019, Natixis had no irrecoverable loans due from credit institutions.

Provisions for non-performing loans amounted to -€30 million at December 31, 2020, compared with -€48 million at December 31, 2019.

Note 5 Customer transactions

(in millions of euros)	**2020**	2019
Current accounts overdrawn	**2,433**	**2,564**
Commercial loans	**397**	**779**
Other customer loans	**121,314**	**134,712**
Cash and consumer credit	30,542	31,004
Equipment loans	4,621	5,245
Export credit	2,122	3,028
Home loans	2	2
Reverse repurchase agreements	59,400	73,963
Subordinated loans	1,230	878
Other loans	23,397	20,592
Customer transactions	**124,144**	**138,055**
o/w accrued interest	*127*	*252*

The amount of perpetual subordinated loans totaled €808 million at December 31, 2020 versus €808 million at December 31, 2019.

Restructured loans as defined in Note 1 amounted to €263 million in performing loans, before impairment, at December 31, 2020 versus €183 million at December 31, 2019. The amount after impairment amounted to €259 million at December 31, 2020 versus €182 million at December 31, 2019.

Restructured loans as defined in Note 1 recorded as non-performing or irrecoverable loans amounted to €1,444 million before impairment at December 31, 2020 versus €1,093 million at December 31, 2019. The amount after impairment amounted to €1,010 million at December 31, 2020 versus €744 million at December 31, 2019.

Non-performing loans amounted to €3,764 million at December 31, 2020 versus €2,856 million at December 31, 2019 (of which €179 million at December 31, 2020 relating to irrecoverable loans versus €195 million at December 31, 2019).

Provisions for non-performing loans totaled -€1,404 million at December 31, 2020 versus -€991 million at December 31, 2019 (of which -€174 million at December 31, 2020 versus -€189 million at December 31, 2019 relating to provisions for irrecoverable loans).

Receivables eligible for refinancing with the Banque de France and/or the European Central Bank amounted to €114 million at December 31, 2020 versus €715 million at December 31, 2019.

Note 6 Bonds, shares and other fixed and variable income securities

(in millions of euros)	2020 Securities held for trading	2020 Securities held for sale	2020 Securities held for investment	2020 Total	2019 Securities held for trading	2019 Securities held for sale	2019 Securities held for investment	2019 Total
Government securities and equivalent [(b)]								
Gross value [(a)]	11,215	6,086	728	18,028	37,959	5,517	631	44,107
Premiums/discounts	0	44	0	44		72	(1)	71
Accrued interest	8	32	0	41	5	38		43
Impairment				0				0
Net carrying amount	**11,223**	**6,162**	**728**	**18,113**	**37,964**	**5,627**	**630**	**44,221**
Bonds and other fixed -income securities [(b) (c)]								
Gross value [(a)]	3,788	6,195	244	10,227	9,479	5,927	294	15,700
Premiums/discounts	0	6	0	6		1		1
Accrued interest	0	20	0	20	1	24		25
Impairment	0	(78)	(0)	(78)		(83)		(83)
Net carrying amount	**3,788**	**6,143**	**244**	**10,175**	**9,480**	**5,869**	**294**	**15,643**
Equities and other variable-income securities [(b) (d)]								
Gross value	37,875	1,059	0	38,934	69,331	1,200		70,531
Accrued interest	0	0	0	0				0
Impairment	0	(23)	0	(23)		(27)		(27)
Net carrying amount	**37,875**	**1,035**		**38,910**	**69,331**	**1,173**		**70,504**

(a) For these categories of securities, the gross values shown in the "Securities held for sale" and "Securities held for investment" columns are redemption value.
(b) Of which securities loaned for €29,902 million at December 31, 2020 versus €33,653 million at December 31, 2019.
(c) Of which Bonds and other listed fixed-income securities for €9,327 million at December 31, 2020 versus €14,588 million at December 31, 2019.
(d) Of which Shares and other listed variable-income securities for €38,659 million at December 31, 2020 versus €70,213 million at December 31, 2019.

Financial instruments not listed on active markets, recognized in short-term investments, trading securities and investment securities, represented an amount of €19,212 million at December 31, 2020.

Natixis applied for the first time on December 31, 2020 ANC Regulation No. 2020-10 of December 22, 2020, amending ANC Regulation No. 2014-07 specifically as regards the presentation of securities loans on the balance sheet. This change consists in presenting under "Other liabilities", the debt representing the securities borrowed, less the value of the securities borrowed (classified as trading securities on the balance sheet) and the value of the securities borrowed that have been loaned out (also classified as trading securities on the balance sheet). The impact of these changes is presented in Note 2.16.

Transfers of securities between categories

There were no transfers of securities between categories in 2019 or 2020.

Unrealized capital gains and losses in the investment portfolio

(in millions of euros)	2020	2019
Government securities and equivalent		
Unrealized capital gains	29	25
Unrealized capital losses		(1)
Bonds and other fixed-income securities		
Unrealized capital gains		56
Unrealized capital losses	(87)	(92)
Shares and other variable-income securities		
Unrealized capital gains	62	471
Unrealized capital losses	(11)	(10)

Note 7 Shares in related companies, investments, other securities held

(in millions of euros)	**2020**	2019
Investments	**95**	**97**
Outstanding	97	103
Current account advances	0	
Translation adjustments	5	4
Impairment	(7)	(10)
Securities loaned	0	
Other long-term investments	**58**	**95**
Outstandings [(a)]	75	114
Current account advances		
Translation adjustments		
Impairment	(17)	(19)
Securities loaned		
Accrued interest	1	
INVESTMENTS AND OTHER LONG-TERM SECURITIES HELD	**154**	**192**
Investments in subsidiaries and affiliates	**13,510**	**13,979**
Outstandings [(b)]	13,796	14,195
Current account advances	6	6
Translation adjustment [(b)]	71	39
Impairment [(c)]	(363)	(261)
Securities loaned	0	
Accrued interest	**0**	**0**
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES	**13,510**	**13,979**
Treasury shares	**17**	**39**
Securities held for trading	17	38
Securities held for sale	0	1
Securities loaned		
Long-term investments		
TREASURY SHARES	**17**	**39**

(a) The main changes during 2020 related to:
- the valuation of NYBEQLLC for -€26 million;
- the exit of VEV for -€12 million.

(b) The main changes during 2020 related to:
- the Natixis Foncière capital reduction for -€300 million;
- the Natixis Trust capital reduction for -€50 million;
- the disposal of Récomex for -€10 million;
- the counter-valuation of Natixis North America for -€14 million;
- the Natixis Payment Holding capital increase for +€21 million.

(c) The main changes during 2020 related to:
Natixis Paiement Holding additional provisions of +€68 million.

Note 8 Information on shareholdings exceeding the disclosure threshold following investments in French companies during 2020

The table below was drawn up in accordance with the provisions of Article L.247-1 of the French Commercial Code :

Breach of threshold of 5% of share capital		% at 31/12/2020	Number of shares at 31/12/2020
COFIMAGE 27	Not listed	84.00%	2,240

Note 9 Disclosures concerning subsidiaries and associates

Article L.233-15 and R.123-197 of the French Commercial Code.

Companies or groups	Listed/ no listed/	Capita (in thousands of units)		Shareholders' equity other t han capital (A) (in thousands of units)		Share of capital at 31/12/2020 (in %)
A – BREAKDOWN OF INVESTMENTS WITH A GROSS VALUE OF OVER 1% OF THE REPORTING COMPANY'S CAPITAL						
Subsidiaries and investments (holdings in excess of 10%)						
NATIXIS INVESTMENT MANAGERS 43 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	237,087	EUR	5,117,836	EUR	100.00%
NATIXIS ASSURANCES 30 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	148,014	EUR	1,138,721	EUR	100.00%
NATIXIS Marco 47 QUAI D'AUSTERLITZ 75013 Paris	NC	700,119	EUR	10,513	EUR	100.00%
NATIXIS TRUST 51 AVENUE JOHN F. KENNEDY L-1855 Luxembourg	NC	609,865	EUR	134,015	EUR	100.00%
Coface S.A. (b) 1 place Costes et Bellonte – CS20003 92276 Bois-Colombes	C	304,064	EUR	876,308	EUR	42.20%
NATIXIS WEALTH MANAGEMENT 115 RUE MONTMARTRE 75002 PARIS	NC	129,048	EUR	86,676	EUR	100.00%
NATIXIS PAYMENT HOLDING 30 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	230,141	EUR	(7,662)	EUR	100.00%
NATIXIS NORTH AMERICA LLC 1251 Avenue of the Americas New York, NY 10020	NC	2,468,579	USD	(329,491)	USD	100.00%
NATIXIS JAPAN SECURITIES CO., LTD. 1-11-1, MARUNOUCHI, CHIYODA-KU TOKYO 100-6226	NC	18,000,000	JPY	277,827	JPY	100.00%
NATIXIS INNOV 47 QUAI D'AUSTERLITZ 75013 Paris	NC	150,060	EUR	5,849	EUR	100.00%
NATIXIS ALGÉRIE IMMEUBLE EL KSAR – ZONE D'AFFAIRES MERCURE – LOT 34/35 BAB EZZOUAR 16311 ALGER	NC	20,000,000	DZD	1,619,177	DZD	100.00%
Natixis Pfandbriefbank AG Im Trutz Frankfurt 55 D-60322 Frankfurt am Main	NC	120,000	EUR	9,272	EUR	100.00%
CONTANGO TRADING S.A. 30 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	90,100	EUR	(82,931)	EUR	100.00%
DF EFG3 LIMITED Maples Corporate Services Limited of PO Box 309, Ugland House, Grand Cayman, KY1-1104	NC	85,000	USD	(1,674)	USD	100.00%
NATIXIS PAYMENT SOLUTIONS 30 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	53,559	EUR	132,485	EUR	100.00%
NATIXIS INTERÉPARGNE 30 AV PIERRE MENDÈS-FRANCE 75013 Paris	NC	8,891	EUR	18,576	EUR	100.00%
B – TOTAL DISCLOSURES ON OTHER SUBSIDIARIES AND INVESTMENTS*						
21 – French companies (aggregate)						
22 – Foreign companies (aggregate)						

* *Of which subsidiaries and investments not covered under paragraph A.*
(A) *Excluding income of the year.*
(a) *FY 2020.*
(b) *Coface S.A. – FY 2019.*

Book value of shares held (thousands of euros)		Loans and receivables granted and not granted reimbursed (thousands of euros)	Amounts of sureties, endorsements and other guarantees (thousands of euros)	NBI or revenue excl. of last fiscal year [(a) (b)] (thousands of euros)	Profit or loss of last year [(a) (b)] (thousands of euros)	Dividends Accrued in 2020 (thousands of euros)
Gross	Net					
				40,847	473,607	
				3,191	234,789	
				5,880	5,867	
				7,379	10,360	
				3,406	132,677	
				90,769	12,066	
				(13)	(60,247)	
				(6,470)	(34,375)	
				44,447	12,437	
				(927)	(950)	
				53,049	17,480	
				24,860	1,830	
				(91,438)	11,232	
				3,492	3,492	
				333,017	47,799	
				100,256	20,039	
297,222	271,349	1,147,853	16,015			14,844
225,181	183,903	2,805,631	5,952,226			45,336

Note 10 Treasury shares – Assets

(in euros)	Number purchased	Purchase price	Average purchase price	Amount sold or canceled	Sale price	Average sale price	Final shares	% of capital held
At January 1, 2020	**295,492,829**	**1,414,064,817**	**4.79**	**285,176,262**	**1,300,569,756**	**4.56**	**10,316,567**	**0.33%**
Price stability	41,906,873	126,327,541	3.01	(51,361,861)	(128,724,647)	2.51		
At December 31, 2020	**337,399,702**	**1,540,392,358**	**4.57**	**336,538,123**	**1,429,294,403**	**4.25**	**861,579**	**0.03%**

Nominal amount of share: €1.60.

Note 11 Fixed assets

	2020			2019		
(in millions of euros)	Gross	Impairment and amortization	Net	Gross	Impairment and amortization	Net
Operating fixed assets	**2,044**	**(1,835)**	**209**	**2,017**	**(1,790)**	**227**
Intangible assets	1,413	(1,322)	91	1,403	(1,313)	90
Property, plant and equipment	631	(513)	118	614	(477)	137
Non-operating fixed assets	**1**	**(1)**	**0**	**1**	**(1)**	**0**
Intangible assets			0			0
Property, plant and equipment	1	(1)	0	1	(1)	0
INTANGIBLE ASSETS	**1,413**	**(1,322)**	**91**	**1,403**	**(1,313)**	**90**
PROPERTY, PLANT AND EQUIPMENT	**632**	**(514)**	**118**	**615**	**(478)**	**137**

	01/01/2020	Acquisitions	Transfers	Other	31/12/2020
Gross value					
Operating intangible assets	**1,403**	**28**	**(18)**	**(1)**	**1,413**
Goodwill	865	0	0	0	865
Software	503	8	(18)	9	502
Other intangible assets	36	20	0	(10)	46
Operating property, plant and equipment	**614**	**37**	**(15)**	**(5)**	**631**
Land and buildings	195	12	(6)	(1)	200
Other property, plant and equipment	419	25	(9)	(4)	431
Non-operating property, plant and equipment	**1**	**0**	**0**	**0**	**1**
Land and buildings	1				1
Other property, plant and equipment	0				0
TOTAL	**2,018**	**65**	**(33)**	**(6)**	**2,045**

	01/01/2020	Charges	Reversals	Other	31/12/2020
Depreciation and amortization					
Operating intangible assets	**(1,313)**	**(27)**	**18**	**0**	**(1,322)**
Goodwill	(864)	0			(864)
Software	(449)	(27)	18		(458)
Other intangible assets	0	0			0
Operating property, plant and equipment	**(477)**	**(53)**	**14**	**3**	**(513)**
Land and buildings	(135)	(21)	6	3	(147)
Other property, plant and equipment	(342)	(32)	8		(366)
Non-operating property, plant and equipment	**(1)**	**0**	**0**	**0**	**(1)**
Land and buildings	(1)				(1)
Other property, plant and equipment	0				0
TOTAL	**(1,791)**	**(80)**	**32**	**3**	**(1,836)**

Note 12 Accrual accounts and other assets

(in millions of euros)	2020	2019
Options	10,173	18,139
Settlement accounts	13	21
Miscellaneous debtors	19,037	27,596
Inventory accounts and similar	798	200
OTHER ASSETS	**30,020**	**45,956**
Collection accounts		
Adjustment accounts	3,410	5,080
Gains on financial instruments	378	20
Deferred charges and prepayments	300	346
Accrued income	268	397
Other accrual accounts	520	680
ACCRUALS	**4,876**	**6,523**

At December 31, 2020, Natixis changed the way options purchased or sold are presented, backed by a premium paid in installments or in fine.

Before this change was applied, the amounts of premiums accrued and premiums outstanding were respectively presented in the balance sheet under “Miscellaneous debtors” and “Miscellaneous creditors”, separately from the sections on options purchased or sold to which they relate.

As these premiums are inseparable from the derivative instruments, their presentation in the balance sheet has changed: the amount of premiums accrued and premiums outstanding is now included in the value of options purchased or sold to which they relate *(see Note 2.16)*.

Note 13 Interbank and similar transactions

(in millions of euros)	2020	2019
Due to central banks		
Debts due to credit institutions*	**119,541**	**99,615**
Demand	14,333	9,289
Time	105,208	90,326
Interbank and similar transactions	**119,541**	**99,615**
** o/w repurchase agreements*	*40,178*	*31,009*
** o/w accrued interest*	*51*	*101*

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Note 14 Customer transactions

(in millions of euros)	**2020**	2019
Special savings accounts	**116**	**130**
Demand		
Time	116	130
Other liabilities*	**100,016**	**119,190**
Demand	32,592	40,763
Time	67,424	78,427
Customer transactions	**100,132**	**119,320**
** O/w repurchase agreements*	*67,381*	*86,803*
** O/w accrued interest*	*27*	*97*

Note 15 Debt securities

(in millions of euros)	**2020**	2019
Interbank market securities and negotiable debt securities	**30,580**	**40,505**
Bonds	**21,566**	**21,936**
DEBT SECURITIES	**52,146**	**62,441**
O/w non-amortizable share premiums	*242*	*416*

Note 16 Accrual accounts and other liabilities

(in millions of euros)	**2020**	2019
Miscellaneous creditors	16,298	23,632
Securities transactions	20,606	85,143
o/w trading securities, liabilities on borrowed securities	*0*	*66,577*
o/w trading securities, other liabilities on securities	*20,592*	*18,552*
o/w accrued interest	*14*	*14*
Sold options	8,350	17,883
Securities transactions settlement accounts		21
OTHER LIABILITIES	**45,254**	**126,679**
Unavailable accounts	17	54
Adjustment and suspense accounts	990	2,880
Losses on financial instruments	208	130
Deferred income and prepayments	60	71
Accrued charges	690	951
Other accrual accounts	1,193	1,075
ACCRUALS	**3,158**	**5,161**

At December 31, 2020, Natixis changed the way options purchased or sold are presented, backed by a premium paid in installments or in fine.

Before this change was applied, the amounts of premiums accrued and premiums outstanding were respectively presented in the balance sheet under “Miscellaneous debtors” and “Miscellaneous creditors”, separately from the sections on options purchased or sold to which they relate.

As these premiums are inseparable from the derivative instruments, their presentation in the balance sheet has changed: the amount of premiums accrued and premiums outstanding is now included in the value of options purchased or sold to which they relate *(see Note 2.16)*.

As at December 31, 2020, Natixis for the first time applied ANC Regulation No. 2020-10 amending the presentation of securities on the balance sheet *(see Note 2 and Note 2.16)*.

Note 17 Provisions and impairment

(in millions of euros)	01/01/2020	Charges	Reversals	Translation adjustments	Other	31/12/2020
Provisions for impairment deducted from assets	**(1,427)**	**(1,003)**	**489**	**43**	**2**	**(1,896)**
Banks	(48)	0	18	0	0	(30)
Customers	(991)	(857)	409	37	(2)	(1,404)
Investments	(10)	(12)	14	0	1	(7)
Other long-term investments	(20)	(9)	12	0	0	(17)
Investments in subsidiaries and affiliates	(261)	(117)	10	0	5	(363)
Misc. securities and debtors	(97)	(8)	26	6	(2)	(75)
Provisions recognized in liabilities	**2,264**	**114**	**(300)**	**(52)**	**(5)**	**2,021**
Employee benefits	237	103	(43)	0	(1)	296
Off-balance sheet commitments	49	19	(28)	(1)	(4)	35
Country risk	385	24	(82)	(2)	0	325
Specific credit risk	2	0	(1)	0	0	1
Provisions for litigation	491	5	(2)	(41)	0	453
Sector risk	220	159	(74)	(8)	0	297
Forward financial instrument risk	366	0	(310)	0	0	56
Other	514	96	(52)			558

(in millions of euros)	01/01/2019	Charges	Reversals	Translation adjustments	Other	31/12/2019
Provisions for impairment deducted from assets	**(1,420)**	**(578)**	**567**	**1**	**3**	**(1,427)**
Banks	(48)		1	(1)		(48)
Customers	(859)	(482)	353	(6)	3	(991)
Investments	(18)	(1)	12		(3)	(10)
Other long-term investments	(21)	(2)	3			(20)
Investments in subsidiaries and affiliates	(393)	(50)	171	8	3	(261)
Misc. securities and debtors	(81)	(43)	27			(97)
Provisions recognized in liabilities	**2,192**	**445**	**(375)**	**12**	**(10)**	**2,264**
Employee benefits	397	45	(187)		(18)	237
Off-balance sheet commitments	21	62	(35)		1	49
Country risk	269	131	(15)			385
Specific credit risk	2	1	(1)			2
Provisions for litigation	482			9		491
Sector risk	229	84	(94)	1		220
Forward financial instrument risk	324	75	(33)			366
Other	468	47	(10)	2	7	514

NIT dispute

As a reminder, on December 18, 2019, the French antitrust body (Autorité de la Concurrence) announced that France's four historical meal voucher companies were to be fined a total of nearly €415 million for price fixing. On a financial level, the fine incurred by Natixis came to €83.3 million (of which €4.4 million for Natixis Intertitres alone, with Natixis being severally liable for the balance). Natixis has appealed this decision and believes it has numerous arguments in its defense with which to challenge it. Under these conditions, no provisions were booked in the financial statements at December 31, 2019 or December 31, 2020.

Note 18 Headcount and employee benefits

Change in headcount

	31/12/2020	31/12/2019
Technical staff	2,428	2,199
Managers	5,076	5,056
NUMBER OF EMPLOYEES	**7,504**	**7,255**

Post-employment benefits and other long-term employee benefits

Main actuarial assumptions

	2020				2019			
	Post-employment defined-benefit plan		Other long-term employee benefits		Post-employment defined-benefit plan		Other long-term employee benefits	
By type of obligation	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other
Discount rate	0.38%	0.25%	0.05%	(0.10)%	0.62%	0.45%	0.25%	0.33%
Expected return on plan assets	0.78%	2.90%	0.50%		1.56%	2.96%	0.50%	

Future salary increases are estimated by grade based on a constant population and a three-year average. At December 31, 2020, this average (including inflation) was 2.28%, the same as at December 31, 2019.

The remaining average working lives of employees, for all benefits, is 12.0 years versus 12.2 years at December 31, 2019.

Employee benefits, plan assets and separate asset obligations

(in millions of euros)	31/12/2020	31/12/2019
Gross benefit obligation	511	492
Fair value of plan assets	(230)	(248)
Fair value of separate assets	(62)	(60)
NET OBLIGATION	**219**	**184**

Breakdown of net obligation by plan type

(in millions of euros)	**2020**					2019				
	Post-employment defined-benefit plan		**Other long-term employee benefits**			Post-employment defined-benefit plan		Other long-term employee benefits		
	Supplementary pension benefits and other	**End-of-career awards**	**Long-service awards**	**Other**	**Total**	Supplementary pension benefits and other	End-of-career awards	Long-service awards	Other	Total
Benefit obligation at January 1										
Net obligations recognized	36	24	31	63	154	39	40	32	88	199
Unrecognized actuarial gains and losses	28	(10)	(2)	3	19	0	(22)	(2)	1	(23)
Unrecognized past service cost	1	7	3		11		11	2		13
Total net obligation at January 1	**65**	**21**	**32**	**66**	**184**	**39**	**29**	**32**	**89**	**189**
Benefits paid over the period	(3)	(3)	(1)	(35)	(42)	(3)	(6)	(2)	(41)	(52)
Benefits vested over the period	1	7	3	17	28	1	6	3	19	29
Interest cost	2	1			3	3	1			4
Expected return on plan assets, gross	(3)	(3)			(6)	(2)	(3)			(5)
Change in management fees					0					0
Payments to the fund during the period	(1)				(1)	(2)				(2)
Payment fees					0					0
Plan amendments recognized over the period	(10)	1			(9)		3			3
Recognized actuarial gains and losses over the period	12			1	13	3		2		5
Other items [(a)]	1			69	70	(3)	(17)	(3)	(3)	(26)
Change in obligation taken to income	**(1)**	**3**	**2**	**52**	**56**	**(3)**	**(16)**	**0**	**(25)**	**(44)**
Other items (change in consolidation scope, etc.)					0					0
Other changes recognized	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Actuarial gains and losses on benefit obligations	(13)	2			(11)	41	9	2	2	54
Actuarial gains and losses/return on plan assets	3				3	(10)				(10)
Other actuarial gains and losses					0		2			2
Change in actuarial gains and losses not recognized	**(10)**	**2**	**0**	**0**	**(8)**	**31**	**11**	**2**	**2**	**46**
Plan amendments over the period	(10)				(10)	1				1
Other items					0		(2)			(2)
Other changes not recognized	**(10)**	**0**	**0**	**0**	**(10)**	**1**	**(2)**	**0**	**0**	**(1)**
Benefit obligation at December 31										
Net obligations recognized	35	28	33	115	211	36	24	31	63	154
Unrecognized actuarial gains and losses	6	(8)	(2)	2	(2)	28	(10)	(2)	3	19
Unrecognized past service cost	1	6	3		10	1	7	3		11
TOTAL NET OBLIGATION AT DECEMBER 31	**42**	**26**	**34**	**117**	**219**	**65**	**21**	**32**	**66**	**184**

(a) At December 31, 2020, amounts due under the Time Savings Account are included in "other long-term benefits" in the amount of €69 million, whereas they were recorded as of December 31, 2019 under "short-term benefits" in the amount of €64 million.

Note 19 Subordinated debt

(in millions of euros)	2020	2019
Dated subordinated debt	**3,676**	**3,326**
Subordinated notes	726	726
Subordinated loans	2,950	2,600
Undated subordinated debt	**2,108**	**2,201**
Participating loans		
Subordinated notes	2,108	2,201
Subordinated loans		
Accrued interest	**26**	**27**
	5,810	**5,554**

Debt representing 10% of the total amount of subordinated debt:

Date of issuance	Maturity date	Currency	Amount of issuance	Frequency of coupon	Rate and duration before first redemption date	Rate after first redemption date	2020	2019	Liabilities convertible into equity	Condition of subordination (next higher rank)
27/06/2014	27/06/2026	EUR	900,000,000	Quarterly	Euribor 3M+2%	No redemption clause	900,000,000.00	900,000,000.00	Non-convertible	Unsecured creditors
29/07/2015	29/07/2027	EUR	1,000,000,000	Quarterly	Euribor +230 bp	No redemption clause	1,000,000,000.00	1,000,000,000.00	Non-convertible	Unsecured creditors

Perpetual deeply subordinated notes

Natixis issued perpetual deeply subordinated notes which offer unit-holders fixed rate or variable rate income and which may be redeemed at the end of a set period and then at each coupon anniversary date. In the event of non-redemption at the end of this period, for some of these issues, a variable coupon indexed to the Euribor or Libor will be paid.

The contractual conditions of deeply subordinated notes state that the issuer may suspend (in whole or in part) the payment of interest, as non-paid coupons are not deferred.

Due to the existence of a loss-absorption clause, the nominal value of the securities may be reduced in the event of regulatory capital inadequacy to serve as a new basis for determining coupon amounts. The original nominal value may however be reconstituted under certain conditions.

In the event of the liquidation of Natixis and regardless of any reduction to the securities' original nominal value, unit-holders will bear their securities at their original nominal value.

Redeemable subordinated debt

Redeemable subordinated debt issued by Natixis includes medium- or long-term loans or securities equivalent to ordinary subordinated debt. They are redeemable before the contractual maturity date in the event of liquidation of the issuer, and rank after other creditors but before holders of the super subordinated notes.

Following approval by the banking supervisory authority and at the initiative of the issuing company, redeemable subordinated debt may be subject to early redemption through repurchasing on the stock market, or over the counter in the case of private debt, as of a date set in the issue notice or purchase agreement or in the event of changes to current tax and regulatory rules. In all cases, these redemptions are subject to the approval of the banking supervisory authorities.

Note 20 Regulated provisions

(in millions of euros)	Revaluation reserve for depreciable fixed assets	Provisions for investment	Accelerated depreciation	Public funds assigned	Total
At January 1, 2019	**0**	**0**	**0**	**2**	**2**
Charges					0
Reversals					0
Other					0
Activity in 2019	**0**	**0**	**0**	**0**	**0**
BALANCE AT DECEMBER 31, 2019	**0**	**0**	**0**	**2**	**2**
At January 1, 2020	**0**	**0**	**0**	**2**	**2**
Charges					0
Reversals					0
Other					0
Activity in 2020	**0**	**0**	**0**	**0**	**0**
BALANCE AT DECEMBER 31, 2020	**0**	**0**	**0**	**2**	**2**

Note 21 Share capital, issue premiums, reserves and carry over

(in millions of euros)	Capital	Issue premium	Legal reserve	General reserve	Long-term capital gains regulated reserve	Other reserves	Retained earnings	Total
At January 1, 2019	**5,040**	**7,426**	**533**	**1,210**	**0**	**2**	**1,625**	**15,836**
Appropriation of 2018 earnings							(617)	(617)
Allocation of bonus shares	5			(5)				0
Activity in 2019	**5**	**0**	**0**	**(5)**	**0**	**0**	**(617)**	**(617)**
BALANCE AT DECEMBER 31, 2019	**5,045**	**7,426**	**533**	**1,205**	**0**	**2**	**1,008**	**15,219**
At January 1, 2020	**5,045**	**7,426**	**533**	**1,205**	**0**	**2**	**1,008**	**15,219**
Appropriation of 2019 earnings							2,242	2,242
Allocation of bonus shares	5			(5)				0
Activity in 2020	**5**	**0**	**0**	**(5)**	**0**	**0**	**2,242**	**2,242**
BALANCE AT DECEMBER 31, 2020	**5,050**	**7,426**	**533**	**1,200**	**0**	**2**	**3,250**	**17,461**

At December 31, 2020, the share capital was composed of 3,155,951,502 shares, each with a par value of €1.60. All shares confer the same rights on their holders, except for treasury shares, which have no voting rights.

The capital increase in fiscal year 2019 corresponds to the allocation of 2,789,890 bonus shares to certain Natixis employees, within the scope of Retention and performance plans.

The capital increase in fiscal year 2020 corresponds to the allocation of 2,873,020 bonus shares to certain Natixis employees, within the scope of Retention and performance plans.

Note 22 Transactions with subsidiaries and affiliates

(in millions of euros)	**2020**	2019
Assets		
Advances to banks	52,861	46,595
Customer loans	35,334	31,290
Bonds and other fixed-income securities	3,317	3,602
Shares and other variable-income securities	3,341	3,354
Liabilities		
Amounts due to credit institutions	72,744	58,849
Amounts due to customers	24,158	30,085
Debt securities	407	252
Subordinated debt	5,046	4,788
Off-balance sheet		
Financing commitments given to:		
■ banks	28,067	8,594
■ customers	10,277	7,201
Guarantees provided on behalf of:		
■ banks	5,120	6,132
■ customers	6,464	7,640

Under Article 1124-61 of Regulation No. 2014-07 on transactions between related parties, Natixis has no additional information to disclose, since these transactions are either excluded from the reporting scope (wholly-owned subsidiaries), or entered into under normal market conditions.

Note 23 Statement of assets, liabilities and commitments related to the management of public procedures

(in millions of euros)	**2020**	2019
Customer transactions	886	852
TOTAL ASSETS	**886**	**852**
Interbank and similar transactions	46	46
Customer transactions	987	965
Other liabilities	8	
Public funds assigned	2	2
TOTAL LIABILITIES	**1,043**	**1,013**

Note 24 Interest and similar income

(in millions of euros)	2020	2019
Interest and similar income	**5,596**	**7,683**
Interbank transactions	1,694	3,271
Customer transactions	1,934	2,564
Bonds and other fixed-income securities	181	191
Other interest and similar income	1,788	1,657
Interest and similar expenses	**(4,554)**	**(6,866)**
Interbank transactions	(1,271)	(1,750)
Customer transactions	(641)	(2,052)
Bonds and other fixed-income securities	(1,349)	(1,551)
Other interest and similar expenses	(1,294)	(1,513)
	1,042	**817**

Of which -€176 million in interest expense on subordinated debt at December 31, 2020 versus -€197 million at December 31, 2019.

At December 31, 2020, Natixis modified the presentation of negative interest in the income statement, which is presented:

- in the "Interest and similar expenses" item when it relates to a financial asset;
- in the "Interest and similar income" item when it relates to a financial liability.

At December 31, 2019, negative interest was presented net of positive interest on financial assets and liabilities, respectively.

Note 25 Income from variable -income securities

(in millions of euros)	2020	2019
Investment in subsidiaries and affiliates	752	923
Investment in associates and other long-term investments		
Shares and other variable-income securities	5	8
TOTAL	**757**	**931**

Note 26 Fees and commissions

	2020		2019	
(in millions of euros)	Income	Expense	Income	Expense
Customer transactions	368	(5)	425	(6)
Securities transactions	2	(170)	7	(122)
Forward financial instruments	68	(46)	37	(146)
From financing and guarantee commitments	117	(74)	642	(620)
From other off-balance sheet commitments	113	(24)	89	(16)
From foreign exchange transactions		(8)		(16)
From other Financial Services	15	(11)	17	(33)
From payment services	32	(38)	35	(38)
Ancillary income	7		6	
Other	91		125	
TOTAL	**811**	**(377)**	**1,383**	**(997)**

Note 27 Gains on trading portfolio transactions

(in millions of euros)	**2020**	2019
Net gains (losses) on securities held for trading	(1,349)	5,237
Net gains (losses) on foreign exchange transactions	430	136
Net gains (losses) on forward financial instruments	1,887	(3,839)
TOTAL	**968**	**1,534**

Note 28 Gains or losses on investment and similar portfolio transactions

(in millions of euros)	**2020**	2019
Securities held for sale		
Gains on disposal	59	41
Losses on disposal	(275)	(39)
Net impairment (Charge)/Reversal	(40)	41
TOTAL	**(256)**	**43**

Note 29 Other banking income and expenses

(in millions of euros)	**2020**	2019
Expenses from income sharing agreements	0	(1)
Ancillary income	275	280
Share of income from joint banking ventures	5	4
Transfers of operating banking expenses	2	1
Other	(81)	(65)
TOTAL	**200**	**219**

Note 30 Operating expenses

(in millions of euros)	2020	2019
Payroll costs	**(1,225)**	**(1,339)**
Wages and salaries	(803)	(916)
Social security expenses [(a)]	(287)	(463)
Incentive and profit-sharing plans	(30)	(60)
Taxes on income	(70)	(72)
Rebilled expenses	25	30
Provisions for risks and other expenses [(b)]	(60)	142
Other administrative expenses	**(1,104)**	**(1,220)**
Taxes and levies [(c)]	(209)	(217)
External services	(1,031)	(1,188)
Rebilled expenses	137	185
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	**(80)**	**(79)**
Charges	**(80)**	**(79)**
TOTAL	**(2,409)**	**(2,638)**

(a) *Of which pension costs of €75 million at December 31, 2020 compared to €198 million at December 31, 2019 (including €114 million in respect of the IPA).*
(b) *Including a provision for the Time Savings Account of €70 million in 2020 and a reversal of provision for the IPA of €114 million in 2019.*
(c) *Including a contribution of €160 million to the Single resolution Fund (SRF) at December 31, 2020, versus €166 million at December 31, 2019.*

Note 31 Cost of risk

(in millions of euros)	2020	2019
Provision for credit losses on assets	**(675)**	**(303)**
Non-performing loans:	**(675)**	**(286)**
Impairment charges	(764)	(393)
Reversals of impairment charges	349	268
Losses covered	(265)	(184)
Losses not covered	(2)	(2)
Recoveries of bad debts written off	7	25
Securities:	**0**	**(17)**
Impairment charges	0	(24)
Reversals of impairment charges	25	14
Losses covered	(25)	(7)
Provision for credit losses on liability items	**(17)**	**(127)**
On country and sector risks:	**(27)**	**(106)**
Charges to provisions	(183)	(215)
Reversals of provisions	156	109
Risks and charges:	**10**	**(21)**
Charges to provisions	(26)	(66)
Reversals of provisions	36	45
TOTAL	**(694)**	**(429)**

Note 32 Gains/(losses) on fixed assets

(in millions of euros)	**2020**	2019 [(a)]
Long-term investments		
Investments in associates and other long-term investments	**(110)**	**1,199**
Gains	11	1,164
Losses	(19)	(95)
Impairment charges	(138)	(54)
Reversals of impairment charges	36	186
Provisions for risks and other expenses	(2)	(2)
Reversals of provisions for risks and other expenses	1	0
Securities held for investment	**0**	**0**
Gains	0	0
Property, plant and equipment and intangible assets	**0**	**59**
TOTAL	**(110)**	**1,258**

(a) Of which, at December 31, 2019, €1,100 million in net gains and losses in connection with the sale of the Specialized Financial Services division to BPCE.

Note 33 Income tax

(in millions of euros)	**2020**	2019
Tax at standard rate	(11)	(45)
Tax at reduced rate		
Tax credits	14	13
Impact of tax consolidation	217	229
Other items	(9)	(77)
Carry Back		
TOTAL	**211**	**121**

Tax calculation

The tax consolidation agreement at Natixis group is based on the principle of neutrality, whereby each subsidiary determines its tax and contributes to the Group tax as if it were not consolidated.

Any tax savings or expense generated by consolidation is recognized by Natixis as the parent company.

Any losses transferred to the parent company give rise to a provision for restitution of corporate tax, deemed to offset the additional group tax incurred if subsidiaries return to profit, and their tax contribution is decreased by the amount of prior year losses.

Note 34 Geographical information

(in millions of euros)	2020 France	2020 Other Europe (a)	2020 North & South America	2020 Asia	2020 Other	2020 Total	2019 France	2019 Other Europe (a)	2019 North & South America	2019 Asia	2019 Other	2019 Total
Interest and similar income and expenses	471	228	121	218	4	1,042	381	268	(184)	351	2	818
Income from variable-income securities	730	1	26			757	931					931
Fee and commission income and expenses	138	62	202	31	1	434	32	55	242	56	2	387
Net income from investment and trading portfolio transactions	591	78	(2)	36	9	712	1,862	(294)	2	(3)	9	1,576
Other banking income and expenses	212	3	(9)	(7)	0	200	213	9	(1)	(3)	0	218
TOTAL NET REVENUES	**2,142**	**372**	**338**	**278**	**14**	**3,145**	**3,419**	**38**	**59**	**401**	**13**	**3,930**

(a) *Including UK.*

Note 35 Off-balance sheet – Forward financial instruments

(in millions of euros)	Notional 2020	Notional 2019
On organized markets	**269,680**	**335,787**
Forward transactions	269,680	333,624
Options	0	2,163
Over the counter	**4,963,630**	**3,811,367**
Forward transactions	4,444,705	3,283,545
Options	518,925	527,822
INTEREST RATE INSTRUMENTS	**5,233,310**	**4,147,154**
On organized markets	**583**	**60**
Forward transactions	583	60
Options		
Over the counter	**251,666**	**285,800**
Forward transactions	42,163	35,585
Options	209,503	250,215
EXCHANGE RATE INSTRUMENTS	**252,250**	**285,860**
On organized markets	**106,988**	**144,559**
Forward transactions	37,195	43,041
Options	69,793	101,518
Over the counter	**192,486**	**225,302**
Forward transactions	124,557	141,608
Options	67,929	83,694
OTHER INSTRUMENTS	**299,474**	**369,861**
o/w hedges		
- of interest rate instruments	35,418	26,265
- of exchange rate instruments	23	3
- of other instruments	2,386	2,721
o/w macro-hedges	122,221	171,974
o/w isolated open positions	351	309

Counterparty risk exposure

	Counterparty risk exposure [(a)]
Governments and central banks	10,269
Financial institutions	24,525
Other	16,229
TOTAL	**51,023**

(a) *Exposure calculated based on current Basel 3 standards.*

Information on risk management is presented in Section 3.2.3 of Chapter [3] “Credit and counterparty risks”.

Fair value of forward financial instruments

(in millions of euros)	**2020**	2019
Interest rate instruments		
Positive fair value	38,612	43,866
Negative fair value	33,684	41,496
Exchange rate instruments		
Positive fair value	9,742	12,736
Negative fair value	10,493	12,525
Other instruments		
Positive fair value	5,561	4,463
Negative fair value	6,326	6,284

Note 36 Off-balance sheet items – Commitments

(in millions of euros)	**2020**	2019
Financing commitments	**108,439**	**81,064**
Banks	48,423	23,348
Customers	60,016	57,716
Guarantee commitments	**29,202**	**35,126**
Banks	7,861	9,451
Customers	21,341	25,675
Commitments on securities	**9,117**	**9,321**
Other commitments	**20,008**	**23,862**
TOTAL COMMITMENTS GIVEN	**166,765**	**149,373**
Financing commitments	**46,623**	**34,470**
Banks	44,162	33,748
Customers	2,461	722
Guarantee commitments	**8,937**	**9,402**
Banks	8,937	9,402
Commitments on securities	**7,702**	**8,480**
Other commitments	**7,726**	**13,950**
TOTAL COMMITMENTS RECEIVED	**70,988**	**66,302**

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Note 37 Foreign exchange transactions and foreign currency loans and borrowings

(in millions of euros)	**2020**	2019
Spot transactions		
Currencies purchased and not received	18,499	16,192
Currencies sold and not delivered	18,287	16,715
Foreign currency lending/borrowing		
Currencies loaned and not delivered		
Currencies borrowed and not received		
Currency futures and options		
Euros receivable/currencies deliverable	414,644	416,628
Currencies receivable/euros deliverable	433,633	473,765
Currencies receivable/currencies deliverable	237,676	246,285
Currencies deliverable/currencies receivable	237,461	246,251
Premium/discount receivable	1,656	3,253
Premium/discount payable	1,403	2,602

Note 38 Jobs, resources by maturity

(in millions of euros)	<= 3 months	3 months to 1 year	1 to 5 years	> 5 years	Undated	**Total**
Advances to banks	35,405	18,949	11,324	15,336	0	81,014
Customer transactions	70,246	12,111	26,538	14,440	809	124,144
Bonds and other fixed-income securities	1,904	1,215	4,448	2,608	0	10,175
Assets	**107,555**	**32,275**	**42,310**	**32,384**	**809**	**215,333**
Due to banks	71,193	18,823	26,176	3,349		119,541
Customer transactions	93,385	1,240	2,208	3,299		100,132
Debt securities	23,725	7,498	3,773	17,150		52,146
Resources	**188,303**	**27,561**	**32,157**	**23,798**	**0**	**271,819**

Note 39 Establishments and operations in non-cooperative States or territories within the meaning of Article 238-0A of the French General Tax Code

Article L.511-45 of the French Monetary and Financial Code and the Ministerial Order of October 6, 2009, require banks to disclose in a note to their financial statements their establishments and operations in States and territories that do not have an administrative assistance agreement with France aimed at countering fraud and tax evasion, which provides access to banking information.

These obligations form part of the global struggle against territories that are non-cooperative on tax matters based on the work of various OECD working groups and summits, and are also part of the fight against money laundering and the financing of terrorism.

Monitoring of Natixis' subsidiaries and branches in non-cooperative countries forms an integral part of Natixis' risk monitoring process overseen by the Risk function. This process involves:

- local Risk Officers/functions that have a functional link to the central Risk Control Department;
- specific reporting procedures that respect local constraints but also comply with overall risk requirements.

At December 31, 2020, in accordance with the above-mentioned Article, Natixis hereby reports that it has:

- in Panama, €66 million in outstanding financing (net of provisions) and €78 million in loan commitments given;
- in the Bahamas, financing outstandings (net of provisions) of €264 million;
- in Oman, €426 million in outstanding financing (net of provisions), €2 million in financial guarantees given and €157 million in loan commitments given.

Company financial results over the last five financial years (Articles 133, 135 and 148 of the French companies decree)

Category	2016	2017	2018	2019	2020
Financial position at year-end					
Share capital	5,019,319,328.00	5,019,776,380.80	5,040,461,747.20	5,044,925,571.20	5,049,522,403.20
Number of shares issued	3,137,074,580	3,137,360,238	3,150,288,592	3,153,078,482	3,155,951,502
Number of bonds redeemable in shares	0	0	0	0	0
Number of bonds convertible into shares	0	0	0	0	0
Overall results of effective operations					
Revenues net of tax	20,911,153,316.23	24,812,396,935.44	31,465,230,299.13	23,040,275,032.80	26,296,468,149.97
Income before tax, depreciation, amortization and provisions	1,061,747,058.72	1,058,912,618.73	1,610,377,425.74	2,205,278,559.53	369,564,682.90
Income taxes	364,623,914.40	255,217,927.59	269,538,633.33	120,723,077.77	211,515,956.27
Income after tax, depreciation, amortization and provisions	1,621,448,753.36	1,678,182,285.17	1,834,308,793.77	2,242,111,898.15	142,691,880.31
Amount of dividends distributed [(a)]	1,097,976,103.00	1,160,823,288.06	2,457,225,101.76	0.00	189,357,090.12
Operational result per share					
Income after tax, but before depreciation, amortization and provisions	0.45	0.42	0.60	0.74	0.18
Income after tax, depreciation, amortization and provisions	0.52	0.53	0.58	0.71	0.05
Dividend per share	0.35	0.37	0.78	0.00	0.06
Employees					
Number of employees	7,387	7,513	7,462	7,255	7,504
Total payroll costs	878,011,680.00	899,121,895.31	916,160,105.76	916,358,847.83	801,847,788.90
Social security and other employee benefits	388,380,689.14	503,004,737.45	421,145,026.49	523,163,629.26	317,843,440.76

(a) *Of which in 2018:*
- an ordinary dividend of €945,086,577.60;
- a special dividend of €1,512,138,524.16.

5.4 Statutory Auditors' report on the parent company financial statements

Fiscal year ended December 31, 2020

To the General Shareholders' Meeting of Natixis,

Opinion

In compliance with the assignment entrusted to us the General Shareholders' Meeting, we carried out the audit of the parent company financial statements of Natixis for the year ended December 31, 2020, as appended to this report.

In our opinion, the parent company financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company for the past fiscal year and of the results of its operations for the year then ended in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' responsibilities for the audit of the financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2020 to the date of our report and in particular we did not provide any services that are prohibited under Article 5(1) of Regulation (EU) No. 537/2014 or under the French Code of Ethics (*code de déontologie*) for Statutory Auditors.

Observation

Without calling into question the opinion expressed above, we draw your attention to the points set out in Note 2 to the financial statements concerning the changes in the presentation of option premiums and securities borrowings.

Justification of assessments – Key audit matters

The global crisis related to the COVID-19 pandemic has created particular conditions for preparing and auditing the financial statements for this fiscal year. The crisis and the exceptional emergency health measures taken have had multiple consequences for companies, particularly in respect of their activity and financing and have caused increased uncertainties for their future outlook. Some of these measures, such as travel restrictions and remote working, have also had an effect on the internal organization of companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, in application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code pertaining to justification of our assessment, we bring to your attention key points of the audit as they pertain to the risk of material misstatement which, in our professional judgment, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks.

The assessments thus made are part of the audit of the annual financial statements taken as a whole, as approved above, and the formation of our opinion expressed above. We do not provide a separate opinion on specific items of the annual financial statements.

Impairment of customer loans and receivables on an individual basis

Risk identified and main judgments

As part of its financing activities within the Corporate & Investment Banking division, Natixis recognizes provisions on an individual basis to cover incurred credit losses on loans and receivables granted to customers.

The COVID-19 pandemic has led to a health and economic crisis that is affecting borrowers' ability to repay their debts, with mixed situations depending on geographic regions and business sectors. In response to this crisis, each country deployed specific governmental measures (partial unemployment schemes, state-guaranteed loans, moratoriums, etc.).

The determination of individual impairment allowances for non-performing loans requires a significant amount of judgment, particularly in terms of identifying impairment and calculating the impairment loss to be recognized.

We considered individual impairment to be a key audit matter as it is an area where estimation plays a significant role in the preparation of the financial statements.

Receivables due from customers represented €124,144 million at December 31, 2020. Individual impairment losses amounted to €675 million at December 31, 2020.

Please refer to Note 1, to the paragraph 1 of Note 2, and to Notes 5 and 31 to the parent company financial statements for more details.

Our audit approach

Our work was adapted to take account of changes in risk and the increased degree of uncertainty. We appreciated the relevance of the internal Natixis control system and in particular its adaptation to the crisis.

We evaluated the design and tested the effectiveness of the key controls put in place by Natixis, in particular those related to:

- the identification of indicators of impairment (such as past-due payments) and the counterparty rating process;
- the classification of exposures as non-performing;
- the monitoring and valuation of guarantees;
- the determination of individual impairment losses on non-performing loans and the associated governance and validation system.

In addition, we carried out a credit review over a sample of files selected based on materiality and risk criteria, particularly files exposed to the business sectors most affected by the health crisis. In this review we:

- took note of the latest available information on the situation of sensitive and non-performing counterparties;
- performed independent analyses of the assumptions used and the estimates of provisions drawn up by management based on information provided by the institution and external data;
- verified that estimated impairment allowances were correctly recognized.

We also verified the information detailed in the notes on impairment of customer loans and receivables.

Provisions for legal and compliance risks

Risk identified and main judgments

Natixis is involved in litigation before the courts and is the subject of investigations and requests for information from regulatory and tax authorities in different jurisdictions.

The assessment of the resulting legal and compliance (including tax) risks reflects management's estimates as of the reporting date.

The recognition of a provision and determination of its amount as well as the financial information disclosed require, by their very nature, the exercise of judgment, not least because of the difficulty of estimating the outcome and financial consequences of ongoing proceedings.

We therefore considered provisions for legal and compliance risks to be a key audit matter given the sensitivity of these provisions to the assumptions and options adopted by management.

Provisions for litigation and other risks amounted to €1,011 million at December 31, 2020 (see Note 17 to the parent company financial statements).

For more details, please refer to paragraph 10 of Note 2 and to Note 17 to the parent company financial statements.

Our audit approach

We examined the identification, assessment and provisioning arrangements for legal and compliance risks.

We took note of the status of ongoing proceedings and the main risks identified by Natixis, including through regular discussions with management (and more specifically Natixis' legal, compliance and tax departments) and by reviewing the documentation made available to us.

Our work also involved assessing the reasonableness of the assumptions and data used by management to estimate the amount of provisions recognized at the reporting date. In particular, we engaged tax law specialists to conduct a critical review of analyses of the tax risks identified by Natixis and the related provisions.

We also carried out confirmation procedures with Natixis' legal advisors regarding ongoing proceedings.

Finally, we checked that the provisions thus measured were correctly recognized and verified the related disclosures in the notes to the parent company financial statements.

Valuation of financial instruments not quoted on an active market

Risk identified and main judgments

As part of its capital markets activities within the Corporate & Investment Banking division, Natixis holds a significant portion of financial instruments on its balance sheet that are not quoted on an active market.

The determination of the market value of these financial instruments is based on valuation techniques that include a significant amount of judgment in the choice of methodologies and data used, given:

- the use of internal valuation models;
- the use of valuation inputs unobservable on the market;
- additional valuation adjustments made, to reflect certain market, counterparty or liquidity risks.

In the context of the health crisis and its effects on the financial markets, certain market parameters were adjusted with significant effects, notably on the valuations of equity products, in particular during the first half of 2020, as described in Note 1.2.4.

We considered financial instruments not quoted on an active market to be a key audit matter due to the material nature of the exposures and the use of judgment in determining fair value and the effects of the health crisis.

Financial instruments not listed on active markets are broken down into Government securities and equivalent, receivables due from credit institutions and transactions with customers. Please refer to Note 1, to paragraphs 1 and 2 of Note 2, and to Notes 4, 5, 6, 27 and 28 to the parent company financial statements for more details.

Our audit approach

We examined the internal control procedures and systems for the identification, valuation and accounting of financial instruments not quoted on an active market.

We tested the effectiveness of the controls that we deemed relevant to our audit, including those relating to:

- the validation and periodic review, by the Risk division, of valuation models and related adjustments;
- the independent verification of valuation inputs;
- the determination of the main valuation adjustments, as well as the value adjustments made.

We carried out these checks with the assistance of our valuation specialists, with whom we also carried out independent valuations by examining, on a sample basis, the assumptions, methodologies and models used to estimate the main valuation adjustments at December 31, 2020.

The valuation impacts related to the health crisis, particularly on Equity products, were taken into account in our work with particular attention to the estimates used by Natixis.

We also examined, on a sample basis, any variances in margin calls with Natixis' market counterparties, which helped us assess the appropriateness of the valuations.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents on the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the financial statements provided to shareholders.

The fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code leads us to make the following observation: as indicated in the management report, this information does not include banking transactions and related transactions, as your Company considers that they do not fall within the scope of information to be reported.

Report on corporate governance

We certify the existence, in the section of the management report of the Board of Directors devoted to corporate governance, of the information required under Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

As regards the information provided in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to the remuneration and benefits paid or allocated to corporate officers and any other commitments made in their favor, we have verified the consistency of that information with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies included in the scope of consolidation. Based on this work, we certify the accuracy and fair presentation of this information.

As regards the information relating to elements that your company considered likely to have an impact in the event of a public tender offer or takeover bid, provided in accordance with the provisions of Article L. 22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they were taken and which were provided to us. On the basis of this work, we have no matters to report on this information.

Other disclosures

In accordance with French law, we have verified that the various information items concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights have been properly disclosed in the management report.

Other verifications or information provided for by French law and regulations

Format of the parent company financial statements intended to be included in the annual financial report

In accordance with part III of Article 222-3 of the AMF General Regulation, the Management of your company informed us of its decision to postpone the application of the single electronic reporting format as defined by Commission Delegated Regulation 2019/815 of December 17, 2018 for fiscal years beginning on or after January 1, 2021. As a result, this report does not contain any conclusions on compliance with this format in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Natixis S.A. by the General Shareholders' Meetings held on May 24, 2016 in the case of PricewaterhouseCoopers Audit, and on June 16, 1998 in the case of Deloitte & Associés (taking into account the mergers of firms that have occurred since that date). The appointment was previously held by other entities of the Deloitte network for which the full history of appointments cannot be established.

As at December 31, 2020, PricewaterhouseCoopers Audit was in its fifth year of appointment without interruption. As of that date, the length of Deloitte & Associés' uninterrupted appointment was over 20 years, including 15 years since the combination of the IXIS business of the Caisse Nationale des Caisses d'Epargne (CNCE) and the Natexis Banques Populaires business of Banque Fédérale des Banques Populaires (BFBP), which on November 17, 2006 resulted in the incorporation of Natixis through the transfer of CNCE's subsidiary shares and equity investments to the Natexis Banques Populaires entity, which was renamed Natixis.

Responsibilities of management and those charged with governance for the parent company financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, the General Inspection of procedures for preparing and processing accounting and financial information.

The parent company financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the parent company financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit. In addition:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the parent company financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the parent company financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also make it aware, when appropriate, of any significant weaknesses we have identified in the internal control system in terms of procedures for preparing and processing accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the parent company financial statements of the current period and which therefore constitute key audit matters, which we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, March 9, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Emmanuel Benoist	**Charlotte Vandeputte**

5.5 Internal control procedures relating to accounting and financial information

5.5.1 Preparation and processing of accounting and financial information

The Finance Department prepares Natixis' consolidated financial statements and all consolidated regulatory reports (including solvency, liquidity and resolution-related ratios) using the tools and databases developed and administered by Natixis S.A.

As a listed company, Natixis prepares separate consolidated financial and regulatory statements, although the sub-group it leads has been included in Groupe BPCE's consolidated financial statements since July 1, 2009.

In this regard, the processes for preparing the consolidated financial statements and regulatory reporting are operationally autonomous, but linked to BPCE's processes.

The reliability of these processes is based on the following core principles:

- the definition, in coordination with BPCE, and dissemination of the accounting and regulatory principles applicable to Natixis subsidiaries and branches, including the analysis and interpretation of new standards published during the period;
- the documentation and oversight of the different stages in the preparation of these reports;
- audit trails justifying all published accounting and management data, based on the individual contributions made by each entity and restatements made centrally;
- a first and second line of defense (LOD1 & LOD2) including management and monitoring processes as well as first-level and second-level control systems. All of these contribute to the security of accounting and financial information (corporate and statutory accounts, tax returns, prudential and regulatory reporting);
- support and appropriate training for the accounting and regulatory reporting teams of those consolidated entities that use the consolidation and data collection tools so that best practices are shared across the Company.

The preparation of the consolidated financial statements also relies on:

- the use of a direct consolidation method, rolled out throughout the Group, allowing for the analysis and control of the consolidation packages of each consolidated company via a formal review process;
- preparation of consolidated financial statements on a quarterly basis. This allows for greater control over financial reporting within tight time frames;
- Reporting and reconciliation of intra-group transactions at M-1 and then at M, where M is the reporting month, thus increasing the number of reconciliations and contributing to the preparation of quarterly statements;
- use of an automated control process for individual information provided by the consolidated entities through the use of consolidation packages that incorporate accuracy and consistency checks, which must be complied with before the data can be transmitted;
- individual analysis of all entries impacting consolidated shareholders' equity and the preparation of supporting documents for taxes, including proof of deferred taxes, for each consolidated entity, thus contributing to the substantiation of consolidated shareholders' equity.

For the preparation of the consolidated financial statements and part of its regulatory reporting, Natixis has software that enables it to:

- produce a local IFRS-compliant reporting package, including, for foreign entities, a reporting period foreign currency conversion feature;
- extend its data collection and consolidation processes to regulatory reporting;
- guarantee the consistency of data relating to the banking and insurance consolidation scopes;
- offer retrieval features that can be used to input data into the various reports;
- offer BPCE access to Natixis' data through dedicated interfaces, in keeping with confidentiality rules given that Natixis is listed;
- secure the integration process for consolidation packages received from international entities through the implementation of local first-level controls followed by centralized second-level controls.

To perfect its overall data collection system, Natixis is continuing to develop its consolidation tool by adding new modules or adapting existing modules to new standards (including the update of IFRS 9 as of January 1, 2018 and IFRS 16 as of January 1, 2019 and changes to FINREP reporting in 2020 and 2021), thus facilitating the compilation and preparation of certain regulatory reports (COREP capital reporting and FINREP), in addition to financial statements for publication.

Natixis is also continuing its project to provide streamlined and pooled data, which is gradually being implemented through the introduction of a summary of all functions (accounting, regulatory, financial management and risk management), through quality accounting data and enabling the production of the new regulatory reports required by the regulator (MREL, Anatitres, Anacrédit) and allowing analyses at a granular level.

Lastly, Natixis and Groupe BPCE as a whole ensure the publication of their financial information within a schedule in line with industry-wide practices.

5.5.2 Permanent control system relating to accounting and financial information

As part of its duties, and in keeping with the French Ministerial Order of November 3, 2014 on internal control by companies in the banking sector and European supervision by the Single Supervisory Mechanism, Natixis' General Inspection Department assesses the internal control procedures, with a particular focus on accounting and financial procedures, of all the consolidated entities, whether or not they have credit institution status.

The fact that most subsidiaries have their own management and control functions means that internal control procedures are decentralized and are tailored to the organization of each of the consolidated entities, relying on a multi-tier accounting control process:

- a first line of defense, where first-level permanent and local controls in operational business lines are integrated into the processing process and formalized in detailed work programs;
- a second line of defense overseen by each entity's Financial or Compliance or Risk Departments where permanent second-level controls, independent of operating processes, are performed to ensure the reliability of accounting and regulatory reporting processes and verify the existence and quality of the first-level controls;
- finally, a third line of defense, the last level of this system, devolved to the General Inspection (Natixis or BPCE) in its role of periodic control.

For accounting, permanent and periodic controls apply to the completion and/or monitoring of:

- for justifying accounts, accuracy and veracity checks, such as the procedures for management/financial account reconciliation (on-balance-sheet outstandings and off-balance sheet commitments), reconciliation of cash accounts and checking and clearing of suspense items;
- consistency checks through analytical reviews;
- checks to make sure income and expenses are allocated to the correct period;
- verification that the presentation complies with accounting rules;
- correct processing of specific transactions in line with the relevant principles;
- verification of financial information (notes to the financial statements, items of financial communication);
- adjustment of anomalies identified at the time of these controls as well as the corresponding analyses and documentation.

These controls are conducted using several accounting systems, whose number is being reduced, however, due to the integration of a significant part of Natixis' consolidated scope into the target financial information ecosystem.

For prudential and regulatory reporting, permanent and periodic controls apply to the completion and monitoring of:

- accuracy and veracity checks, such as the management/financial account base reconciliation processes, as the management data used for preparing reports can come from various sources;
- controls of the traceability and completeness of data, throughout the various reporting preparation processes;
- compliance and presentation controls in respect of the regulatory requirements specific to each reporting process;
- quality controls of the data (in accordance with the BCBS 239 program) needed to produce the reports and the quality of the attributes entered into the databases used, allowing the proper breakdown of accounting or management data;
- consistency checks between published reports, where possible and relevant.

For all these scopes, Natixis and its subsidiaries continue to develop their accounting and financial control procedures and to equip themselves with reconciliation and control tools that contribute to the auditability of the processes, with the Finance Department supervising, supporting and monitoring the controls carried out within the subsidiaries.

The accounting and financial reporting control system is primarily based on the following fundamental principles:

- separation of the accounting production and control functions;
- homogenization of control procedures and programs within the various business lines and entities of the Group: method, tool, feedback and timing of processes.

It also draws on:

- the application of the principles defined by BPCE, which specify in particular the scopes subject to a two-level control process and which provide for centralized management within the Finance, Risk or Compliance Departments, operated by a dedicated function (e.g. permanent financial supervision-LOD2);
- the implementation of an approach to manage and supervise the LOD2 financial control teams, in a sector-based approach;
- two types of tasks. The first is operational and consists of performing and reviewing first-level controls, as well as any additional second-level controls (for closing periods or as part of periodic assignments). The second is organizational and involves overseeing and adapting the system;
- formalized documentation as part of the "Accounting and financial information quality control framework" drawn up by Groupe BPCE. This includes procedures that describe in detail the organization of the system;
- risk mapping showing the nature, frequency of occurrence and responsibilities by level of control across all scopes (accounting and regulatory) and showing the risks covered by each control (accounting and regulatory audit assertions, BCBS 239 assertions and assertions related to the law on the fight against corruption);
- a risk-based approach, enabling the permanent financial control teams to guide determine the frequency of their controls with regard to the quality of the internal control processes.

For Natixis, the system is organized based on:

- accounting or regulatory production teams, within the business lines or centralized within the Accounting and Ratios Department, that handle all work related to the correct entry of transactions and the collection of data required for regulatory and prudential reporting and the implementation of day-to-day controls;
- first-level controls under the hierarchical and/or functional authority of the Accounting and Ratios Department including all monthly and quarterly controls;
- independent second-level controls under the hierarchical authority of the Accounting and Ratios Department and the functional authority of the Compliance Department. The Permanent Financial Control-LOD2 Department, in addition to managing the system, also performs its own controls, including the review of first-level controls;
- dedicated tools that allow for the automated reconciliation of account entries and centralization of control results using an internal application.

This entire system contributes to the security and reliability of published financial information.

As part of the coordination of the financial control function within Natixis, the Permanent Financial Control-LOD2 Department carries out the following tasks:

- definition of the control policy applicable to Natixis and its subsidiaries: organizational and operational principles of permanent internal control for accounting, fiscal and regulatory matters, in accordance with the policy established by Groupe BPCE;
- management of the control system within the subsidiaries, working with the Permanent Financial Control officers appointed by each of the local Financial, Compliance or Risk Departments. This takes place through quarterly Financial Control Committee Meetings, themed workshops, and bilateral cooperation with international entities and platforms;
- monitoring and implementing an accounting and regulatory control environment within each entity by collecting and operating a set of periodic reporting dashboards. The results of these dashboards are then sent to each entity, including a process for alerting the finance, compliance or risk officers and, if necessary, the central or local Control Functions Coordination Committees.

In 2020, the highlights of the accounting and financial control environment included:

- maintaining a tight schedule for preparing the various financial reports despite the health context related to COVID-19;
- permanent adaptation of production and control processes, taking into account the constraint of remote working, which made it possible, with the use of a robust IT infrastructure and the use of new communication tools, to maintain the quality of the financial information, reinforcing the control system and the integration of new reporting required by the regulator;
- the announcement of the proposed sale of Coface which led Natixis to treat the entire scope under the equity method and in accordance with IFRS 5 since the first quarter of 2020;
- the continuation of large-scale projects to streamline the information systems used for market and financing transactions (front- and back-office systems), and the migration of the associated software, which continued in 2020;
- the continuation of a project to streamline and pool data input by setting up a data lake shared by all overview functions (Risk, Accounting and Ratios, Financial Oversight and Financial Management). Using a data lake, the project allows the direct generation of certain reports, integrates processes such as intra-group management, granular analysis of cost of risk items and developing new controls by cross-referencing data;
- the continuation of the project to roll out the Group's target management tools within the Asia-Pacific and US platforms, with the scope of financing continued to roll out in Asia;
- the adaptation of production processes relating in particular to the new FINREP 2020 reporting, the new definition of default implemented in the fourth quarter, the establishment of a daily LCR to meet the regulator's expectations;
- the continuation of projects related to changes in standards such as IFRS 17 in the accounting field, which will concern all Insurance entities, and in the CRR2 and Basel 3 Revised regulatory field;
- strengthening of accounting and financial information controls, particularly regarding manual inputs, measures implemented by the state to support French companies in the current economic climate, anti-corruption and tax avoidance regulations;
- the implementation of the digitization initiatives launched in 2019, notably through the deployment of a new expense report management tool in the first half-year, the implementation of a centralized tool for managing and monitoring financial statements in the second half-year as well as the deployment of a tool for reporting the results of first- and second-level controls rolled out within the scope of Natixis S.A. during the second half-year;
- the reinforcement of local control system monitoring processes and support for Permanent Financial Control officers, particularly internationally on all European, American and Asian BGC platforms, and in France for the Life Insurance business.

Work in 2021 will be focused on the following actions:

- continuation of projects resulting from regulatory and normative changes, such as SURFI 2020 (RUBA reporting) whose implementation has been postponed by the regulator, FINREP 2021, Basel 3 revised – CRR2, IFRS 17 (for insurance entities), etc;
- the ongoing progress of the project to streamline the information systems used for market and financing transactions in France and abroad;
- the continued implementation of the project to streamline and pool data used by the various synthesis systems, with the launch of a large-scale contract data project to streamline our architecture by integrating one central process for accounting and management data, as well as a single adjustment process at the service of all downstream consumers;
- strengthening finance/risk governance and controls for valuation, observability and fair value hierarchy for financial products;
- continued deployment of the tool for reporting the results of first and second level controls in Natixis subsidiaries and branches;
- the continuation of the actions undertaken to strengthen first and second-level controls, particularly in the area of accounting to combat corruption in order to comply with the directives of the French Anti-Corruption Agency, on the prudential and regulatory areas for adapting systems to changes in 2021, and more generally in the field of "Data", to meet BCBS 239 requirements.

5.5.3 External controls

In addition to the control procedures followed by the Finance Departments responsible for preparing individual or consolidated accounts, the quality of accounting controls is verified by:

- inspections carried out by the banking supervisory authorities;
- audits conducted by Statutory Auditors. This work is carried out by a group of firms working in a uniform manner each quarter on most of the entities falling within Natixis' scope of consolidation and whose opinions rely on, in particular, compliance with policies determined and validated beforehand by Natixis and the effectiveness of local internal control procedures.

6

2020 NON-FINANCIAL PERFORMANCE REPORT

6.1 Strategic outlines and organization of the ESR policy

6.1.1 Strategic pillars of ESR

As a significant player in the financing of the economy, Natixis intends to play a role in the transition to sustainable development and, as its business model illustrates *(see p. 8-9)* through its business lines, contributes to creating value for all its internal and external stakeholders. It has made ESR one of the main levers of its New Dimension strategic plan (2018-2020) and defined the search for sustainable impact as one of the three constitutive elements of its corporate culture, alongside entrepreneurial spirit and collective intelligence.

With its strong and recognized expertise, Natixis 'ambition in terms of ESR involves all of its business lines (Corporate and Investment Banking, Asset & Wealth Management, Insurance, Payments) and its business lines. functional channels, and covers environmental, social/societal and economic dimensions.

It involves taking into account the social and environmental risks associated with the Company's activities, while being a powerful lever for performance and development: by fostering strategic dialog with customers and promoting the development of innovative offers, ESR enables Natixis to support the transition of economic agents to a more sustainable model.

Natixis organizes its ESR policy around three main areas:

Our ESR key performance indicators

BUSINESS	RISK	DIRECT IMPACT TO ENVIRONMENT	SOCIAL / SOCIETAL
ASSET MANAGEMENT Percentage of sustainable investments (1)	Number of operations analyzed by the ESR Risk team	Drop in energy consumption over three years (7)	Number of training hours per employee
12%	224	-26%	15.1 hours
FINANCING Green Weighting Factor (2)	Share of assets most exposed to climate risk transition (5)	Share of supply of renewable electricity in France	Share of women among Natixis leaders (8)
21.6% Green 32.6% Neutral 45.8% Brown	14.4%	100%	31.8%
Share of renewable energies (3)	Amount of exposure to the coal sector (6)	Carbon footprint	Share of employees working remotely (9)
65%	€394M	7 TCO 2eq /FTE	79.4%
INSURANCE Portfolio temperature (4)			Number of employees involved in solidarity initiatives (10)
2.7°C			Over 1,800

(1) Percentage of assets managed on behalf of third parties by affiliates of Natixis Investment Managers (NIM) that systematically include ESG criteria in their investment decisions.
(2) Environmental impact of the bank balance sheet rated by the Green Weighting Factor methodology excluding the financial sector (CIB scope).
(3) Share of renewable energies in the project financing of the electricity production sector in the portfolio.
(4) Potential for global warming induced by Natixis Assurances general fund investments (70% of the portfolio, alignment methodology developed by Mirova).
(5) Percentage of the total amount of RWA rated "Dark brown" under the Green Weighting Factor methodology.
(6) Amount of coal exposure taking into account non-dedicated corporate outstandings and project financing at the end of 2020.
(7) % decrease in kWh / FTE between 2018 and 2020.
(8) Within the wider leadership circle (Natixis Purple Leaders).
(9) Employees who signed a teleworking amendment at the end of 2020.
(10) Employees who took part in the salary or one-off donation of time.

6.1.2 ESR governance

Since 2017, the ESR Department has benefited from strengthened governance, with the creation of a dedicated department reporting directly to a member of the Executive Management Committee.

At the end of 2020, Natixis introduced a new governance structure for its ESR policy. To ensure the supervision of environmental and social issues by the Board of Directors, an ESR Committee has been created with the following skills:

- reviewing the Group's ESR strategy and commitments;
- monitor the actions taken by Natixis to reduce its own footprint and that of its financing and investment activities;
- monitor employee awareness-raising actions;
- monitor the inclusion of extra-financial criteria in executive compensation;
- examining ESR risks in terms of investment, economic performance and reputation;
- monitor reporting, particularly the DPEF;
- reviewing the Company's extra-financial ratings.

At the executive level, an ESR Sponsors Committee bringing together executives from all Natixis business lines and functions, around the Executive Management Committee, ensures the validation and monitoring of the ESR strategy.

To feed its thinking and steer the implementation of its strategy, ESR now relies on two steering Committees: one dedicated to internal ESR impacts and employee engagement, the other to sustainable business development and the management of ESR risks in our business lines.

The ESR Department has also been strengthened with ten permanent employees responsible for overseeing and coordinating the integration of ESR into Natixis' operations and activities, thus supporting the growing demand from clients, whether investors or corporate, of inclusion of ESR in their own development model. It is also responsible for regulatory and strategic reporting, and for relations with internal and external stakeholders who ask Natixis about its ESR policy (customers, employees, extra-financial rating agencies, NGOs, etc.).

The department works with the support of a network of around 200 ESR correspondents in all business lines and functions. The correspondents from Natixis' business lines (Corporate & Investment Banking, Asset & Wealth Management, Insurance, Specialized Financial Services) take part in business forums aimed at developing ESR in the business lines, while correspondents from the support departments (Real Estate and Logistics, Human Resources, Compliance, etc.) are involved in projects to incorporate sustainable development in the Company's operations.

In this context, the Corporate & Investment Banking business line has established a Green & Sustainable Hub. This operational hub comprises experts who help issuers and investors all around the world by offering them solutions and expertise in green and sustainable financing. Its expertise extends to all asset classes: the structuring and origination of loans, and investment solutions, in partnership with the business lines, which have appointed Green Captains, and in coordination with the ESR Department. The GSH provides training throughout the year so that the "Green Captains" improve their skills in sustainable finance.

ESR correspondents have also been active in Asset Management for several years (for example at Mirova, Ostrum Asset Management, and AEW Europe) as well as in the Insurance business lines (BPCE Assurances, BPCE Vie).

ESR correspondents were appointed in the overseas offices in 2018 to apply the ESR policy in all geographies.

Lastly, to mobilize more broadly, Natixis has been organizing training and awareness-raising sessions on sustainable development issues in recent years. This approach will be strengthened in 2021 with the deployment of a mandatory training module for all employees.

Lastly, the ESR team works in close coordination with the BPCE sustainable development Department, both in defining and monitoring strategic guidelines and in reporting consolidated ESR data at Group level.

6.1.3 ESR commitments

Natixis' ESR strategy is based on a set of international agreements and consultations within the banking industry, including:

- the United Nations Global Compact since 2007;
- the CDP since 2007;
- the United Nations Principles for Responsible Investment (UN-PRI) since 2008;
- the Equator Principles since 2010;
- the OECD Guidelines for Multinational Enterprises;
- the Green Bond Principles and the Social Bond Principles (ICMA);
- the Climate Bonds Initiative;
- the Diversity Charter since 2009;
- the Responsible Purchasing Charter since 2017;
- the Principles for Responsible Banking (PRB) since 2018;
- the act4nature Charter since 2018.

6.1.4 Contribution to the sustainable development Goals (SDGs)

Adopted in 2015 by the UN's 193 Member States at the sustainable development Summit in New York, the SDGs have become the benchmark for measuring progress by governments and private companies, including banks.

Mindful of its role in achieving these goals, Natixis has identified 13 SDGs to which it already makes a material contribution that is set to expand in the years to come, through financing and investments or in its own daily operations.

The following table provides some examples.

	IN OUR BUSINESS LINES	IN OUR OPERATIONS AND OUR SOLIDARITY PROGRAMS
1 NO POVERTY	Leader in solidarity asset management in favor of job creation and access to accommodation for people in need	Specific wage measures for the lowest salaries Engaging with associations to support the most disadvantaged people
3 GOOD HEALTH AND WELL-BEING	Exclusion of financing and investments in the tobacco industry	Employee health monitoring and medical coverage, numerous initiatives to promote quality of life at work Support for caregivers and research work in the context of the COVID-19 health crisis
4 QUALITY EDUCATION	Partner of the EDHECinfra Research Chair on ESG risk analysis of infrastructure investments	Numerous training programs to support staff employability Transfer of skills as part of the Solidarity Leave with the Planète Urgence association
5 GENDER EQUALITY	Creation of "30% Club Investor Group" (Ostrum, Mirova) to promote gender equality on the SBF120 governing bodies	Programs to ensure gender equality within the company and strategic objectives related to the proportion of women in leadership circles Support of the association UN Women to develop the women's economic empowerment.
6 CLEAN WATER AND SANITATION	Preservation of water resources with the "Sustainable ambition" product combining green bond with "Water & Ocean" index and the "Water" strategy of Thematics in asset management.	Partnership with the NGO Action Against Hunger for the construction of wells in rural communities in Liberia
7 AFFORDABLE AND CLEAN ENERGY	Major player in financing renewable energies in France and worldwide	100% green electricity supply contract for buildings in France Partnership with the NGO Electriciens Sans Frontières, for the installation of solar panels in health centers
8 DECENT WORK AND ECONOMIC GROWTH	Largest social bonds ever issued (for Unédic and Cades) in response to the COVID-19 crisis "Relance" label for the "Insertion Emploi Dynamique" fund managed by Mirova	5,000 people working out of France, the majority employed locally Maintaining jobs without recourse to short-time working during the COVID-19 health crisis

6

	IN OUR BUSINESS LINES	IN OUR OPERATIONS AND OUR SOLIDARITY PROGRAMS
11 SUSTAINABLE CITIES AND COMMUNITIES	Financing of sustainable infrastructure (clean transport, green buildings) Launch of the "Smart Cities" fund managed by DNCA	Environmental certifications of Natixis buildings in France and internationally Support for active transport (cycling), electric vehicles and shared mobility (carpooling)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	AEW chairs the Circolab association and supports the circular economy in construction real estate Natixis Assurances promotes re-use in the context of claims	Waste reduction (paper, cups), reuse of IT equipment and furniture, integration of social and environmental criteria in our purchases
13 CLIMATE ACTION	Internal "Green Weighting Factor" mechanism Alignment of the investment strategy with the Paris Agreement (affiliates of NIM and Natixis Assurances) Exclusion of financing in the coal, oil, shale gas and tar sands industry	Commitment to reduce the energy consumption of buildings in the Île-de-France region by 40% between 2010 and 2020 Mobility plan and travel policy to reduce the impact of transport
14 LIFE BELOW WATER	"Althelia Sustainable Ocean Fund", dedicated to protecting oceans	Employee participation in the Hong Kong Coastal Cleanup
15 LIFE ON LAND	"Land Degradation Neutrality Fund", dedicated to neutrality in terms of land degradation Sustainability-linked loans incorporating criteria linked to natural capital	Development of vegetated spaces in buildings Support from the Terre de Liens association to help farmers settle down and develop sustainable agriculture
17 PARTNERSHIPS FOR THE GOALS	UNEP Finance Impact – Principles for Responsible Banking and Act4nature international, Taskforce on Nature related Financial risk and Disclosure	Natixis is a partner of Paris Action Climat, a signatory of the city of Paris "100 hectares" charter and a member of the Les Deux Rives circular district

6.1.5 Dialog with stakeholders

In the course of its business, Natixis has dealings with various stakeholders, including but not limited to:

Clients

- Business
- Institutional
- Retail
- Banque Populaire and Caisse d'Épargne networks

Completion of questionnaires
Invitations to tender
Product development and management
Contracts

Shareholders

- Groupe BPCE
- Active and inactive employees
- Individual shareholders

General Shareholders' Meetings
Meetings and newsletters (specific mechanism for individual shareholders)

Employees

- Employees of Natixis S.A. and its subsidiaries
- Staff representatives and unions

In-house information – ESR training
Specific Committees (e.g. Committee for Hygiene, Safety and working conditions)
Employee Opinion survey

Suppliers and subcontractors

- Businesses
- Service providers
- Companies in the protected sectors

Requests for proposals and calls for tenders
Responsible Supplier Relationship Charter
CRS clauses in contracts

NGOs

- Environmental and human rights defense associations

Answers to questions
Meetings
Maintaining a regular dialog on sectoral issues

Humanitarian organizations

- Partners associations/ Research institutes

Sponsorship
Payroll giving
Volunteering

Institutional players, regulators

- Financial regulatory authorities

Transmission of information and documents
Contributions to working groups

Rating agencies and external auditors

- CRS rating agencies
- Statutory Auditors

Transmission of information and documents for ratings and audits

Universities and schools

- Business and finance universities and schools

Supporting chairs
Relations with Grandes Écoles and universities
Campus Awards
Receiving interns, including co-op students

6.1.6 Recognized ESR performance

Given the importance placed on ESR ratings by investors, Natixis has increased its communications with ESR rating agencies in an effort to establish more consistent and structured dialog while addressing the areas of focus identified to guide its own ESR initiatives.

Natixis is rated by various ESR rating agencies and has recorded solid performances in social, environmental and governance areas, earning its way onto the major ESR indices: VigéoEiris Europe 120 indices, Stoxx indices including Stoxx Global ESG Leaders, Stoxx Europe 600 ESG-X and Euro Stoxx Low Carbon.

The following table shows the most recent assessments by the top ESR rating agencies and their previous ratings.

Agency	2020 CSR rating	2019 CSR rating	2018 CSR rating
VE (Vigeo Eiris)	59/100 (robust)	59/100	58/100
ISS- ESG	C/Prime	C+/Prime	C/Prime
Sustainalytics	78/100 (leader)	82/100	75/100
MSCI	AAA	AAA	AAA
CDP*	A-	B	D

* *Since 2020, Natixis has responded to the CDP questionnaire with BPCE.*

6.1.7 Review of the main ESR risks

In accordance with the new requirements of the non-financial performance report, Natixis has described its business model *(see p. 8-9)* and identified the main risks and opportunities arising from the social and environmental impact of its activities, the respect for human rights, and the fight against corruption and tax avoidance.

Natixis has applied Groupe BPCE's risk rating policy, based on the ESR risk analysis methodology established by the Group Risk, Compliance and Permanent Control division, which established:

- a breakdown of ESR risks according to the following types: governance, products and services, internal operations. These risks were identified in terms of regulations, industry practice, ESG rating agencies' assessment criteria and requests from clients and investors;
- a methodology for ranking the risks by their frequency and severity;
- an assessment of the corresponding risk management systems.

In addition, in conjunction with the Natixis Risk Management and Compliance Department, the list of Natixis ESR risks and their rating were reviewed in relation to the Risk Appetite System, Natixis' own risk monitoring tool, as updated and validated for the financial year 2020 by the Natixis Board of Directors:

- conduct risk, certain non-compliance risks and cyber risk are identified as material risks, which could have a significant impact on Natixis' financial (liquidity, solvency and profitability), strategic or reputational trajectory with a probability of occurrence of more than three years (which explains the changes in the matrix compared to 2019);
- social and environmental risks related to financing activities have been included in the review of the Risk Appetite System since 2019. Environmental risks cover both physical and transition climate risks, which are considered material, and other environmental risks (impact on biodiversity, pollution, natural resources);
- in 2020 two points of attention were raised on the materiality of these risks:
  - increased environmental and health risks,
  - increased transition risk for the energy and natural resources financing business lines.

Other ESR risks – particularly related to HR policies or our direct impact on the environment – are not listed in the Risk Appetite System but have been positioned in the gross ESR risk matrix (before risk management systems), depending on their severity and probability of occurrence.

Gross ESR risk matrix

** Related to our financing and investment activities.*

The gross risks matrix highlights the ten major risks presented below, which are managed with a set of risk management systems, with associated key performance indicators.

Main risks identified and risk management systems

Nature of ESR issue	Risks identified	Risk management system	Key performance indicators	See Chapter
Conduct	Conduct risk	▪ Code of Conduct ▪ Driving system ▪ Whistleblowing system	Application of the driving system	6.2
Business Ethics and Security	Protection of customers and investors Risks of money laundering and terrorist financing Risks of corruption Cyber risks	▪ Compliance management systems for non-compliance risks [(a)]	Non-compliance risk control procedures Level 2 control results	3.2.1
Societal and environmental	Social risks relating to our activities	▪ ESG criteria in investment and financing activities	Number of ESG risk reviews	6.5.1
			AUM in solidarity investments	6.4.1.4
	Climate risks relating to our activities	▪ Application of the Green Weighting Factor	Percentage of financing with the greatest impact on the climate (rated brown)	6.4.2.1
	Other environmental risks (pollution, harm to biodiversity, etc.) relating to our activities	▪ Financing for the energy transition ▪ ESG criteria in investment and financing activities	Amount of renewable energy financing arranged during the year	6.4.2.2
			Amount of green bonds arranged during the year	6.4.2.4
			AUM dedicated to natural capital	6.4.3.3
	Employability and the transformation of the business lines	▪ Training policy	Training hours per employee	6.7.1.3
	Diversity among employees and executive officers	▪ Diversity/inclusion policy	Percentage of women among Company leaders	6.7.1.2

(a) The Compliance Function's preventative actions – advice, raising awareness and training – are a key driver to improving Natixis' management of compliance risk.

6.2 Conduct

The Natixis Code of Conduct

The Code of Conduct was approved by the Natixis Senior Management Committee and by the Board of Directors. It applies to all individuals employed on a permanent or temporary basis at Natixis, or in an entity at least 50% owned by Natixis, whether in France or abroad. Suppliers and contractors are also required to comply with the rules applicable to each Natixis entity, in accordance with the principles of the Code of Conduct.

The Code of Conduct has two main sections. First, it sets out Natixis' commitments (client interests take precedence, ethics, responsibility towards society, protecting the reputation of Natixis and Groupe BPCE). The second section describes the rules of conduct that must guide each member of staff in their actions and decisions.

CONDUCT BEHAVIORS

BE CLIENT CENTRIC

BEHAVE ETHICALLY

ACT RESPONSIBLY TOWARDS SOCIETY

PROTECT NATIXIS AND GROUPE BPCE ASSETS AND REPUTATION

CORRESPONDING CONDUCT GUIDELINES

BE CLIENT CENTRIC:
- *Protect clients' interests*
- *Communicate clearly with clients*
- *Protect clients' information and data*
- *Handle clients' after-sales requests in a fair and timely manner*

BEHAVE ETHICALLY:
- *Respect employees and ensure their personal development*
- *Demonstrate professional ethics*
- *Ensure market integrity*

ACT RESPONSIBLY TOWARDS SOCIETY:
- *Behave in accordance with Natixis commitments with regard to Environmental and Social Responsibility*
- *Ensure financial security*

PROTECT NATIXIS AND GROUPE BPCE ASSETS AND REPUTATION:
- *Protect assets*
- *Ensure business continuity*
- *Communicate responsibly with external stakeholders*

These guidelines are illustrated using examples that are representative of the activities and duties performed at Natixis.

The Code of Conduct is available on the Natixis website at: *https://www.natixis.com/natixis/en/our-code-of-conduct-rep_95743.html*

Bespoke conduct governance

A dedicated Committee, the Global Culture and Conduct Committee, is responsible for governance of conduct-related matters. It is chaired by the CEO and comprises members of the Natixis Senior Management Committee. The Committee is governed by a charter that describes its duties and how it functions. The Global Culture and Conduct Committee is responsible for all matters concerning the Natixis Code of Conduct and its application by all subsidiaries and direct branches. It is in charge of overseeing and regularly monitoring matters pertaining to the rules of conduct, including updates to the Code and deciding on individual or operational cases. An escalation process is also in place to consult the Committee if required.

The Global Culture and Conduct Committee meets every quarter or on an ad hoc basis to discuss individual cases, approve ESR procedures and supervise their roll-out.

Global implementation of the management system

All the Natixis business lines and support functions are in charge of adapting the principles of the Code of Conduct to their activities. Accordingly, conduct matters have been included in the governance of different Group entities via existing or newly created Conduct Committees.

Local adaptations are covered by rules set out in the Global Conduct Policy, which outline: It provides for:

- the responsibilities imposed by the Code of Conduct and, specifically, how conduct must have a bearing on both strategic and operational decisions and on individual behavior;
- the terms of governance and reporting;
- risk assessment, monitoring of indicators, and the control system.

The Committees all met at least once in 2020 and reviewed any shortfalls with respect to the Code – in terms of Human Resources, risk, compliance or other matters – ensuring that these shortfalls were addressed in the annual appraisals of the employees concerned.

All staff are required to complete mandatory training on the Code of Conduct.

Finally, the Code of Conduct and the policies and procedures that complement its principles does not have a rule for every situation: it is the responsibility of each individual to exercise his or her personal judgment with regard to their duties and to demonstrate meticulous professional ethics.

Whistleblowing system

The whistleblowing procedure is an integral part of the Conduct system. It allows any member of staff who becomes aware of an inappropriate act or behavior (illegal activity, unethical behavior, violation of the Code of Conduct or the applicable policies and procedures) to inform the competent body within Natixis and receive the guarantees and protection set forth in regulations. The whistleblowing procedure is open to:

- all individuals with a current employment contract with Natixis, regardless of the type or duration of the contract;
- employees of external companies (suppliers or subcontractors) who work with Natixis either on a permanent or irregular basis.

The process put in place allows for timely monitoring of the alert, with in particular, depending on the applicable regulations:

- immediate acknowledgement of the report;
- notification within 15 business days of the date of acknowledgement of whether the information reported is eligible for further investigation;
- notification within three months of the date of acknowledgement of the steps taken to process the information reported or, if this process has been completed, the action taken (or not taken) based on the information.

The procedure provides protection to the whistleblowers (who may in no circumstances be subject to disciplinary action or legal proceedings in respect of the report, provided they have acted impartially and in good faith) and ensures the information is treated appropriately and in full confidence, in accordance with the applicable regulations.

The whistleblowing system is based on an overall policy which represents the minimum standard to be applied throughout Natixis. Each entity, subsidiary and branch office must adapt the overall policy to its activities and its own local regulations.

6.3 Business ethics and safety

Protection of customers and investors

Natixis places great importance on protecting clients' interests and it regularly enhances its client information, KYC and complaint handling process.

The protection of customers and investors is an integral part of internal processes, particularly in the context of the review and validation of new products and new activities.

For more information on these various topics, please refer to Chapter [3.2.8.3] "Non-compliance risks".

Fight against money laundering, terrorist financing and corruption

Natixis is determined to act with integrity and in compliance with its regulatory obligations in the fight against corruption, money laundering and the financing of terrorism.

The Financial Security Department reports to the Compliance Department and manages the **anti-money laundering and counter-terrorist financing** (AML-CTF), **corruption and fraud prevention framework**, and ensures that Natixis and its branches and subsidiaries comply with financial sanctions and embargoes.

In accordance with the regulations, Natixis (like the other entities of the BPCE Group) has the means to detect atypical transactions adapted to their risk classification, making it possible to carry out, if necessary, the strengthened examinations and the necessary declarations to Tracfin *(see below for more information)* treatment and action against illegal financial circuits) in the shortest possible time. The Group's risk classification includes the issue of "at-risk" countries, whether in terms of money laundering, terrorism, tax fraud or corruption.

With regard to corruption, Natixis has a corruption prevention program whose main rules and procedures are set out in the **Anti-corruption policy**, applicable to all its entities and employees and available on the website *(https://www.natixis.com/upload/docs/application/pdf/ 2020-08/politique_anti-corruption_natixis.pdf/)*.

For more information on these various topics, please refer to Chapter [3.2.8.4] "Non-compliance risks-Financial security".

Cyber risks

The risks of interruption or operational failure of Natixis 'or third-party information systems or breaches of Natixis' information systems due to fraudulent activities are recognized as material risks that could have a significant impact on the financial trajectory, strategic or reputational of Natixis.

In terms of information systems security, Natixis has a specific department attached to the Compliance Department, the Information Systems Security and Business Continuity Department (ITSS-BC). To prevent the risk of cybercrime, which is a priority given the increasing sophistication of cyber-attacks, the ISS-CA Department has set up two lines of defense, shared between the IT Department and the ISS-CA Department, as well as a risk mapping, an extensive ISS awareness program for all employees. For more information, refer to Chapter [3.2.8.5] "Non-compliance risks-Technological risks".

Representation of interests

In 2018, Natixis adopted the **Charter for Responsible Lobbying and Advocacy Activities** with respect to Governmental Bodies and Officials, which is available on its website : *(https://www.natixis.com/natixis/en/our-code-of-conduct-rep_95743.html)*.

With this charter, Natixis ensures the integrity and probity of its lobbying activities in compliance with its Code of Conduct and applicable laws, rules and regulations. It applies to all entities controlled by Natixis and to their employees. It covers lobbying and advocacy activities, which are coordinated by Natixis' Public Affairs Department and its parent company, BPCE. Natixis believes that dialog and respectful discussion of diverging interests are necessary to ensure the correct functioning of the democratic process. To this end, it engages in dialogue with public and government officials on proposed legislative and regulatory requirements that impact Natixis' business as well as its ability to serve its clients.

Natixis is registered with the competent European and national authorities and undertakes to observe the applicable Codes of Conduct. It has been included in the European Transparency Register since 2017 and is also registered in the French public register of lobbyists with the High Authority for Transparency in Public Life.

The coordination of interest representation issues is monitored by a dedicated team within the Corporate Secretary's Office, Public Affairs.

This year, the major cross-cutting issues that have largely occupied public affairs concerned green finance, in close collaboration with the Group. This year the public affairs team responded to 13 consultations on this issue on behalf of the Group.

Combating tax avoidance

Natixis implements control systems to ensure that its transactions comply with tax laws and regulations.

All new products and new activities must be approved with regard to these laws and regulations. In addition, Natixis reports transparently on its organizational structure and operations, and discloses its revenues and the corresponding taxes on a country-by-country basis for greater clarity on the determining factors of its tax expense. It has also adopted the UK HM Revenue & Customs Code of Practice on Taxation for Banks.

Natixis observes transparency rules intended to combat tax avoidance in France and around the world. As such, it applies the Common reporting Standard (CRS) on the Automatic Exchange of Information (EAI), which systematically provides tax authorities with information on revenue of tax residents received abroad, the US FATCA standard that aims to combat tax evasion involving foreign accounts or entities held by US taxpayers *(refer to Chapter [3.2.8.3] Customer protection – Know Your Customer)* as well as the European standard DAC6 on the declaration of transactions with a potentially tax-aggressive nature. More generally, Natixis complies with the international tax standards published by the OECD (BEPS actions).

In general, Natixis maintains professional relations and cooperates with all the tax authorities in the countries in which it does business.

In addition, Natixis includes tax evasion in its anti-money laundering system *(refer to Chapter [3.2.8.4] Financial security)*.

6.4 Business line contributions to green and sustainable growth

In line with the sustainable development objectives of its New Dimension strategic plan, all of Natixis' business lines develop innovative financial products and services designed to service its clients' environmental and social ambitions. 2020 marked the implementation of Natixis' major commitments in the fight against climate change with the implementation of the Green Weighting Factor in the credit process, in the preservation of natural capital with the first year of implementation of its commitments, and finally in the Principles for Responsible Banking with the first year of reporting.

2020 has been strongly impacted by the COVID-19 crisis, showing the importance of integrating social issues alongside environmental issues for a just transition. In this context, Natixis has been able to support its clients in innovative and historic transactions, including the first structured product combining a social bond and a climate index and the structuring of historical social issues.

In 2021, Natixis intends to consolidate its leading role in sustainable finance innovation by expanding the range of sustainable finance products and services offered to Corporate & Investment Banking clients, launching new investment solutions in its Asset Management affiliates, and developing sustainable investments and products for its insurance business. Offering clients investment and financing solutions that generate positive impacts and thus effectively address the Sustainable Development Goals is a key priority.

	2019	2020
Asset Management (a)	/	/
% responsible investments	33%	83%
% sustainable investments	13%	12%
% impact investments	/	2%
Labeled amounts	€33bn	€91bn
Market share in solidarity investments in France	22%	22%
Amounts invested in sustainable bonds (b)	€6.8bn	€18.5bn
Amounts invested in natural capital strategies (c)	€432m	€933m
Cooperate & Investment Banking	/	/
Green Weighting Factor (portfolio environmental impact)	23% green 26% neutral 51% brown	21.6% green 32.6% neutral 45.8% brown
Sustainable loans (part subscribed by Natixis)	€4.37bn	€3.40bn
Sustainable bond issues (Natixis arranged portion)	€4.41bn	€11.95bn
Financing of the renewable electricity sector	/	/
% of amounts financed (in portfolio)	74%	65%
Installed capacity of projects financed during the year	7.8 GW	6.5 GW
Natixis Assurances	/	/
Portfolio temperature	2.7°C	2.7°C
% green assets invested during the year	14%	15%
% of green assets in portfolios (commitment of 10% by 2030)	3.2%	4.5%

(a) % of total assets under management (2019: €934 billion/ 2020: €1135 billion). The scope of reporting on indicators was extended (nine affiliates in 2019/24 affiliates + four distribution platforms (NIM Solutions, Managed Portfolio Advisors, NIM Solutions US, Active Index Advisor) in 2020).

(b) Including the sustainable bonds of Ostrum, Mirova and DNCA. The increase is mainly due to the merger of Ostrum with LBPAM.

(c) Including the Natural Capital strategies of Mirova, the Water strategy of Thematics and the Ossiam Food for Biodiversity strategy.

6.4.1 Sustainable growth: financing the transformation in society

Natixis uses the sustainable development Goals as a reference framework for all the initiatives stemming from its commitment to society. The 17 sustainable development Goals for 2030 are the benchmark for measuring progress achieved by governments and private sector companies, including financial institutions.

2020 KEY EVENT

Taking into account the SDGs by Natixis' different business **lines**

In Asset Management

DNCA has implemented a measurement of exposures to the main UN sustainable development Goals across its entire Beyond fund range. These measures are based on the data published by the companies and consolidated with analyzes conducted by the managers of DNCA. The measure of exposure is presented both in terms of number of securities, but also in revenues.

Thanks to the partnership established at the end of 2019 with the independent impact rating agency **Impak Finance**, Vega IM integrates impact analysis into the management of a fund in order to meet the challenges related to the SDGs. This innovative approach, which takes into account both the generation of positive impacts and the mitigation of negative impacts, led to the creation in 2020 of the VEGA Responsible Transformation Fund.

Thematics developed, during fiscal year 2020, an impact measurement approach built on data provided by ISS ESG to assess the positive or negative influence of the funds on the 17 SDGs. The contribution of these funds can range from -10 to +10 for each SDG, ultimately making it possible to assign a score on environmental and social issues. All the funds subject to the analysis obtained a positive rating at the end of the evaluation cycle, and above their benchmark. In parallel, the controversies of the companies that make up the fund are studied. The objective for Thematics is to be able to compare its ratings in opportunities (SDG) and in risks (controversies) with the benchmarks of the strategies, and possibly with the funds of other managers to measure its impact against its peers.

Flexstone worked in 2020 on the evolution of its ESG analysis grid with the inclusion of priority SDGs in the evaluation of each investment. In particular, four priority SDGs were selected: climate, education, gender equality, decent work and economic growth. This new approach will be effective from 2021.

ESG issues are systematically analyzed **by Vauban Infrastructure Partners** across all assets. This analysis is carried out in line with the sustainable development Goals in order to address the risks and opportunities related to these challenges. SDG-related indicators have been defined according to the specific nature of each asset, on the basis of which action plans are put in place at the level of the companies involved.

In financing

Government of Mexico: first sovereign bond linked to the sustainable development Goals

Natixis acted as Sole Sustainability Structurer and Joint Bookrunner to assist the Mexican Ministry of Finance in the design of the sustainable emission benchmark linked to the SDGs. This framework combines an eligibility program with green and social projects. The eligibility of social projects will be determined using geolocation, with priority given to vulnerable populations living in remote and disadvantaged areas (illiteracy, low attendance at school, lack of health services, lack of access, electricity, etc.).

This is the first time that the SDGs have been used as an entry point for a framework and that an opinion on SDG alignment has been given by the United Nations Development Program (UNDP).

6.4.1.1 A growing number of Natixis' Asset Management companies observe the Principles for Responsible Investment (PRI)

Natixis examines ESG criteria closely when preparing its investment strategies, as sustainable development issues allow it to provide investors with value-creating solutions over the long term.

In 2020, Natixis Investment Managers, which groups the expertise of 24 affiliate Asset Management companies around the world and ranks among the world's biggest asset managers (more than €1100 billion in assets under management at 31/12/2020), pursued its pledge to take Environmental, Social and Governance (ESG) issues into consideration in the investment models each of its affiliates develops. The integration of ESG criteria is thus progressing throughout the management of NIM's affiliates.

The Principles for Responsible Investment (PRI) were published by the United Nations in 2006 as a voluntary commitment encouraging institutional investors and asset managers to incorporate ESG in the management of their portfolios. In 2020, 3038 signatories with $103.4 trillion in assets under management had adopted the PRI[1].

(1) Source: unpri.org.

21 Natixis Investment Managers affiliates, which together hold 93% of total assets managed by Natixis Investment Managers affiliates, had signed the PRI as of December 31, 2020, namely: AEW CILOGER, AEW Capital Management, Alliance Entreprendre, Dorval Asset Management, DNCA, Flexstone Partner, Harris Associates LP, Investors Mutual Limited, Loomis Sayles, Mirova, MV Credit, Naxicap Partners, Ossiam, Ostrum AM, Seeyond, Seventure Partners, Thematics Asset Management, Vega Investment Managers, Vauban Infrastructure Partners, Vaughan Nelson IM, WCM Investment Managers. NIM Solutions, a services and fund distribution platform, is also a signatory. In 2019, Natixis Investment Manager also signed the PRI on behalf of the federation of investment firms it represents.

2020 KEY EVENT

Mirova and Natixis Assurances named leaders by PRI

In 2020, Natixis Assurances and Mirova were named among the most advanced players in the field of sustainable finance. In 2020, the PRI identified a group of 36 leaders, comprising 16 institutional investors (4% of total PRI signatories) and 20 Asset Management companies (1% of total signatories), including Mirova and Natixis Assurances. This announcement is notably the reward for the work carried out by Mirova since 2016 on the calculation of the carbon footprint of its investments. For its part, Natixis Assurances confirms its status as a pioneer in terms of climate commitment. Its objective of devoting 10% of its investments to green assets was exceeded in 2019 and 2020: its investments rose to almost 15% during fiscal year 2020.

6.4.1.2 Natixis' commitment to the Principles for a Responsible Banking Sector (PRB)

Following on from the Principles for Responsible Investment (PRI) established in 2006 and the Principles for Sustainable Insurance (PSI) announced in 2012, the PRB are a global initiative launched by the banking industry in 2018.

These were developed by a group of 30 founding banks, including Natixis, brought together by the Finance Initiative of the United Nations Environment Program (UNEP FI), and now include 214 banks.

The PRB set out what it means to be a responsible bank and provide the first global framework for incorporating sustainability in all banking activities, be it in terms of strategy, financing, market and advisory activities or their direct impact.

Signatory banks will publicly acknowledge their positive and negative social, environmental and economic impacts. The banks agreed to set public targets to address their main negative impacts and to step up their positive impacts in order to contribute to the sustainable development Goals (SDGs) and align with the Paris Agreement on climate change. Natixis actively participates in several working groups within the UNEP FI, in particular to co-construct impact measurement tools, whether at the level of the portfolio or the corporate clients. Natixis is committed to measuring the impact of its activities on all of the SDGs in 2021.

As part of its commitment to the PRB, Natixis also joined the **United Nations Collective Commitment to Climate** Action, which sets out concrete and time-bound actions that banks will take to support the energy transition. Accordingly, Natixis undertook to:

- align its portfolios to reflect and finance the low carbon, climate-resilient economy required to limit global warming to well-below 2°C, striving for 1.5°C;
- take concrete action, within a year of joining, and use its products, services and client relationships to facilitate the economic transition required to achieve climate neutrality;
- be publicly accountable for its climate impact and progress on these commitments.

The implementation of the Green Weighting Factor (GWF) will enable Natixis to meet these targets *[see section 6.4.2.1 GWF: an innovative solution for a greener loan book]*.

The full report is available on our website[1].

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(1) *https://www.natixis.com/natixis/en/2021-prb-reporting-and-self-assessment-natixis-rpaz5_128786.html*

Principles of Responsible Banking	Corresponding sections in the URD
1. Alignment	6.1.1 Strategic pillars of ESR 6.1.4 Contribution to the sustainable development Goals (SDGs) 6.4.1 Sustainable growth: financing the transformation in society 6.4.2.1 GWF: an innovative solution for a greener loan book
2. Impact and definition of objectives	6.4.2.1 GWF: an innovative solution for a greener loan book 6.4.3.1 Natixis' biodiversity commitments 6.4.1 Sustainable growth: financing the transformation in society
3. Clients	6.4 Business line contributions to green and sustainable growth 6.4.1 Sustainable growth: financing the transformation in society 6.4.2.1 GWF: an innovative solution for a greener loan book
4. Stakeholders	6.1.5 Dialog with stakeholders 6.3 Business ethics and security – Representation of interests 6.4.3.1 Natixis' biodiversity commitments
5. Governance and culture	6.1.1 Strategic pillars of ESR 6.4.1 Sustainable growth: financing the transformation in society 6.4.2.1 GWF: an innovative solution for a greener loan book 6.7.1.7 Compensation policy
6. Transparency and reporting	All sections mentioned above

6.4.1.3 Socially responsible investment

The affiliates of Natixis Investment Managers offer a range of solutions built on the conviction that ESG criteria can play an important role in identifying potential risks, seizing opportunities and generating returns for investors.

Different levels of ESG criteria are available in the investment strategies applied by fund managers:

- **responsible investment**[(1)]: inclusion of ESG criteria in research, without these criteria having a systematic impact on decision-making and investment strategies, and implementation of an active shareholding policy;
- **sustainable investment**[(2)]: the investment strategy is based on ESG issues, aiming to align values, financial outperformance or societal impact through investment (e.g. exclusions, best-in-class or best-in-universe strategies, ESG themed investment);
- **impact investing**: strategy that addresses societal challenges, such as those defined by the United Nations sustainable development Goals.

Two other classifications, which can be found in the aforementioned categories, allow to further detail these strategies:

- <u>ESG themed investment</u>: strategy focused exclusively on ESG themes;
- <u>Certification</u>: funds certified by recognized third parties (the French SRI label, Greenfin, Finansol, Febelfin, LuxFlag ESG, Nordic Swan EcoLabel, FNG Siegel).

NIM supports affiliates in the deployment of their ESG approach and has allocated seed capital to strategies incorporating ESG issues as a priority. Currently, around a third of seed money is invested in ESG strategies. NIM also launched in 2020 a working group focused on ESG integration, co-led by Ostrum AM, allowing affiliates to share best practices.

(1) Found under the name "ESG Analysis" in the 2019 Non-Financial Performance Statement.
(2) Found under the name "ESG integration" in the 2019 Non-Financial Performance Statement.

	Affiliate	**Assets under management** *(in billions of euros)* **31/12/2020**	**PRI signatories**	**Responsible investment** ESG engagement and analysis	**Sustainable investment** ESG integration in management	**Impact investing*** Management and impact measurement	**Labeled funds/ assets****	**ESG investment theme***	**Measurement of the carbon footprint or temperature of the portfolios*****
Europe	Ostrum AM	447.9	✓	✓	✓		✓		✓
	DNCA investments	26.3	✓	✓	✓	✓	✓	✓	✓
	Mirova	19.5	✓	✓	✓	✓	✓	✓	✓
	H2O AM	18.4							
	Vega IM	9.6	✓	✓	✓			✓	
	Seeyond	8.8	✓	✓	✓				✓
	OSSIAM	3.9	✓	✓	✓		✓		✓
	Thematics AM	3.0	✓	✓	✓		✓	✓	
	Dorval Asset Management	1,3	✓	✓			✓		✓
USA	Loomis, Sayles & Company	284.2	✓	✓					✓
	Harris Associates	84.7	✓	✓					✓
	WCM Investment Management	66.9	✓	✓	✓				✓
	Vaughan Nelson IM	11.5	✓	✓					
	Gateway Investment Advisers	8.2		✓					
	AlphaSimplex Group	4.9							
Asia	Investors Mutual Limited	7.0	✓	✓					
Private Equity	Flexstone partners	6.9	✓	✓					
	Naxicap	3.8	✓	✓					✓
	MV credit	3.3	✓	✓					✓
	Seventure Partners	0.9	✓	✓					
	Alliance Entreprendre	0.5	✓	✓					
Infrastructure/ Real Estate	AEW Ciloger	33.9	✓	✓	✓		✓		✓
	AEW Capital Management	20.8	✓	✓			✓		✓
	Vauban Infrastructure Partners	4.7	✓	✓	✓		✓		✓
Assets managed by NIMI	NIM Solutions	58.7	✓	✓	✓	✓	✓		✓
	Managed Portfolio Adsvisors	44.5		✓	✓				
	NIM Solutions US	7.0							
	Active index advisors	3.3		✓					
TOTAL ASSETS UNDER MANAGEMENT**** *(in billions of euros)*		**1,135.5**		**22 affiliates + NIMI**	**10 affiliates + NIMI**	**2 affiliates + NIM Solutions**	**9 affiliates + NIM Solutions**	**4 affiliates**	**14 affiliates + NIM Solutions**
% in total assets under management of NIM			**93%**	**83%**	**12%**	**2%**	**8%**	**1%**	**31%**

* *Only certain funds include the notion of impact. It is therefore not applied to all assets under management.*

** *For Real Estate and Infrastructure affiliates, there are no labeled funds, so this category includes assets (buildings or infrastructure) that have received a GRESB assessment and/or have obtained an environmental certification such as BREEAM In- Use, HQE, etc.*

*** *The scope of reporting is extended from year to year. Some affiliates calculating a carbon footprint do not yet report in the non-financial performance report.*

**** *Assets under Management ("AUM"): assets under management, as reported by affiliates, may include notional outstandings, distributed outstandings, gross outstandings, assets of entities held as minority interests and other types of assets managed or sub-delegated by affiliates of Natixis Investment Managers but not included in the consolidated regulatory reporting of Natixis Investment Managers. As a result, the sum of assets by affiliate listed above does not exactly match the total assets of Natixis Investment Managers.*

The merger of **Ostrum AM** and La Banque Postale AM (LBPAM) created the European leader in rate and insurance management in September 2020, with €447.9 billion in assets under management. **Ostrum AM** Systematically includes ESG aspects in its analysis when they are deemed material. Ostrum AM's responsible investment approach applies to all its investments in sovereign assets from emerging and developed countries and over 90% of its debt investments. This process applies to €410 billion in assets under management, representing 92% of its total assets under management.

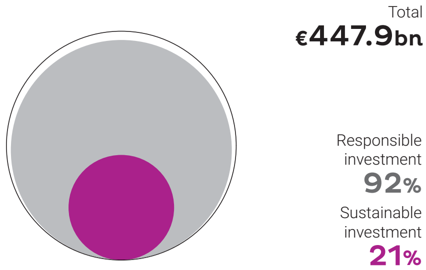
In addition, Ostrum AM has deployed sustainable management for 21% of its assets under management, according to various strategies:

- **Best in class & Positive screening:** selection of the best rated issuers from an investment universe that excludes issuers with a high ESG risk profile;
- **Best in universe:** selection of issuers from all sectors with the best ESG performance in the investment universe;
- **Bespoke strategies:** strategies co-built with clients for their dedicated funds or discretionary mandates to match their ESG philosophy as closely as possible.

All equity portfolios benefit from an SRI scoring and more restrictive management criteria are applied according to client guidelines.

Ostrum obtained the SRI certification of two money market funds in 2020, bringing certified loans to 9.5% of total outstandings, with 25 labeled funds.

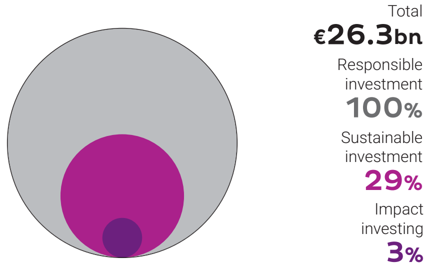
OSTRUM AM



DNCA, a leading European equity manager, developed its own ESG rating model in 2018, called Above & Beyond Analysis (ABA). This model analyzes its portfolios by rating issuers according to ESG criteria focused on two complementary concepts: Corporate social responsibility and the sustainable transition. This approach has been complemented by a proprietary impact analysis model that seeks to generate significant and measurable positive environmental and social impacts in addition to maximizing financial returns. The model assesses a Company's ability to meet three requirements: additionality (adding value to the market or regulation), intentionality (integration of the Company's strategy) and measurability (using relevant comparable data). For the time being, this analysis only applies for the management of the DNCA Invest Beyond Semperosa fund. Dedicated impact reporting(1) is published each year.

DNCA manages €26 billion, of which €7.5 billion are certified (i.e. 29% of assets under management). In 2020, DNCA obtained SRI certification for five new funds and aims to have its entire offering (equities, bonds) certified by the end of 2021. DNCA won three awards at the "Responsible Finance Awards", rewarding the performance of its SRI approach.

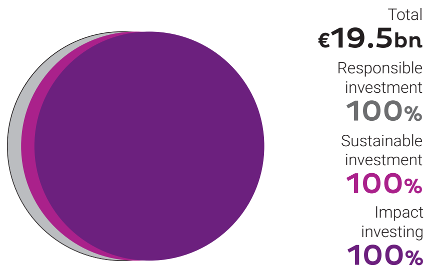
DNCA investments



Mirova, an affiliate dedicated to sustainable investment, this year took another step forward in its specific positioning, focused on impact. Indeed, in 2020 Mirova received the B-Corp label and changed its bylaws to become a company with a mission, thus confirming the importance for the Company of putting its societal utility at the heart of its operations. Mirova systematically takes into account in its investment filters the ESG criteria for all asset classes, i.e. €19.5 billion of assets under management, of which 15 billion are labeled. The Company is 100% SRI and all of its portfolios are aligned with a 2°C warming trajectory, in line with the ambitions of the Paris Climate Agreement. During the year 2020, Mirova was also at the origin of the reCOVery initiative created in partnership with Fabernovel, a collaborative thinking process for companies and financial players to encourage the debate on a fair and sustainable restart of the economy. the economy following the COVID-19 crisis.

In addition, in 2020 Mirova won two awards at the 35th edition of the Corbeilles: the Corbeille d'Or Management Company and the Long Term Management Company Corbeille. The baskets distinguish the institutions whose funds achieve the best financial performance over time.

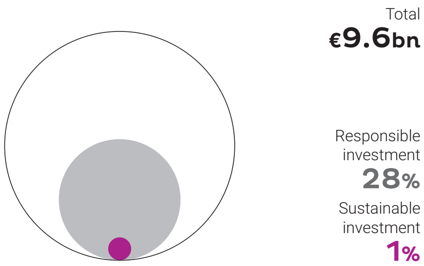
MIROVA



(1) https://www.dnca-investments.com/en/funds/dnca-invest-beyond-semperosa/units/a-lu1907595398

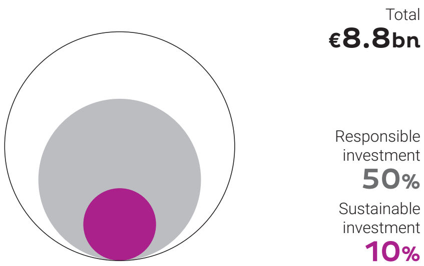
Vega Investment Managers, a specialist in tailor-made management solutions for private investors, has since 2018 developed expertise in fund selection taking into account ESG criteria. The ESG Club manages this selection based on an in-depth analysis of the responses to a questionnaire sent to Asset Management companies that declare that they have integrated an ESG process. This SRI/ESG universe of open architecture fund selection feeds VEGA Durable, launched in October 2018 (wealth management funds of funds) and the SRI guidance mandates in personalized GSM.

Vega IM



Seeyond, a specialist in active quantitative management, focused in 2020 on the accessibility of non-financial raw data in order to integrate them optimally into its investment approaches: three ESG data providers were selected for this purpose. Seeyond has also strengthened the governance of ESG issues with the creation of a Socially Responsible Investment Committee (composed of the Deputy CEO, the Head of Development, members of management, quantitative research and development). Since 2020, Seeyond has managed a second fund according to a euro zone equity strategy incorporating ESG (sustainable investment management) criteria: allocation of investments according to the ESG risks of issuers and exclusion of the most risky. The addition of this new fund brings assets under sustainable management to €920 million, i.e. 10.4% of total assets and 17.6% of equity assets.

Seeyond



Ossiam, a specialist in quantitative management of index tracker funds and Exchange Traded Funds (ETFs), applies ESG criteria to five of its funds and one separate account totaling €868 million (22% of assets under management). €611 million of assets under management are labeled SRI, i.e. 15.7% of assets under management.

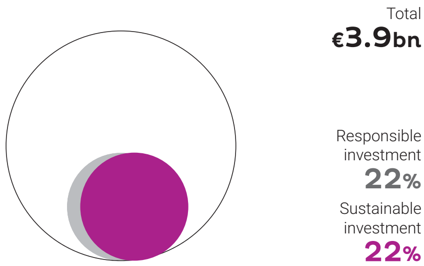
The integration of ESG (sustainable investment management) criteria into the strategies is carried out by implementing a combination of approaches:

- exclusions (controversial activities, tobacco, coal, etc.);
- a best-in-class approach that exclude 30% of securities with the worst ESG scores in a given business sector;
- an approach aimed at reducing the carbon footprint.

All new strategies developed by Ossiam are now analyzed to take ESG criteria on Board as additional market data.

In order to improve the transparency of information, in 2020 Ossiam increased the number of ESG indicators monitored in the portfolios and consolidated in ESG information sheets that will be shared with clients from 2021. These sheets cover ESG issues, but also from 2021 the alignment with a 1.5°C scenario, the portfolio's contribution to the SDGs and the results of the votes and commitments by portfolio.

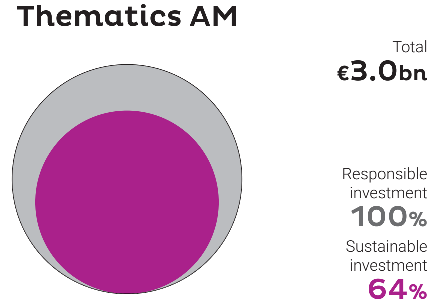
Ossiam



Thematics AM, an Asset Management company dedicated to innovative thematic equity strategies, incorporates an ESG approach at all stages of its investment process across all of its historical strategies, i.e. 64% of assets under management (€1.9 billion):

- definition of investment universe: specific exclusions are applied to each thematic fund in addition to exclusions relating to sector policies. For example, companies producing plastic water bottles are excluded from the Water investment strategy and companies with military contracts are excluded from security and artificial intelligence & robotics funds;
- selection: ESG criteria are one of the four risk categories analyzed to select the best risk/reward opportunities;
- investment: thresholds that take ESG scores into account are used to fine tune positions.

Following the merger of Ostrum with LBPAM, Thematics manages two new strategies formerly Ostrum, explaining an increase in AuM managed by Thematics to €2.98 billion at the end of 2020. An ESG specialist joined Thematics at the beginning of 2021 to strengthen the ESG approach on these strategies and the positioning on climate and collaborative engagement.

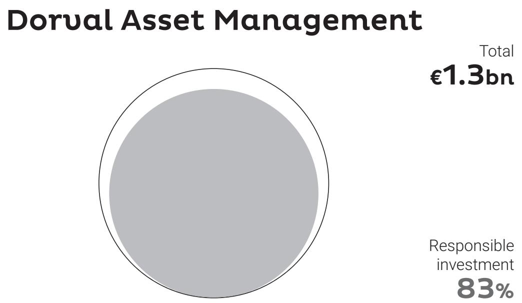


2020 KEY EVENT

Thematics AM obtains the SRI label for all its thematic strategies

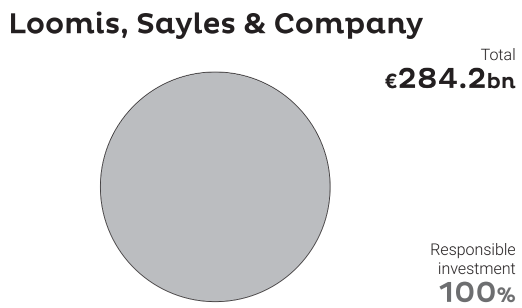
Thematics AM takes a new step forward in its commitment as a responsible company. In 2020 the portfolio management company was awarded the SRI label for all of its existing range of global thematic strategies, namely the five funds Thematics AI & Robotics, Thematics Safety, Thematics Subscription Economy, Thematics Water and Thematics Meta (representing €1.9 billion in assets under management). The SRI label, awarded following a strict certification process conducted by independent bodies, is a unique benchmark for savers wishing to participate in a more sustainable economy and give meaning to their investments.

Dorval Asset Management, a recognized player in the field of flexible strategies and European equities, integrates ESG criteria into all the investment processes of its open-ended funds (responsible investment management), for which the SRI certification took place in 2020. Internal and external ESG research is integrated at several levels in the construction and management of investment funds. Integrated into the macro analysis and the sector approach, it participates in the definition of the eligible investment universe, contributes to the construction of portfolios and guides the selection of securities around a proprietary non-financial rating methodology.



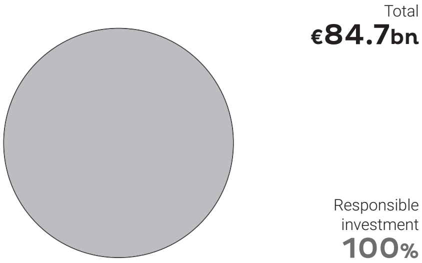
Loomis Sayles, an American diversified asset manager, takes ESG criteria into account in its fundamental research by modeling long-term business opportunities and challenges, by identifying industrial and sector risks, and by using various methods to assess the ESG challenges of issuers (including engagement with corporate management teams). Each investment team determines how to weight all investment criteria, including ESG criteria, according to its investment philosophy and process. ESG risks and opportunities arise from factors such as the strength and strategy of an issuer's management, the use of human and natural resources, as well as regulatory and political considerations.

Responsible management is applied to 100% of their assets under management.



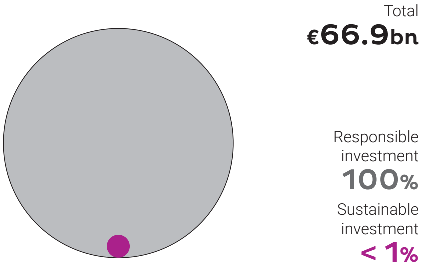
Harris Associates uses a fundamental bottom-up research process to identify companies that are trading at a significant discount to their estimated intrinsic value. As part of this process, all material risks and opportunities are taken into account, including ESG issues. These are factored into the estimation of intrinsic value and, where relevant, are brought up during the engagement with the portfolio companies'management teams. Taking all the material ESG criteria into account provides a clearer picture of a firm's intrinsic worth and its potential to generate shareholder value over the long term.

Harris Associates



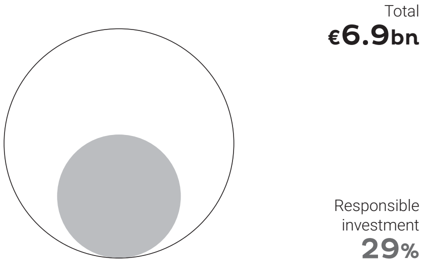
WCM has been methodically developing its ESG approach for over a decade: when sustainability criteria are selected carefully and implemented throughfully, they can be used to lower risks and improve investment results. WCM goes beyond the financial statements and consider industry-specific ESG criteria that impact long-term financial results. A business with a competitive advantage that is mutually beneficial to multiple stakeholders is far more durable, often able to grow well beyond expectations. All funds incorporate these principles, and three specific ESG strategies were launched in 2020: two within mutual funds (non-US and emerging markets) and one as part of a global equity mandate.

WCM Investment Management



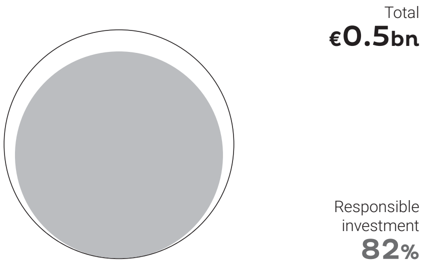
Flexstone, a Private Equity player, relies on a systematic formalized ESG analysis throughout its investment process. In 2020, Flexstone worked on the evolution of this ESG analysis grid by adding new indicators, and taking into account priority SDGs in the evaluation of each investment. Flexstone also published its first overall ESG policy in 2020 following the merger of its three entities[(1)].

Flexstone partners



Alliance Entreprendre, an expert in Private Equity for SMEs and mid-sized companies, takes into account ESG criteria throughout the investment cycle, depending on the materiality of the issues. The ESG assessment is presented to the Investment Committee and, when the situation allows, an ESG clause is included in the shareholders 'agreements, including the commitment to send an annual assessment of the ESG indicators. Alliance Entreprendre's responsible investment policy applies to all assets managed by the Asset Management company.

Alliance Entreprendre



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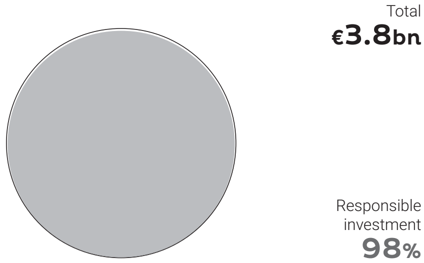
(1) In 2018, Flexstone Partners was created following the merger of three private investment entities: Caspian Private Equity, Euro-PE, and Eagle Asia Partners.

Naxicap Partners, a French Private Equity specialist, is involved in LBO and Private Equity financing in all sectors of activity. It applies ESG analysis to all companies in its portfolio in which the total amount invested exceeds €5 million, which account for 98% of assets under management. External auditors perform mandatory preinvestment ESG analysis which takes a detailed look at the main ESG issues in order to establish an action plan for the years to come.

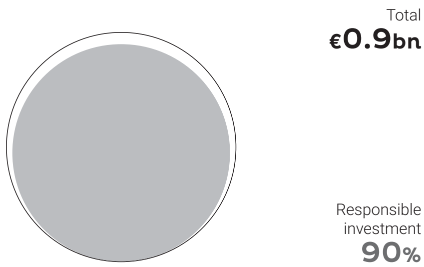
Naxicap



Private Equity player **Seventure Partners** is aware of its responsibility to direct its investments towards projects, companies or sectors that present fewer ESG risks and that support the development of a more sustainable economy. Under the guidance of the ESG Steering Committee, ESG issues have been integrated into the investment policy, in particular by:

- defining a responsible investment policy that excludes sectors with high ESG risks;
- systematically analyzing ESG risks prior to each investment and throughout the duration of the relationship;
- having a pragmatic approach to the ESG challenges and objectives of the investments in terms of their size and development challenges;
- engaging in a systematic dialog on ESG with the managers of the portfolio companies.

Seventure Partners



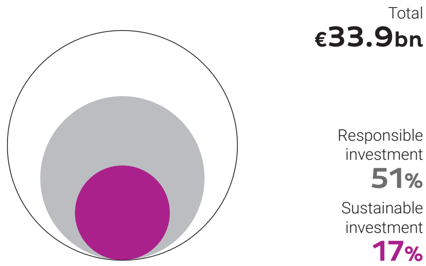
AEW CILOGER in Europe, and **AEW Capital Management** in the United States, both of which specialize in real estate investments, are building a corporate culture that respects ESG principles. ESG aspects are considered and discussed with the Investment Committee at the acquisition stage for direct investments.

Before making any investment decisions, the investment team looks at:

- ESG strategy;
- certifications;
- renewable energy on site or renewable energy certificates purchased;
- risks relating to the water supply and water quality.

AEW CILOGER proposes a systematic integration of ESG criteria on 17% of its assets (€5.9 billion in sustainable investment), and in 2020 created an SRI module on the energy performance monitoring portal to monitor action plans to improve the ESG performance of all assets.

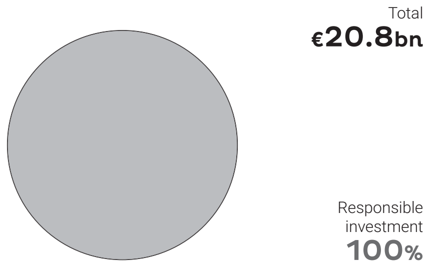
AEW Ciloger



AEW CILOGER set up a working group within the French association of investment property companies (Association française des sociétés de placement immobilier – ASPIM) to create a real estate SRI label in France incorporating criteria covering all environmental, social and governance issues. After local work carried out in 2019, the label resulted in a ministerial decree and was published in July 2020. In this vein, the SRI certification of two consumer funds is in the process of obtaining. It should take place at the beginning of the 2021 fiscal year.

To assess the ESG performance, the Equity Management Team **AEW Capital Management** has developed a proprietary ESG rating system based on measurable environmental indicators (energy and water consumption, carbon intensity, waste management), governance indicators (diversity, independence of the Board of Directors, compensation of the CEO) and social performance assessed by third-party non-financial rating agencies.

AEW Capital Management

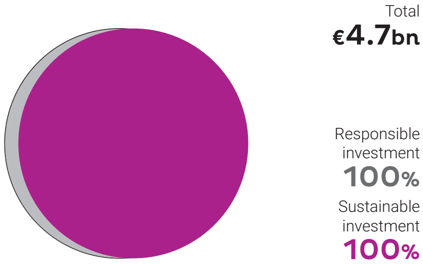


AEW Capital Management is expected to acquire over $1 billion in gross real estate value in 2020, all of which will include an ESG (responsible investment) analysis.

AEW Capital Management is committed to integrating the 17 SDGs into the activities of the entire portfolio to ensure that its ESG program contributes to a more sustainable world. This integration is monitored and measured by the ESG Committee and a third-party ESG consultant. The results are published each year in the sustainable development report.

Vauban Infrastructure Partners, an affiliate specializing in infrastructure investments, invests for the long term to create sustainable value. Its investments mainly concern the energy transition (urban heating networks, charging stations for electric vehicles), social services (hospitals, schools), mobility (trams, high-speed train lines) and access to digital technology (roll-out of fiber optic networks). ESG issues are systematically analyzed for all assets using a proprietary methodology and this analysis is carried out in line with the SDGs.

Vauban Infrastructure partners



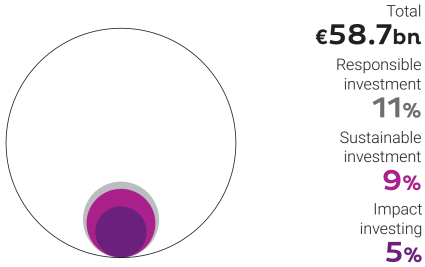
NIM International, which acts as a services and fund distribution platform, offers its clients a range of solutions combining the requirement of financial performance with robust extra-financial analysis. The ESG approach is applied according to the management activities:

- for assets under management delegated to affiliates, the ESG approach is that of the affiliate in charge of management;
- for assets managed by **NIM Solutions** the ESG approach is based on two pillars: responsible investment skills developed by several affiliates, and the rigorous selection of this expertise by the NIM Solutions teams;
- for the structuring activity (proposal of tailor-made investment solutions), when client constraints allow it and while maintaining performance, ESG considerations are integrated: in particular the selection of ESG indices and funds as sub-existing carbon footprint offset services.

For the management activity, NIM Solutions has developed a quantitative and qualitative internal ESG analysis methodology:

- definition of the investment universe by applying a quantitative filter;
- proprietary scoring to identify the best ESG funds;
- proprietary qualitative analysis (including ESG experience of the investment team, ESG integration in the investment process of the underlying funds, voting practices).

NIM Solutions



In 2020, NIM Solutions launched a range of three SRI-labeled ESG funds (Natixis ESG Conservative, Natixis ESG Moderate and Natixis ESG Dynamic). This range gives clients access to all the socially responsible expertise of NIM affiliates in the form of funds of funds, whereas this type of offer is very rare on the market (only two funds of funds were previously labeled SRI).

Natixis Assurances systematically includes an ESG-certified unit-linked product (SRI or Greenfin certification) in all new life insurance policies. These certified unit-linked products represented €1.75 million at the end of 2020.

6

2020 KEY EVENT

Launch of a responsible individual retirement savings plan

In 2020, Natixis Assurances launched a new individual retirement savings plan (PERI) which offers an ESG approach incorporating SRI-certified funds. This plan is composed of three positive impact assets:

- a Euro fund that undertakes to invest at least 10% of new payments in assets with a positive impact for the climate;
- two unit-linked vehicles that incorporate ESG criteria:
  - environment: CO_2 emissions, electricity consumption, waste recycling,
  - social: quality of employer-employee communications, employment of people with disabilities, employee training,
  - governance: transparency of executive compensation, fight against corruption, increasing the gender balance on Boards of Directors.

Exclusion policies

Societal exclusion policies: Natixis has adopted exclusion policies for sectors and issuers that do not respect certain human rights and fundamental principles of corporate responsibility. DNCA, Ostrum AM, Mirova, Seeyond, Thematics AM, Ossiam and Natixis Assurances apply these commitments to their investments, in full compliance with their fiduciary duties towards their customers. The following sectors and issuers are excluded: The following are excluded:

- controversial weapons;
- tobacco[1];
- companies deemed the worst offenders (which do not observe the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises)[2];
- blacklisted countries (those on the FATF list or under US or European embargo).

Voting and engagement policies

Ostrum AM, Mirova, Seeyond, DNCA, Thematics AM and **Ossiam** place shareholder engagement at the center of their responsible investor approach.

Ongoing constructive dialog is established with the companies in which the fund managers invest to encourage them to take better account of environmental, social and governance issues in their strategic planning.

The voting and engagement policies are based on two complementary principles:

- individual ongoing engagement by using voting rights and maintaining dialog with issuers;
- collaborative engagement alongside other investors aimed at raising awareness of the importance of ESG among issuers, government authorities and regulators. In 2020, DNCA supported two new commitments related to climate change (CA100+ and the CDP SBTi campaign), while Ostrum supported several new commitments on the traceability of livestock supply chains[3].

2020 KEY EVENT

Mirova and Ostrum call for a gender equality action plan

Mirova, Ostrum AM, Amundi, AXA IM, La Banque Postale AM and Sycomore AM, representing nearly €3,000 billion of assets under management, created in November 2020 the "30% Club France Investor Group" in order to promote the promotion of assets under management. greater gender diversity within the governing bodies of SBF 120 companies. The objective is to increase the representation of women on the SBF 120 governing bodies to reach at least 30% by 2025. The Club does not aim to impose mandatory quotas, but supports a voluntary approach aimed at achieving significant and lasting change within companies (dialog with the management bodies of companies, analysis of recruitment processes, use of resources). voting rights to encourage companies to act when the measures taken are deemed insufficient).

After performing preinvestment ESG audits, **Naxicap Partners** systematically includes an ESG clause in its shareholders' agreements. This clause includes a commitment to implement a detailed action plan and provide regular information and responses to ESG questionnaires (120 indicators). In addition, Naxicap Partners works with the management of the companies in its portfolio to establish a plan to reduce greenhouse gas emissions and adapt to climate change. In 2020, Naxicap set up a ESR Committee to assess the degree of progress of the ESG action plans and the support needs of portfolio companies. This systematic and regular review of the portfolio aims to better target short- and long-term equities and to provide investment teams with an ESG mapping of the companies in the portfolio. Depending on the results and where applicable, more operational support is offered to these companies, whether conducted by the Naxicap ESG team or by external service providers.

In terms of voting policy, the Asset Manager regularly participates in General Meetings of companies in which the investment vehicles under management have holdings. Failing this, Naxicap Partners grants powers to other shareholders of the Company for the purpose of representing it.

When monitoring investments, **Alliance Entreprendre** is committed to supporting and advancing investments on ESG topics through regular discussions with senior executives, particularly within governance bodies (Supervisory Board, Board of Directors, etc.).

6.4.1.4 Solidarity investment

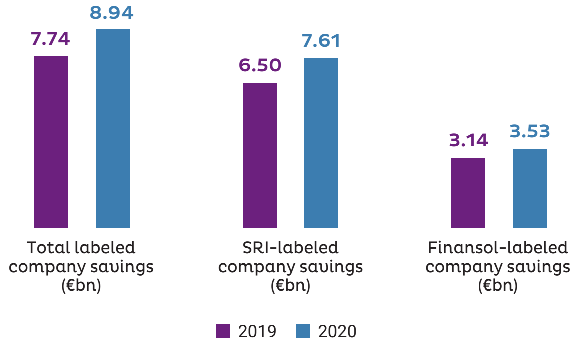
Natixis offers a range of SRI and solidarity-based employee savings plans via Natixis Interépargne, a pioneer in responsible, solidarity-based employee savings. Natixis Interépargne was the first company to offer its customers responsible and solidarity employee share ownership plans (SRI and Finansol certified respectively), even before it was legally required to do so.

Natixis Interépargne (NIE) is committed to sustainability as a pioneer in employee and retirement savings in France with over €35 billion in assets under custody. Amounts managed by Natixis (via Natixis Investment Managers) alone account for nearly 25% of this market in France, which is estimated to be worth €136.6 billion at June 30, 2020 by the French Asset Management Association (AFG).

(1) *Except at Seeyond, and only for certified funds at DNCA.*
(2) *Except at Thematics AM, and only for index funds at Seeyond.*
(3) */https://www.fairr.org/article/global-investor-engagement-on-meat-sourcing/*

Natixis is also a confirmed leader in responsible company savings plans in France with SRI-certified assets under custody with Natixis Interépargne amounting to €7.6 billion. Solidarity-certified funds amount to more than €3.5 billion. With total assets of over €8.9 billion, Natixis' market share exceeds 25.5% in SRI and 27.2% in solidarity investments in France.

Evolution of Natixis Interépargne solidarity and SRI company savings bookkeeping[1]



The increase in outstandings is due to an acceleration in the distribution of these funds (by BPCE and partner distributors) in response to regulatory incentives (PACTE law), a greater appetite of clients for SRI funds and better performance of SRI funds. these funds.

Natixis Interépargne's savings inflows and Mirova's portfolio management expertise combine to provide financing for sustainable and solidarity-based projects. Projects such as these are developed by investing in companies that strictly observe ESG criteria, or by allocating resources to entities in the social and solidarity-based economy.

Promoting responsible investment in its product offering being one of Natixis Interépargne's strong commitments, the FCPE offering was supplemented in 2020 by two funds:

- the Selection Mirova Environnement fund, launched in June 2020, which offers savers the opportunity to invest in European companies developing solutions to the challenges of the environmental transition (in line with a global warming scenario of up to 2°C) and participating in the program creating sustainable growth;
- the Selection Thematics Water fund, launched in September 2020, whose objective is to invest in companies in the water sector: supply, pollution control, infrastructure.

2020 KEY EVENT

The Insertion Emplois Dynamique fund receives the "Relance" label

Mirova's Insertion Emplois Dynamique fund, which was launched in 1994, was one of the first solidarity-based "90/10" funds dedicated to job creation in France. The solidarity allocation (10% of assets) finances structures with a positive social impact across the country in conjunction with France Active, while the equity allocation (90% of assets) invests in listed companies planning to create jobs in France over 3 years, based on analysis performed by Mirova.

This fund was awarded the "Relance" label launched in October 2020 by the French Treasury: this label aims to direct French savings towards investment vehicles that support the economic recovery plan unveiled by the Government. French following the COVID-19 crisis. With €820 million under management at the end of September 2020, it is the largest fund to have received this label, without having to change its portfolio, which was already aligned with the requirements of the label.

Mirova manages €1.2 billion of solidarity assets under management[2].

(1) *Any fund that mentions a management policy under the label in question in its legal documentation is considered to be "labeled".*
(2) *Solidarity Funds (Mirova solidaire) and solidarity-based 90/10 funds.*

2020 KEY EVENT

Mirova and France Active step up their actions in support of socially responsible companies

For 25 years, France Active and Mirova have worked together to make the development of SSE companies possible. Faced with the specific needs of these entrepreneurs in this period of crisis, France Active is expanding its offer to companies wishing to relaunch themselves via its Relaunch Pact, specific to this phase with the Solidarity Breakdown Loan, endowed with €30 million. Mirova contributes €1 million at zero interest rates over 18 months via financing supplied by the Mirova Solidaire fund. In addition to its financial commitment, Mirova is preparing an ambitious recovery and recapitalization program with France Active. Thanks to the establishment of an ad hoc partnership, Mirova will be able to co-invest on a regular and structured basis alongside France Active Investissement, via the Mirova Solidaire and Insertion Emploi Dynamique funds.

6.4.1.5 Social impact finance

Sustainable bonds raise funds that may only be used to finance or refinance a series of green or social projects (only social projects for social bonds). The projects financed by social bonds and sustainable bonds include vital infrastructure such as access to clean water, access to basic services like education, and maintaining or developing employment.

The volume of social bonds issued in 2020 amounted to $142 billion, almost eight times more than in 2019, and 18 times more than in 2017 ($7.9 billion), the year in which the Group was launched. Social Bonds Principles by ICMA.

The market is growing strongly but remains modest in size compared to the environmental bond market ($180 and $963 billion respectively for social and green bonds)[1].

2020 KEY EVENTS

Supporting our customers with innovative products to deal with the COVID-19 crisis

The COVID-19 crisis has brought social considerations back to the forefront of the thematic or impact financing market: while containment measures worsen poverty, exacerbate social inequalities and put a strain on the resilience of companies, emissions Social bonds were very well received by the market, as evidenced by the over-subscription of order books (three to seven times).

Natixis has been very active in the development of several emblematic types of financing to respond to this new type of crisis, but also to address the sustainable development Goals.

In 2020, Natixis participated in the arrangement of the issues of 55 sustainable bonds and social bonds, and supported Unédic, CADES, IBRD, IsDB and the Walloon Region in their social bond issues related to the COVID-19 crisis.

Inaugural social issues in the context of COVID-19

Natixis, sole structurer of Unédic's social issue

Carried out as part of the Social Bond Principles of ICMA[2], this issue represented to date (May 2020) the largest social bond ever issued in the world, all issuers combined. Worth €4 billion and maturing in 2026, the transaction was a great success with investors: at its close, the order book stood at €7.75 billion.

This inaugural issue, which took place in the context of an unprecedented health and economic crisis, will mainly be dedicated to financing the crisis response measures deployed by Unédic: reinforcement of the traditional unemployment insurance schemes and the introduction of an exceptional activity mechanism partial covering more than 12 million private sector employees. Unprecedented in terms of their scale, these schemes help to preserve the employment and income of more than one in two private employees in France, and to protect people affected by the particularly difficult economic context.

CADES social issue: historical interest of investors

In September 2020, as a structurer and order-maker, Natixis supported the Caisse d'amortissement de la dette sociale (CADES) in its first issue since the start of the health crisis, inaugurating its social bond program drafted in accordance with the Social Bonds Principles. This issue received a second opinion from VigeoEiris, which awarded it its highest rating ("advanced"), in line with best market practices.

(1) https://research-center.amundi.com/page/Article/Insights-Paper/2020/11/Social-bonds-financing-the-recovery-and-long-term-inclusive-growth => Source Bloomberg.
(2) International Capital Market Association.

This issue is now the largest social bond ever issued, for an amount of €5 billion on the basis of a historic order book for CADES, amounting to nearly €16 billion.

The funds raised through the issuance of social bonds by CADES will be allocated to the financing and/or refinancing of social security deficits, deficits caused by decreases in revenue (economic conditions, deferral or exemption of charges), and/or increases in expenses (materialization of social risks, greater use of benefits).

How to respond to the coronavirus epidemic? Survey of responsible investors

Natixis' Green & Sustainable Hub conducted a survey in April 2020 of global investors to understand their expectations regarding the response to the coronavirus epidemic, particularly in terms of financing. Twenty-four international asset managers from ten countries with a total of more than €13 trillion in assets under management responded to the survey:

- for 96% of investors, the Social Bond framework is appropriate for financing requests related to the COVID-19 crisis;
- transparency is required: 88% of investors require a precise allocation of funds as a prerequisite for investment;
- 52% and 44% of them consider, respectively, medical and epidemiological studies, and the costs of transformation of production lines (for the supply of prevention and care equipment) as the most relevant allocations of funds for a bond issued by a company or financial institution.

Natixis co-chaired the working group on **Sustainability-linked Bonds Principles** (SLBP) under the responsibility of the ICMA, defining the tools to support clients in a long-term transition. These principles define five essential components when issuing such bonds: selection of key performance indicators, definition of sustainable performance objectives, characteristics of the obligation, reporting and verification. These bonds can be used by issuers that play an important role in the transition but are not able to issue green bonds or are reluctant to do so. They also make it possible to integrate the entire corporate strategy and align it with the SDGs.

2020 KEY EVENT

Natixis supports Enel with an innovative Sustainability-linked bond format

Natixis acted as Joint Bookrunner for the launch of a Sustainability-Linked Bond for Enel. This issue, which is part of this innovative format, was over-subscribed six times, with a total order book of £3 billion. The funds will be used to meet the SDG "Clean and affordable energy". The obligation is linked to the performance indicator "percentage of renewable energy capacity installed", the target being to reach 60% by December 2022. If this target is not achieved, a 25 basis point increase in the coupon will be applied.

6.4.2 Green growth: financing the energy transition and combating climate change

6.4.2.1 GWF: an innovative solution for a greener loan book

Climate change is one of the most critical challenges facing our global society. Through its various assessment reports, the IPCC[1] provides scientific evidence that urgent action is needed to limit greenhouse gas emissions and address climate-related risks. In 2015, governments agreed in Paris to limit global warming to well below 2°C above pre-industrial levels while pursuing efforts to hold it to 1.5°C. The financial sector has an important role to play in addressing the climate crisis by supporting the transition to a low-carbon climate-resilient economy that balances the environmental, social and economic needs of society. Recognizing its responsibility as a financial actor, Natixis has committed to align its balance sheet with the objective of the Paris Agreement. By joining the Collective Commitment to Climate Action (CCCA) under the Principles for Responsible Banking in 2019, Natixis committed to mobilize its products, services and relationships to help facilitate the economic transition necessary to achieve climate neutrality.

The Green Weighting Factor (GWF) is a unique proprietary tool developed by Natixis in order to achieve several objectives: **accelerate its transition** to sustainable finance, integrate **climate transition risk** systematically in its financing activities, **monitor its climate alignment**, and eventually prepare for upcoming **climate regulation**.

This internal tool will enable Natixis to set climate impact targets for each of its business activities in 2021, and ultimately deliver on its commitment to align its balance sheet with the objective of the Paris Agreement. The tool includes both **(i) a comprehensive methodology** to assess the climate impact and climate transition risk of each financing (rated on a 7-level color scale from brown to green), and **(ii) an internal capital allocation mechanism** that links the amount of internal capital being allocated of each transaction to its level of positive or negative impact on climate change (and other environmental impacts when material). By using a favourable or adverse adjustment to risk weighted assets (credit RWA), the GWF adapts the expected return of each transaction depending on the environmental impact of the object being financed (project, asset, general corporate purpose). This is an internal mechanism that has no impact on the regulatory RWAs. It therefore encourages financing solutions with the most positive impact ("green" transactions) and penalizes negative impact ("brown" transactions). All loans with a green color rating receive a discount of up to 50% in their weighted assets, while the weighting of loans with a negative impact on the climate and the environment is increased by up to 24%. It has proved to be a concrete way of triggering behavioural change amongst teams in order to develop sustainable finance.

The GWF rating methodology was finalized in 2019 for all sectors financed by the bank, with the exception of the financial sector. After the methodological development and a proof of concept phase, the GWF was implemented in the bank's IT systems and incorporated in the bank's processes along the lending value chain. The GWF is being gradually deployed globally to all business lines. At December 31, 2020, the GWF tool is applied to the entire bank balance sheet with the exception of the financial sector, representing €154 billion in outstandings, of which 70% has been rated.

Because the GWF is **fully imbedded in the bank's credit process**, it has proved to be much more than a mere assessment and reporting tool. Since it was rolled-out a year ago, it has become **a true decision making, strategic dialogue and operation incitation tool**. The GWF has indeed been used for several purposes in 2020, including the following use cases:

- Credit process and lending decision making;

- Credit risk assessment: the GWF is used to monitor the bank's overall climate transition risk as well as for projecting the balance sheet until 2050 as requested by the French banking regulator ACPR as part of an inaugural climate stress test exercise currently being completed;

- Strategic dialogue with clients and the resulting sustainable finance product structuring;

- Active portfolio management, including distribution and securitization;

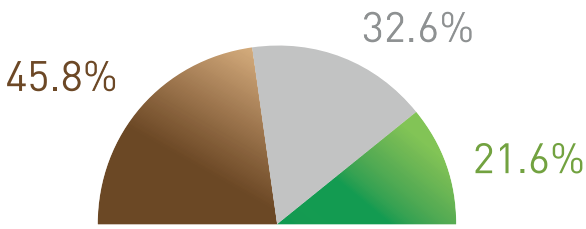
Commercial strategic planning, including client tiering, priority setting and identification of sustainable finance opportunities. In 2020, an extensive screening exercice was completed to assess both the transition potential of existing clients' business models as well as the opportunity to develop sustainable finance solutions for clients with exposures rated "brown". This resulted in a differentiated client tiering and adapted commercial activity in order to accelerate the development of sustainable finance. It was also decided to exit some client relationships with no transition potential.

Additional work is currently ongoing to **translate the balance sheet's rating mix resulting from the GWF methodology into a temperature trajectory**. Natixis is committed to use the GWF initiative to set climate impact targets for all its banking activities. The climate impact targets will be defined with different time horizons (short, medium and long term) at the bank level, and for each business line in 2021.

These indicators have been monitored on a quarterly basis since mid-2020, and nearly 100% of the dedicated loan portfolio will be rated in the first half-year 2021. This methodology is scalable, and may include the criteria of the European classification – or taxonomy – as the European Commission's "Sustainable Finance Platform" progresses.

(1) *The Intergovernmental Panel on Climate Change (IPCC) was created in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) to assess the science related to climate change and provide governments with scientific information to develop climate policies. The IPCC provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation. Its latest special report « Global Warming of 1.5°C » demonstrates climate change is already affecting many industries and regions globally, and that related impacts are only expected to increase. IPCC's Sixth Assessment Report is expected to be released in 2021.*

GWF distribution of the Corporate and Investment Banking balance sheet resulting from the impact analysis relating to 70% of the project scope at 31/12/2020



Exposure in risk-weighted assets (RWA)

6.4.2.2 Financing and investment in renewable energy

In 2019 worldwide, the installed capacity of the renewable energy sector was up by 176 GW[1], stable compared to the 179 GW of 2018. However, new renewables accounted for 72% of total capacity additions, with 90% of total renewable capacity coming from solar and wind. These additions brought the share of renewable energies in total global energy capacity to 34.7%, compared to 33.3% at the end of 2018.

In 2020, Natixis once again positioned itself as a leading player in renewable energy financing, particularly in Europe and Latin America.

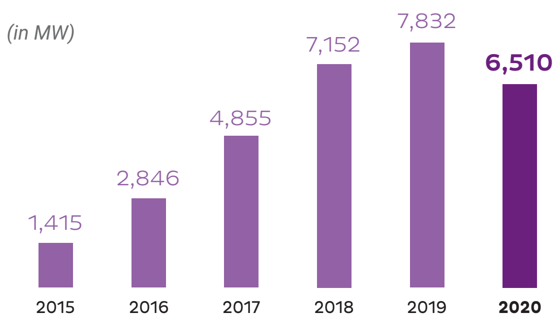
Renewable energy financing

In 2020, CIB's infrastructure financing teams arranged 19 new deals totaling €1.5 billion, representing installed capacity of 6,510.4 MW:

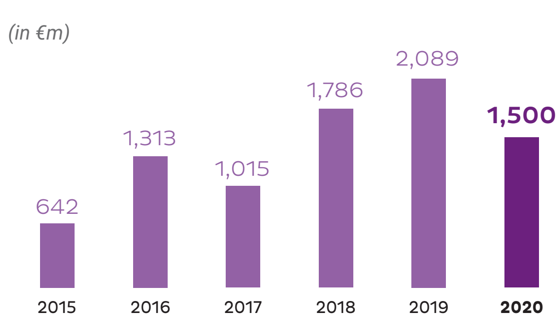
- 1 onshore wind farms with a total capacity of 119 MW;
- 3 offshore wind farms with a total capacity of 1,839 MW;
- 13 PV and concentrated solar power projects with a capacity of 2,138.4 MW;
- 1 hydroelectric facility with a capacity of 1,689 MW;
- 1 geothermal project with a capacity of 725 MW.

Renewable energy accounted for more than 87% of total financing granted by CIB in the electricity production sector in 2020.

Total installed capacity of renewable energy projects financed by Natixis per year



Amount arranged by Natixis for renewable energy projects per year



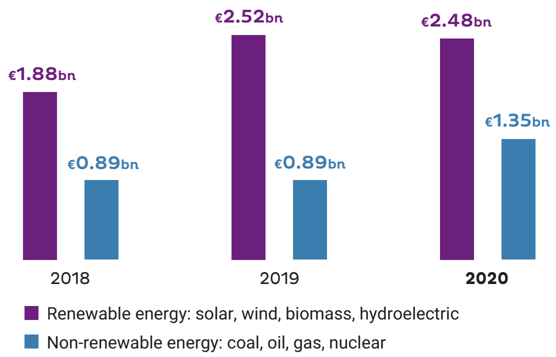
(1) https://www.irena.org/-/media/Files/IRENA/Agency/Articles/2020/Apr/Capacity-Stats-2020-FR.pdf?la=en&hash=A1B6C22F849D693B9E450E7CB34F71A27666DBEB.

2020 KEY EVENTS

Natixis sole coordinator of the green loan for the largest floating offshore wind farm in the world

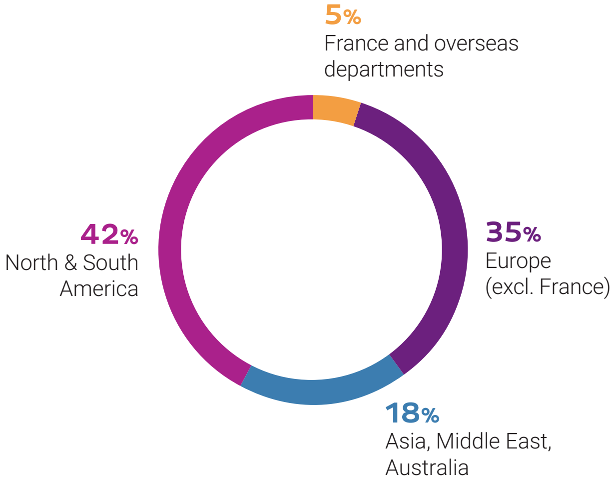
As part of the "Kincardine" project providing for the construction of a floating wind farm in the south-east of Aberdeen in Scotland, with an installed capacity of 50 MW, Natixis acted as the sole coordinator of the green loan to finance the project amounting to £380 million. Kincardine is composed of six turbines installed on semi-submersible floating structures and will be the largest floating offshore wind farm in the world. Thanks to the certification process carried out by Natixis, the project's financing obtained the "Certified Climate Bond" label from the Climate Bonds Initiative (CBI).

Portfolio exposure to renewable and non-renewable energies per year in billions of euros

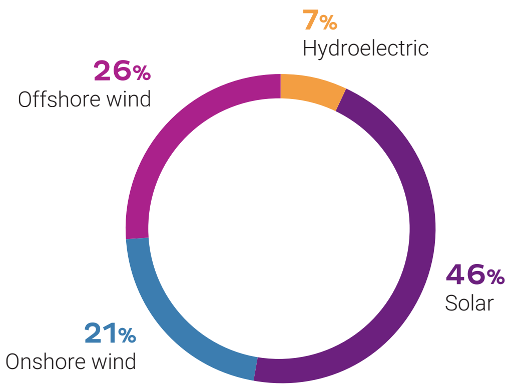


The portfolio breaks down as follows:

Regional breakdown of the renewable energy portfolio (% of outstandings)



Sector breakdown of the renewable energy portfolio (% of outstandings)



2020 KEY EVENT

REDEN Development Chile Solar and Natixis secure financing for around twenty solar power plants in Chile.

During the year 2020, REDEN Development Chile Solar and Natixis successfully concluded a financing of $81.5 million for a planned portfolio of 100 MWp for around twenty solar power plants in Chile. Natixis acted as the sole lead arranger, hedging provider, credit card issuing bank and administrative agent, and provided a firm guarantee for 100% of transactions. This project is part of the country's objective to achieve an installed electricity production capacity from solar and wind energy of 20% by 2025, and to strive for carbon neutrality in the long term.

Investments in renewable energy

Natixis Investment Managers finances renewable energy via the investment funds proposed by its affiliates.

Mirova launched its fourth renewable energy infrastructure fund, Mirova Eurofideme 4, in 2018. At the end of November 2019, Mirova finalized fundraising for €857 million, far exceeding its initial target, and closed the biggest renewable energy fund dedicated to the European market. In 2020, a strategic partnership was forged with Engie in the biogas sector and enabled the fund to be deployed more quickly than anticipated. The Mirova Eurofideme 4 fund acquired a 50% stake in Dana Gaz, which owns nine methanation units in operation (for an installed capacity of 17.5 MW), developed and built by Engie. The biomethane sector will contribute to the revival of a circular economy by recycling waste, creating jobs and supporting agriculture.

Building on its success with Fideme (2002), Eurofideme 2 (2009), Mirova Eurofideme 3 (2014) and Mirova Eurofideme 4 (2018), Mirova is working on the launch of a new generation of funds dedicated to financing the infrastructure of the energy transition. The Fund will continue the strategy of its predecessors by offering its investors renewable energy projects built in Europe, using proven technologies (wind, solar, hydraulic, biomass and heating networks) and through investments in minority partnerships or majority shares with manufacturers in the sector, or even direct equity investments. It will also continue to invest in storage capacities associated with renewable energy plants and in low-carbon mobility.

6.4.2.3 Financing and investment in mobility and sustainable cities

Natixis is a leading bank in the financing of environmental infrastructure(1). In particular, it supported the financing of a Newhurst waste-to-energy plant in England. The facility can burn up to 350,000 tons of non-recyclable residual waste per year and has the capacity to supply approximately 80,000 households with energy. Natixis acted as lead manager and hedging bank for the financing of the project.

2020 KEY EVENT

Launch of the Smart Cities fund

- Seven out of ten people will live in cities by 2050: finding solutions to the challenges of accelerated urbanization means meeting infrastructure needs, connecting the city of tomorrow and developing a sustainable city (in particular through access to electricity, air quality and waste collection).
- The Smart Cities fund, developed by Ostrum and taken over by DNCA following the merger with LBPAM, invests in a selection of innovative companies that contribute to the development of the city of tomorrow: smart buildings, digitization, green mobility and sustainable cities.

Sustainable real estate

The specific market context in 2020 has led the real estate financing teams to position themselves more strongly on the financing of real estate project development. A total of seven sustainable property transactions were completed during the year:

- three sustainable loans (corporate loans), including two under which Natixis was sutainability coordinator, and the modification of the terms of another existing corporate financing to include sustainable clauses;
- the signing of four green mortgage loans, including two for which Natixis was Sustainability Coordinator.

A social bond, the first in its sector, was also issued in 2020.

Natixis Assurances monitors and reports annually on the portion of its real estate investments that have environmental certification. At year-end 2020, 49% of real estate assets under investment mandates were certified (HQE, BREEAM). In 2019, Natixis Assurances extended ESG integration to its real estate portfolio and ultimately aims to fully integrate ESG criteria. In 2020, it will implement an energy convergence plan and continue to obtain certification for the assets in its portfolio. The asset acquisition policy includes identifying, monitoring and managing sustainable development indicators. Natixis Assurances intends to go beyond regulatory requirements and contribute in full to ESG issues in order to build sustainable cities.

Natixis Assurances also encourages individual policyholders to save energy via its range of home insurance products. The range includes coverage of equipment such as domestic windmills, solar panels or solar-powered water heaters, energy control cabinets, storage batteries and rainwater collection tanks. The launch of a new insurance offer in 2020 has made it possible to extend coverage to wood-frame houses and thatched roofs, which represent carbon sinks and thus contribute to the mitigation of climate change. In the event of a claim, policyholders can repair damaged paintwork themselves using eco-friendly paint available at a preferential price. As for guaranteed household appliances, new equipment is provided with environmentally friendly A+ equipment that is more energy efficient.

In addition, policyholders benefit from support services to achieve energy savings, in particular by having access to a network of RGE certified craftsmen (Recognized Guarantor of the Environment: qualified professionals for energy renovation work).

AEW CILOGER continued its efforts to obtain certification for its portfolio assets throughout 2020. Its buildings received BREEAM on construction, LEED existing building, HQE in use, BREEAM in use, BBCA (low-carbon building) or BEPOS (positive energy building) certification. The amount of certified assets amounted to €7.6 billion, representing 23% of AEW CILOGER's portfolio. In 2020, six funds participated in the assessment of the Global Real Estate Sustainability Benchmark (GRESB), which covers both environmental

(1) Number eight in the world for BPCE, Natixis' parent company, among renewable energy infrastructure financing banks (source: IJGlobal's infrastructure and project finance league table report 2020).

(measures to reduce the environmental footprint) and social (stakeholder relations and social impact of activities) topics). and governance (policies and procedures). Six of these funds obtained the Green Star level in 2020, showing an improvement in the rating compared to 2019, including one logistics fund which reached the Green Star 5* rating.

In addition, AEW CILOGER has set up since January 1, 2020 for buildings located in France, for which it manages the energy contracts, the supply of electricity and gas from 100% renewable sources, which will contribute to reducing the carbon footprint of the assets under management.

The Innov 2019 project, launched in 2019 and rolled out until 2021, aims to test innovative solutions at around forty pilot sites, based on seven themes: photovoltaic electricity, electric vehicle charging stations, biodiversity, the circular economy, and the fight against environmental damage, food waste, waste management, resilience to climate change. Some projects have already been completed and have been extended to other buildings, in particular on biodiversity and the circular economy.

Sustainable mobility

Mobility is crucial to human development. Moving goods and people allows access to goods and services, in particular housing, employment, healthcare, education and culture. However, this has an impact on climate change, air quality, the use of fossil fuels, biodiversity, and health. Transport growth projections expect the number of air passengers to double by 2040 and that there will be nearly two billion vehicles in circulation by 2050. Natixis is committed to developing sustainable, low carbon transport solutions through its financing and investment activities.

2020 KEY EVENT

Italo Nuovo Trasporto Viaggiatori: innovative financing solution that meets its sustainable development Goals

Natixis supported Italo – Nuovo Trasporto Viaggiatori, the leading private rail operator in Italy, in developing its sustainable ambitions by offering it an innovative financing solution.

This is the largest green loan ever made in the transport sector and the first to include sustainable development Goals in line with the Sustainability Linked Loan Principles.

As global coordinator, bookrunner and green coordinator, Natixis has structured a complete financing solution comprising:

- a syndicated sustainability-linked loan of €1.1 billion, whose interest margin will be indexed to sustainable development indicators, in particular the number of passengers per km and CO_2 emissions (including 900 million dedicated to the financing and refinancing of low-carbon rolling stock);
- a sustainability-linked interest rate swap with its own incentive mechanism.

This incentive mechanism, extended to derivative transactions such as swaps, marks a new step forward in the field of sustainable finance.

Mirova factors in sustainable mobility by encouraging investments in securities issued by vehicle manufacturers and equipment suppliers that propose technical solutions to solve the challenge of offering more and more people mobility solutions while reducing the environmental and social impacts linked to transport.

As part of the Eurofideme 4 fund, the MEF4 mobility package was launched, which has the possibility of investing up to 10% of the fund in low-carbon mobility. At the end of 2020, MEF4 had invested €11 million through two transactions. The first consisted in financing a fleet of electric car-sharing vehicles during a call for tenders by the City of Paris for the retrofit and operation of former Autolib terminals. The second concerned the minority stake of MEF4 in a company specializing in the installation and operation of charging infrastructures for electric vehicles (IRVE).

Natixis Assurances offers preferential rates to individuals who travel less than 8,000 km per year in their car: this option applies to 26,4% of contracts (211,977 policies), or €74.8 million in annual premiums in 2020. Savings of up to 30% are offered to electric vehicle owners. The new means of soft urban transport (electric bicycle, electric scooter, gyropod, etc.) can be provided as an option via the residential offer. In the interest of supporting its customers, Natixis Assurances also offers eco-driving courses.

6.4.2.4 Green bonds and green loans

Green bond issuers undertake to use the funds raised to finance projects with a positive impact on the environment. Unlike traditional bonds which can finance all the issuer's activities, a green bond finances traceable investments in measures to improve environmental performance such as energy efficiency, renewable energy, sustainable transport or water management. As of the end of 2020, the green bonds market totaled $222.8 billion[1].

(1) *Climate Bonds Initiative, https://www.climatebonds.net/*

Natixis arranged 34 green bond issues in 2020, for a total arranged amount of €15.9 billion, confirming its solid positioning on this market, especially in Europe.

Natixis acted as Sole Green Structuring Advisor and Joint Bookrunner for Engie's Green Bond: this transaction was over-subscribed for an amount of €2.5 billion, with an order book amounting to €9.5 billion at closing. This obligation will contribute to Engie's ambition to become the world leader in supporting businesses and local authorities towards carbon neutrality. The funds will be used for renewable energy production, energy storage, transmission and distribution infrastructure, energy efficiency and CO_2 capture.

Natixis is also active in green bond investments through its Asset Management affiliates.

Ostrum AM manages outstanding green bonds amounting to €11.5 billion, through its funds and mandates, i.e. a doubling of outstanding amounts following the merger with LBPAM.

In January 2020, **Mirova** supported the launch by **Natixis Assurances** of its first green bonds strategy, for an initial amount of €30 million, supplemented in July 2020 by a new Euro green bonds strategy. These two strategies propose a portfolio aligned with a global warming trajectory of less than the 2°C driven by the Paris Agreement. Natixis Assurances has entrusted Mirova with the management of a portfolio that should reach several hundred million euros.

As well as green bond issuance, since 2018, Natixis has also offered two types of green or sustainable loans: loans earmarked to finance environment-related projects (term loans called "green loans") and syndicated loans meeting ESG criteria (green revolving credit facilities or green RCF called "sustainability-linked loans" or "ESG-linked loans"). 31 transactions were completed in 2020. In addition, in 2020 Natixis structured two green REPOs for the first time.

2020 KEY EVENT

Structuring of a first financing platform of the "Low carbon aluminum" type.

Natixis is committed to extending the scope of sustainable finance to all financing instruments, including trading activities. Thus, Natixis supported Trafigura in the design and structuring of a first financing platform of the "Low Carbon Aluminum" type of up to $500 million. This platform was designed to meet the growing demand from downstream manufacturers for low-carbon aluminum and to help upstream producers accelerate their transition to low-carbon technologies.

The environmental transition of many industries will largely rely on the creation of a low-carbon aluminum value chain from extraction to end use. This financing is the first step in this process, notably by mobilizing the key players in this value chain.

6.4.2.5 Development of low carbon structured products

13 CLIMATE ACTION

8 DECENT WORK AND ECONOMIC GROWTH

Structured solutions based on the indices developed since 2015 [1] have been proposed with innovatived forms – structured notes, green bonds and equity linked bonds – to meet the need for investment in sectors contributing to the energy and ecological transition with a range of solutions for both retail and institutional investors in different geographical regions.

2020 KEY EVENT

"Développement des Territoires": First structured product combining social obligation and climate index.

As environmental and social issues are increasingly closely linked, financial products must take into account this growing holistic vision. This structured product thus combines a social bond dedicated to local economic development in France and an underlying climate-themed index. All funds collected by the social obligation will finance VSEs and SMEs in economically and socially disadvantaged areas in mainland France, in particular those hard hit by COVID-19; this product thus contributes to the reduction of regional inequalities and to the resilience of the economy.

The climate-themed index, Euronext Climate Objective Euro Decrement 5%, focuses on companies seeking to improve their carbon performance, their environmental commitments and their ability to offer products and services that are compatible with an economy reducing their carbon footprint.

This product is offered in partnership with the insurer Groupama, Natixis acting as issuer and the social bonds being distributed by Groupama.

For this product, Natixis received the investment bank of the year in the "Equity products" category at the Banker Awards 2020.

(1) ECO5 index: Euronext index launched in 2018, Climate Orientation, Solactive Climate and Energy transitions indexes.

6.4.2.6 Alignment with Paris Agreement targets

The **Green Weighting Factor** (GWF) created in 2019 will allow Natixis to decarbonize its balance sheet and gradually align the impact of its financing activities with the central aim of the Paris Agreement, i.e. to limit the global temperature rise to +2°C in relation to the pre-industrial era. Natixis intends to achieve this long-term objective while continuing to finance all economic sectors by increasing the presence of green solutions in its financing activities and helping its clients in the transition to lower carbon activities[(1)]. Further work is currently underway to translate the color ratings resulting from the GWF methodology into a temperature trajectory. Natixis undertakes to use the GWF initiative to set climate impact targets for each of its banking activities. Climate impact targets will be defined with different time horizons (short, medium and long term) at bank level, and for each business line in 2021.

Natixis is contributing to the objectives of the Paris Agreement in all its financing and investment activities by applying its exclusion policies on the coal industry, tar sands and oil exploration in the Arctic *(see Chapter [6.4.3] Climate risks)*.

As well as applying exclusion policies, several Natixis entities have also committed to aligning their investments with the goals of the Paris Agreement. NIM also helps its affiliates to better take into account climate issues in their strategies, in particular through a specific working group, co-led by Loomis Sayles, enabling affiliates to exchange best practices.

The integration of climate issues is key to **Ostrum AM**, a reflection on the carbon measurement of the portfolios was initiated in 2019, and a new methodology for alignment with the IPCC temperature scenarios was initiated in 2020, in order to be able to report to its clients on the impact of their portfolio. Dedicated training courses have been set up and the climate theme is systematically incorporated into direct discussions with company management. In addition, a TCFD report will be published in 2021.

On open-ended funds concerned by the carbon intensity measurement (i.e. 13% of assets under management), the carbon intensity of Ostrum's portfolios amounts to 185.8 t/eCO_2 per million euros of revenue at the end of 2020.

In 2015, **Mirova** developed a method for measuring the carbon footprint of issuers in different business sectors. The methodology has been enhanced since 2018 to assess portfolio alignment with the climate scenarios set in the[(2)] Paris Agreement, using:

- carbon footprint data from an external provider (scope 1, 2 and 3 emissions);
- climate scenarios from the Intergovernmental Panel on Climate Change (IPCC);
- investment projections from the International Energy Agency (IEA).

Combining data from these three sources produces results that are easy to interpret by providing an assessment in degrees Celsius corresponding to the climate scenario implied by a portfolio's investments.

Using this method, Mirova estimates that the climate scenario for all its equity, bond and infrastructure portfolios stands on average at 1.5°C, compared with 3.5°C for the MSCI Europe index and 3.5°C for the MSCI World index[(3)].

In 2020, climate change was identified as a key area by **Loomis Sayles,** and a priority for the Company. In collaboration with the ESG sub-Committee on climate change created in 2019, a set of guiding principles on climate change was created:

- material considerations on climate change are an integral part of Loomis Sayles 'investment decisions;
- direct engagement is inherent in Loomis Sayles 'fundamental analysis for all asset classes.

Loomis Sayles has undertaken other substantive work on climate change, including the use of tools such as climate scenario analysis as recommended by the TCFD. Loomis engaged the consulting firm MANTLE314 for a second round of climate change-related projects, including an assessment of the next steps of its TCFD reports and a review of climate-related regulations.

Aware of the importance and urgency of the climate challenge, **DNCA** has factored climate issues into its investment approach with the conviction that the ecological transition is both a risk factor and a source of investment opportunities.

Its climate approach is based on the work and recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD). This analysis, based on a proprietary model, assesses the risks facing the Company, as well as any opportunities related to its positioning on the ecological transition:

- the issuer's exposure to climate risk depending on its business sector and geographical footprint;
- an assessment of the issuer's climate strategy.

For the SRI fund range (Beyond range), specific indicators have been developed in addition to traditional carbon measures to assess each fund's position regarding the financing of fossil fuels and green activities.

The carbon intensity is calculated on 63% of the assets under management by MSCI and amounts to 108 t eCO_2/million euros of revenues. Since the end of 2020, DNCA assesses, with a different methodology, the temperature of all of its investments in partnership with the CDP. The objective is to take stock of the on-Board climate risks and to steer a gradual alignment of all investments in accordance with the Paris Agreement.

(1) See introduction on the Green Weighting Factor in Chapter [6.4.2.1].
(2) http://www.mirova.com/Content/Documents/Mirova/publications/VF/DocRecherche/ImpactClimatDesPortefeuilles2018.pdf
(3) Data at 31/12/2020.

2020 KEY EVENT

DNCA launches the DNCA Invest Beyond Climate fund

DNCA places the climate issue at the heart of the management strategy of this SRI fund launched in April 2020, by applying a management methodology based on a two-level analysis:

- an analysis of **Transition** conducted on the way in which the Company decarbonises its own activities to achieve a minimum trajectory of 2°C (carbon footprint on scopes 1, 2 and 3, brown share of revenue, alignment of 2°C according to SBT);
- an analysis of **Contribution** to measure the positive contribution made by the Company's products and services (green share of revenue, R&D spending or green capex, CO_2 emissions avoided).

DNCA Invest Beyond Climate meets the requirements of the Paris Agreement by excluding companies with a negative green contribution and limiting the share of companies without contribution to 30%.

DNCA is committed to publishing each year, from June 2021, the climate trajectory of all its investments managed under the Paris Agreement and the objective of carbon neutrality in Europe by 2050. To steer the climate trajectory of its investments, DNCA will use the CDP temperature assessments available for nearly 2,850 international companies. The temperature assessment methodology converts companies' emission reduction targets into temperature trajectories.

Ossiam has established a framework for measuring its portfolios' transition risk and comparing it with their benchmark. The framework can be applied to several indicators such as:

- greenhouse gas emissions;
- risks associated with the energy transition (measurement of coal, oil or gas reserves);
- impact measurement (measurement of green energy production or impact investments).

12 funds benefit from this measurement framework (which represent €2.9 million, or 74% of assets under management) have a goal of achieving a 74% reduction (in relation to their benchmark) in their greenhouse gas emissions (scopes 1, 2, 3 upstream emissions), carbon intensity and potential emissions arising from fossil fuel reserves. The 12 funds have a footprint of 528 t of CO_2 per million euros of revenue versus 532 t of CO_2 for the benchmark.

In 2020 Ossiam continued to work towards alignment with the Paris Agreement, with several notable advances:

- the first low-carbon sovereign bond fund was launched in 2020: while sovereign bonds generally constitute an essential part of asset allocation in European institutional portfolios, the principles of reducing carbon emissions are expected to be the case are more difficult to implement on this type of asset. By building a portfolio that favors countries that emit less carbon per capita, Ossiam supports its contribution to the energy transition in Europe;
- Ossiam has rolled out a new ESG voting policy that applies to all assets under management and systematically includes a climate component: it makes it possible to vote against the members of the Board of Directors or the approval of the financial statements if the disclosure of the financial statements. information or measures taken seem insufficient with regard to climate risk;
- work on the temperature trajectory of the portfolios was initiated in 2020 and will be completed in 2021. This work is part of the reinforcement of Ossiam's commitment to play its role in terms of the climate, as many ESG funds are also low-carbon funds.

Naxicap Partners has supported the International Climate Initiative to help achieve the objectives of the Paris Agreement since 2016. As a signatory, Naxicap has undertaken to:

- recognize that climate change has an impact on the economy, presenting risks and opportunities for business;
- take climate issues into account throughout the investment period;
- perform a progressive measurement of the carbon footprint of its investment portfolio covering companies for which this indicator is material;
- work with the management of these companies to draft a plan to reduce emissions and adapt to climate change.

In 2020, Naxicap published for the first time, for the financial year 2019, all the GHG emissions of its portfolio companies, including scope 3 which represents the majority of the impact of companies on the market climate. Emissions were estimated using an economic modeling tool developed by PwC, combining financial data and economic models and covering the entire value chain. Scopes 1, 2 and 3 were estimated for 88% of Naxicap Partners assets under management in 2019 for an average carbon intensity of 250 t of CO_2/million euros invested.

In order to be able to monitor and manage the trajectory for all the GHG emissions of the portfolio companies year after year, Naxicap has mandated Sirsa in the course of 2020 to identify the indicators needed to calculate the significant items in scope 3 and the relevant factors associated issues of portfolio companies. As a result, from 2021 Naxicap will be able to estimate the entire carbon footprint by emission category of the portfolio companies subject to its ESG policy, enabling it to build an action plan and a climate trajectory.

AEW CILOGER in 2017 calculated the carbon footprint of its portfolio of institutional assets in France, which represents 824 buildings. The GHG Protocol international method was used, the results obtained in terms of carbon intensity were 10.4 t of CO_2/million euros and 28.3 kg eCO_2/m^2. Since 2018 this calculation has been carried out for two investors.

The average carbon emissions for the managed portfolio of buildings equipped with remote reading meters for 2019 are, by type, as follows: logistics 5 kg eCO_2/m^2, offices 12 kg eCO_2/m^2, shops 15 kg eCO_2/m^2.

Since 2018, reporting on climate risk and alignment with the 2°C objective has been carried out for several investors, using the Science Based Target (SBT) method. These portfolios are aligned with the objectives of the Paris Agreement.

The fight against climate change is a priority for **AEW Capital Management** and transition risks are integrated throughout the life cycle of an investment. This includes political and technological risks as markets around the world transition to a low-carbon economy. With respect to the portfolios for which the Company has metrics (these portfolios represented in 2019 approximately 44% of the Company's overall US real estate portfolio on a market value basis), AEW expects to meet or exceed its target of a 1.5% year-on-year reduction of water and energy consumption, GHG emissions (scopes 1 and 2) and waste production by 2020.

The GHG emissions of these portfolios were down by 2.1% in 2019 compared to the previous year.

In 2021, AEW will develop and implement a resilience program that will align with TCFD recommendations and write its first TCFD report. The resilience program will include:

- the assessment of reduction targets and the determination of an updated target that aligns with the SBTI (Science Based Targets Initiatives) with an annual reduction of at least 2.5% of identified GHG emissions;
- reducing energy, water and waste consumption to achieve reduction targets by improving operational efficiency;
- the study of the impact of a commitment to Net Zero in one or more portfolios;
- strengthening energy sources with low or zero emissions.

Meeting the growing need for decarbonization and adaptation to climate change is essential to develop resilient infrastructure. **Vauban IP** thus excludes investments in the exploration and production of fossil fuels (coal, oil, shale gas and gas), and annually assesses the carbon footprint of the assets in the portfolio (on scopes 1, 2 and 3). This assessment makes it possible to identify the levers for action to reduce and avoid GHG emissions, to engage in dialog with joint ventures on these actions, and to discuss compensation solutions when emissions cannot be avoided. Vauban IP is also part of the TCFD approach and is committed to offsetting its own carbon emissions.

Harris Associates takes into account climate risk on a case-by-case basis, depending on the exposure of individual companies to material risks related to climate change. For example, the likelihood of costs due to climate-related regulation is considered, as well as potential market growth opportunities in areas such as clean energy.

Since December 2020, **NIM solutions** has access to Trucost's climate data to holistically support its clients in measuring and integrating climate criteria into their investments. This will be done through various services:

- **portfolio analyzes** through a climate prism, making it possible to take stock of customer portfolios (carbon intensity, alignment with the Paris Agreement, physical risk, transition risk, etc.). This step enables customers to be supported in the implementation of their socially responsible policies;
- **integration of climate criteria** in the construction of support solutions (construction of strategic allocation or selection of investment vehicles, for example);
- **investment solutions** integrating clients 'climate considerations through multi-asset class products, structured products and/or carbon offsetting products;
- **extra-financial reports** including the measurement of carbon emissions, carbon intensities, portfolio temperature, allowing clients to have transparency about their investments from a climate perspective;
- **a strong presence in methodological research and development** in this sector where the issues of convergence of standards and practices are essential. This will include the co-publication of a "White Paper" with Trucost on the issues of methodological consistency of a common analysis framework for alignment with the Paris Agreement for multi-class asset portfolios.

In 2018, **Natixis Assurances** made a proactive tangible commitment to combat climate change by aligning its investment policy with the 2°C climate scenario set in the Paris Agreement. Each year, Natixis Assurances will devote nearly 10% of its new investments to green assets, with a target of 10% of its total investments being in green assets by 2030.

In 2020, Natixis Assurances achieved its target in October, and more than €880 million were invested in green assets during the year. With this policy, Natixis Assurances intends to encourage and give priority to companies that contribute to the energy and ecological transition. Its commitment covers all its investment portfolios (excluding unit-linked policies).

Natixis is involved in several initiatives with other financial institutions seeking to establish industry-wide methodological principles for calculating the carbon footprint of the portfolios managed by banks, insurers and asset managers (including Science Based Targets for Finance, a working group under the UNEP FI). Given the wide variety of its business lines, Natixis is particularly keen to find common principles that will ensure consistency in how it quantifies the carbon footprint of its different activities. These principles will provide a framework in which to establish detailed targets for reducing this carbon footprint.

6.4.3 Green growth: protecting and developing natural capital

6.4.3.1 Natixis' biodiversity commitments

Natixis is aware of the major issue of the deterioration of natural capital and, as a bank, asset manager and insurer, is committed to taking concrete action to preserve it. The Earth is now facing an unprecedented mass extinction of living species: more than 60% of wild animal populations have disappeared in the last 40 years[(1)]. One million animal and plant species are threatened with extinction out of the estimated eight million on the planet[(2)].

All Natixis financing, Asset Management and insurance business lines have been involved in a cross-functional discussion of biodiversity issues since 2018, resulting in eight commitments[(3)] projects targeted at 100% on its direct and indirect biodiversity impacts. These commitments are part of Natixis' participation in the act4nature international initiative[(4)], and their SMART nature (specific, measurable, additional, relevant, time-bound) was validated by a multi-stakeholder Committee made up of 16 partners including several environmental NGOs. Natixis was the first bank involved in the act4nature international initiative to communicate individual SMART commitments in June 2020:

1. include biodiversity in Natixis' next strategic plan to be announced in 2021;
2. supporting the environmental transition of its customers by systematically integrating biodiversity issues into its sustainable finance offering by 2021. Natixis is committed to structuring at least five new operations incorporating specific biodiversity targets per year over the next two years;
3. measure the impact on the biodiversity of its customers, its financing, some of the assets managed for third parties and real estate investments;
4. integrate biodiversity criteria into the ESG (environmental, social and governance) analysis, shareholder dialog for the sectors for which biodiversity is the most important and in real estate investment decisions;
5. avoid, reduce and offset its impact on biodiversity, whether direct or derived from its financing activities;
6. increase the outstandings of its Asset Management dedicated to natural capital and the protection of water resources to €2 billion by 2023 through investment funds managed by its affiliates Mirova and Thematics;
7. train and raise awareness of Natixis employees on biodiversity issues;
8. actively contribute to the emergence of market standards by 2022 to measure and report on the impact of companies in terms of biodiversity. This commitment incorporates the initiative launched by Mirova on May 28, 2020 alongside three other asset managers – AXA Investment Managers, BNP Paribas Asset Management, Sycomore Asset Management – which currently involves 30 investors representing more than €6 trillion of assets under management for biodiversity issues[(5)].

By making these commitments, Natixis includes biodiversity at the center of its ESR system, along with climate change. Aware that reducing its indirect impact is an important lever for contributing to the preservation of natural capital, Natixis places biodiversity at the heart of its discussions with all its customers and stakeholders. This approach is part of a more global action to support its customers in their environmental transition.

The impact and reporting measures are based in part on the Green Weighting Factor, an innovative mechanism for allocating the capital of each financing according to its impact on the environment, which Natixis introduced in September 2019.

(1) Source: WWF.
(2) Source: IPBES.
(3) https://www.natixis.com/natixis/upload/docs/application/pdf/2020-06/act4nature_engagements_individuels_natixis_fr.pdf.
(4) Natixis has been a signatory of the act4nature international initiative, led by the association Entreprises pour l'Environnement (EpE). In this context, it has committed to the ten collective commitments of the initiative, and to communicate individual commitments. www.act4nature.com.
(5) https://www.mirova.com/en/news/European-investors-rally-around-biodiversity (french only)

Common commitment	Individual commitments due in 2020 [a]	Scope of activity [b]	Achievements at the end of 2020
3. Measure impact	Evaluate the impact of our customers (material sectors) ▪ 100% of new customers in 2020	CIB	The ESR Screening tool aims to systematically integrate the analysis of ESG risks into the systems for entering into relationships and granting credit through a two-level mechanism: 1. identify the customers most at risk. ▪ Operational since September 2020: 100% of new corporate clients are covered. The existing customer portfolio is assessed according to the review schedule; 2. for the most sensitive counterparties: in-depth analysis of the most material ESG risks, in particular biodiversity. ▪ Deployed in February 2021
	Evaluate the impact of our financing (material sectors) ▪ 50% of new transactions in 2020	CIB	49% of new transactions in 2020
	Measure the proportion of revegetation of real estate assets. ▪ Publish indicator from 2020	NA	7% (weighted average of total assets area)
4. Integration in decisions	Structuring financing solutions incorporating specific biodiversity objectives ▪ 5+ transactions/year in 2020	CIB	6 in 2020
5. Avoid, reduce, compensate	Avoiding, reducing and offsetting the impact of our financing through:	CIB	
	▪ Equator Principles: number of projects subject to a specific biodiversity analysis ▪ Publish indicator from 2020		18 projects in 2020
	▪ Exclusion of project financing on sites classified IUCN I and II, RAMSAR wetland, UNESCO World Heritage. ▪ From 2020.		▪ 0 financing in these areas in 2020
	▪ Publication of new sectoral policies integrating biodiversity. ▪ 1 in 2020.	Natixis	▪ Biodiversity issues are already present in public sector policies, and three new policies or policy updates taking biodiversity into account will be published in 2021.
	Reduce the use of single-use items ▪ 0 cups in 2020.	Natixis	0 plastic cups purchased directly by Natixis internationally (3.5 million cups avoided per year). Plastic water bottles in auditoriums and meeting rooms have also been eliminated. Cups managed by external service providers remain to be eliminated.
	Train and raise awareness among our employees through the organization of workshops on collaborative vegetable gardens ▪ 10 workshops/year from 2020.	Natixis	25 workshops and two open days for the three collaborative vegetable gardens were held in 2020.

Participation of Natixis and Mirova in the Taskforce on Nature related Financial risk and Disclosure

Natixis and Mirova have been selected to contribute to the Taskforce on Nature related Financial risk and Disclosure (TNFD), whose work will start in early 2021 for two years. The TNFD is the result of a partnership between the NCFA, the UNDP and the WWF, with the support of the British government. On the same model as the TCFD, but making it possible to extend to nature-related issues, the TNFD will provide a framework to meet the measurement and data needs of banks so that they can better understand dependencies and their impacts on nature.

This working group will have to address several issues:

- data accessibility: unlike climate data (mainly GHG emissions) held by companies, data related to natural capital requires access to larger databases (government, NGOs, universities, etc.);
- spatiality: risks related to nature are specific to their location, and the locations of a company's assets are generally not disclosed;
- materiality: nature is a public good and is currently used free of charge by companies. Risks related to nature are therefore rarely taken into account in financial decision-making. The working group will have to consider the possibilities of integrating this materiality through regulations, changes in terms of reporting or responsibility.

The work will be shared with all banks and will reduce financial flows with a negative impact on nature, while promoting those with a positive impact.

6.4.3.2 Recognition of biodiversity in financing in financing and investments

The Green Weighting Factor introduced in September 2019 now systematically evaluates the impact of financing solutions on biodiversity in relevant sectors as well as the impact of dedicated financing solutions (project or asset financing) on Key Biodiversity Areas.

Natixis already incorporates an in-depth analysis of the impact on biodiversity in its project financing activities and in 2021 it will continue to step up its recognition of natural capital preservation in all its activities:

In accordance with the **Equator Principles,** Natixis requires its clients to examine all the risks and potential impacts of their projects from an environmental, social, health and safety perspective and to take all the necessary steps to minimize and correct the potential impacts. Protecting biodiversity is an integral part of these requirements. The quality of the client's impact studies and management systems is also taken into account when assessing the project. The assessment is generally performed by an independent consultant and it pays particular attention to the preservation of natural and critical habitats, in compliance with the regulations applicable to the project. For projects located in non-designated countries[1], additional action is required to meet the conditions set by the International Finance Corporation[2].

Mining activities to extract, recycle and transform commodities have a significant impact on natural capital and biodiversity. For this reason, Natixis works with its clients to plan, avoid, reduce and offset the impact of these activities at each stage in the investment process. For each transaction, the Energy & Natural Resources (ENR) team ensures that its clients observe the practices required in the sector (including the Equator Principles) and Natixis' internal policies.

For **agricultural commodities**, Natixis helps its clients with natural capital protection. Natixis acted, alongside ING, as Joint Bookrunners, Mandated Lead Arrangers and CSR coordinators, to finalize a Sustainability-linked loan for Tereos, one of the leading sugar and ethanol producers in Brazil. This $105 million long-term facility is the first Sustainability-linked loan in the sugar and ethanol sectors in Brazil.

Through this mechanism, Tereos is committed to sustainable performance targets, through key indicators focusing on natural capital:

- annual reduction in water consumption per ton of sugar cane processed;
- annual increase in sugar cane certification.

Each year, Tereos will benefit from a reduction in the margin rate subject to achieving its sustainable performance targets. An independent audit will validate the achievement of these objectives.

2020 KEY EVENT

First Sustainability-Linked loan for Touton, incorporating criteria related to natural capital

Natixis acted as sole Arranger, Facility Agent and ESR coordinator to finalize the first Sustainability-Linked loan for its long-standing client Touton, specialized in the marketing and processing of commodities (cocoa, coffee and spices).

Sustainability objectives have been incorporated into this $91 million facility to support the implementation of a responsible supply chain:

- improved farming practices, and training in sustainable agriculture for communities;
- better mapping and assessment of deforestation risk;
- promote the flow of cocoa beans from Ghana certified by a trusted third party, such as the Rainforest Alliance, Fairtrade and UTZ.

The GSH published a research report in 2020[3] on the theme of water with a threefold objective:

- decipher the main challenges and risks related to water;
- understanding the role of institutions, policies and the private sector in transforming these challenges into opportunities;
- understand the role of sustainable finance in ensuring that economic activities capable of providing solutions to water problems have access to capital commensurate with the scale of these challenges.

AEW CILOGER integrates biodiversity into its SRI policy and management practices. A biodiversity indicator is included in the ESG audit that it has developed. This makes it possible to assess the building's initial performance and improve its management through a dedicated action plan. This indicator is used on three funds or mandates corresponding to 24% of the portfolio managed.

Specific actions are proposed to investors such as the definition of a biodiversity strategy for a warehouse portfolio and the integration of biodiversity into the Innov 2019 project.

On this occasion, studies were carried out to create or develop biodiversity in ten buildings. Greening projects are underway or planned.

(1) As defined in the Equator Principles.
(2) IFC Performance Standard 6: biodiversity conservation and sustainable management of living natural resources.
(3) https://gsh.cib.natixis.com/our-center-of-expertise/articles/water-economy-deciphering-the-challenges-financing-the-opportunities.

6.4.3.3 Thematic investment in natural capital

Since 2017, Mirova has had a platform specializing in investment for biodiversity conservation and natural capital. Mirova develops innovative investment solutions to mitigate and adapt to climate change, and to protect local regions, biodiversity, soil and marine resources, with €510 million invested in natural capital.

2020 KEY EVENT

Mirova: launch of a consortium on biodiversity impact measurement

AXA IM, BNP Paribas AM, Sycomore AM and Mirova have come together in a consortium to develop market standards in terms of biodiversity indicators.

In May 2020, an Investors Statement on the need to measure the impact on biodiversity collected more than thirty signatures from major institutional investors around the world, representing more than €6 trillion in assets under management. This statement showed that there is an unmet demand for quality research to help investors respond to the biodiversity crisis.

This statement follows a call for expressions of interest for a biodiversity impact measurement suitable for investment. The consortium formed by Iceberg Data Lab and I Care & Consult was selected as the data provider. The tool, which is currently being expanded, will enable investors to integrate impacts on nature and biodiversity into their risk assessments and research. In addition, the transparency of the approach selected will positively contribute to the required convergence towards more standard and comparable indicators.

In response to the depletion of natural capital and land degradation as global issues (relating to food security, human life and ecosystems), the **Land Degradation Neutrality (LDN) Fund** is an example of the type of innovative public-private partnerships needed to finance the SDGs. The Fund was created by the United Nations[(1)] and Mirova as a source of transformative capital bringing together public and private investors to fund triple bottom line (economic, social and financial) projects that contribute to Land Degradation Neutrality. The LDN Fund will invest in three crucial sectors: sustainable agriculture, sustainable forestry, and other projects such as green infrastructure or ecotourism as opportunities arise.

The LDN Fund aims to generate positive environmental and socioeconomic impacts alongside financial returns. By addressing land degradation, the LDN Fund aims to deliver the following benefits:

- land degradation neutrality;
- climate change mitigation;
- climate change adaptation;
- improved livelihoods;
- improved biodiversity.

The LDN Fund continued to raise funds throughout 2020 totaling $140 million.

After supporting a first project in Peru in favor of agroforestry systems for small coffee producers, three land restoration projects in 2019, Mirova invested in three new projects in 2020: a social enterprise that helps local populations to plant crops. trees, an agroforestry project in Bhutan and a sustainable forestry company in Ghana and Sierra Leone.

The LDN Fund will use its investments to apply sustainable land management practices on 500,000 hectares of land around the world, to reduce CO_2 by 35 Mt, and to create or improve jobs for over 100,000 people.

Unhealthy oceans threaten all life on earth and have a particularly strong impact on small island nations and vulnerable coastal communities. Decades of poor management have led to the over-exploitation and degradation of ocean resources, in particular fish stocks and coral reef ecosystems. Improving the management of these natural resources can enhance productivity and operational efficiency and generate attractive returns for all stakeholders.

The Althelia Sustainable Ocean Fund (SOF) managed by Mirova, invests in companies that harness the ocean's natural capital sustainably, build resilience in coastal ecosystems and create sustainable economic growth. SOF holds a mixed portfolio of assets in the sustainable marine products sector, the circular economy and conservation. The fund focuses on emerging markets and small island nations.

Launched in 2018, Mirova finalized in 2020 the fundraising of $132 million.

The SOF is already committed to the financing of seven projects, in particular in 2020 the support for the development of Nextprotein (production of alternative insect-based proteins) or Recycling Technologies (supplier specializing in plastic recycling technologies).

Recent partnerships were established with Eunomia and KFW to promote a study on the circular economy in the Caribbean, where the recycling rate of plastics is currently among the lowest in the world. This collaboration will also enable the launch of a "blue carbon" project to support the development of mangroves, a strategic natural solution to mitigate climate change.

(1) United Nations Convention to Combat Desertification (UNCCD).

SOF's investments are having substantial positive impacts in terms of socioeconomic development and the preservation of natural resources. The fund has set the following goals for its ESG impact:

- climate: protection of over 17,500 hectares of mangrove forest from deforestation and degradation (over 9 million tons of CO_2e captured), production of 177,000 tons of fish protein (which has a smaller carbon footprint than beef);
- livelihoods: creation or continuation of over 5,500 jobs in vulnerable coastal communities and indirect support for over 14,000 additional jobs in related value chains and businesses;
- ecosystems: direct protection and sustainable management of over 175,000 hectares of marine protected areas in ecosystems with high environmental value.

2020 KEY EVENT

L'Oréal chooses Mirova to support it in the regeneration of nature

As part of its global commitment to biodiversity strategy announced on June 24, 2020, L'Oréal will allocate €50 million to the financing of projects for the regeneration of marine and forest ecosystems, through the L'Oréal Fund for the Regeneration of Nature. By 2030, the Fund will have made it possible to restore one million hectares of damaged ecosystems, capture 15 to 20 million tons of CO_2 emissions, and the creation of hundreds of jobs.

This impact investment strategy dedicated to the regeneration of nature will be managed by Mirova.

2020 KEY EVENT

"Ossiam Food for Biodiversity": launch of the first Biodiversity ETF fund

In 2020, Ossiam launched this strategy, which applies to the entire food sector including the entire supply chain, from agricultural products to restaurants. It focuses on the impact on biodiversity, by optimizing the Mean Species Abundance (MSA), under minimum constraints of liquidity, diversification and reduction of the carbon impact. The fund has a higher non-financial performance compared to the benchmark, with a lower biodiversity impact and lower GHG emissions.

The fund's assets amounted to $24.4 million at the end of 2020.

6.4.3.4 Development of natural capital structured products

Natixis launched in 2020 the first 100% sustainable BP and CE campaign, “Sustainable Ambition”, combining a green bond and the Water & Ocean index developed in 2019:

- the Green Bond aims to finance green buildings and is earmarked for loans from Groupe BPCE entities (development of new buildings or acquisition of existing buildings, renovation or improvement of energy efficiency);
- the Euronext Water & Ocean Europe Index 40 is composed of 40 European companies selected for their contribution to the preservation of water resources and the oceans (equipment and services contributing to the resolution of water-related problems, reduction of pressure on the environment water resources, management of water pollution risks).

6.4.3.5 Development of the circular economy

AEW chairs the Circolab non-profit created in February 2018 to promote the circular economy in the construction and real estate sector and in particular to encourage the reuse of materials via various initiatives: publication of reuse guidelines, promotion of best practices, development of shared tools, creation of an ecosystem of real estate sector players. Circolab currently has around sixty members (public and private sector contracting authorities, construction firms, building materials manufacturers, project managers, and associations).

Several working groups have been created, including one to estimate the goodwill in buildings that are part of the circular economy, during their construction or renovation. Work has also been completed to share best practice for buildings in use and to factor reuse into Building Information Modeling (BIM). In 2020 a new think tank on the traceability of materials was launched. In addition, a partnership has been set up with the Geste D’Or association to include a circular economy profile in their annual Trophy, which celebrates exemplary achievements according to several criteria, notably heritage or technical.

To support a more responsible economy, **Thematics AM** has developed a strategy on the subscription economy, which aims to invest in companies whose business model is based on subscription to a subscription. In a rapidly changing world, this fund invests in companies that are benefiting from changes in consumption habits caused by:

- the emergence of digital technology, which favors the personalization and contractualization of subscriptions/desubscriptions;
- the changing desires of new consumers, who favor the experience rather than the ownership of a good;
- the contribution to a service approach by companies, based on the functionality of their production and the sustainability of their approach.

As such, the fund is invested in listed companies that provide products or services on a subscription basis, thus promoting a more responsible economy. Launched in December 2019, the fund’s assets amounted to €148 million at the end of 2020.

Natixis Assurances is also committed to limiting the consumption of resources: when it comes to insurance of multimedia devices, Natixis Assurances favors repairs to replacement whenever possible. In the event of a replacement, the policyholder is offered a refurbished device rather than a new refit.

At the end of 2020, Natixis Assurances started a project on the use of re-used parts after a car accident, with the aim of developing a test in 2021 in conjunction with the networks of experts, garages and scrap recyclers.

6.5 Managing environmental, social and governance risks

	2020	2019	2018
Number of transactions analysed by the ESR Risk team	224	189	150
Percentage of assets most exposed to climate transition risk [(a)]	14.4%	17.9%	13.1%
Coal-related outstandings	€394m [(b)]	€118m [(c)]	na
Number of sector policies published	4	4	4
Number of employees trained in ESR risks in business lines and support functions	1,240	na	na
Number of training hours delivered	1,501	na	na

(a) Percentage of the total amount of RWA rated "Dark brown" under the Green Weighting Factor methodology
(b) Amount of coal exposure taking into account non-dedicated corporate assets and project financing (project financing: €71m for 2020)
(c) Amount of coal exposure taking into account project financing only

6.5.1 Incorporating ESG criteria in financing operations and investments

Environmental, Social and Governance (ESG) risks are factored into financing and investment activities as part of a global approach involving the business lines, the ESR Department and the control functions. The approach includes drafting and applying ESR policies in the most exposed sectors, determining excluded sectors, and assessing and monitoring ESG risks on transactions and counterparties using various tools and processes[(1)].

Implementation of ESR policies in sensitive sectors

ESR policies have been drawn up and included in the risk policies applied by the business lines working with the most sensitive sectors. These policies cover the following sectors:

Coal industries

From October 2015, Natixis undertook to stop financing coal-fired power plants and thermal coal mining around the world. It also undertook to no longer provide general-purpose corporate financing to companies for which coal-fired power plants or thermal coal mines account for over 50% of their activity. This commitment, which was the subject of a sectoral policy covering financing, advisory and Capital Markets activities and other products and services, was strengthened in June 2019, with Natixis extending its exclusion criteria to all infrastructure projects (ports, railways and any other infrastructure or facility) linked to thermal coal. It also lowered the exclusion threshold, which now applies to financing or investing in companies deriving 25% or more of their business from coal-related activities (previously 50%).

The sectoral policy also applies to investments made by Ostrum, for all directly managed portfolios, and to Natixis Assurances, for all general-purpose funds. Both Ostrum and Natixis Assurances have stopped investing in industrial companies deriving 25% or more of their business from coal-fired power plants and/or thermal coal mining. Mirova prohibits all investments in the fossil fuel sector.

2020 KEY EVENT

Natixis accelerates its complete exit from the coal sector

On May 18, 2020, Natixis made a commitment to no longer support companies developing new coal-fired power plants or thermal coal mines, and will completely withdraw from thermal coal in 2030 for EU countries and other countries in the OECD and 2040 in the rest of the world. A new detailed policy was published on October 27, 2020.

For its investment activities, Ostrum is strengthening its coal exit strategy.

https://www.natixis.com/natixis/fr/politique-sectorielle-rse-applicable-a-l-industrie-du-charbon-octobre-2020-en-anglais-rep_95305.html

(1) *https://www.natixis.com/natixis/jcms/ala_5415/en/environmental-and-social-risk-management*

At the end of 2019, Natixis had no outstanding financing exposure to thermal coal mining activities and only residual exposure to coal power plant and coal infrastructure financing.

Defense

Since March 2009, Natixis has prohibited financing, investment and offers of services to companies involved in manufacturing, storing or trading anti-personnel mines and cluster bombs. The commitment made by Natixis in March 2009 was extended in June 2018 to include a Defense sector policy amended in September 2020. This policy, which is available for consultation on the Natixis website, extends the scope of arms excluded by the Group and sets specific criteria for conducting transactions, notably with respect to arms exporting and importing countries.

The policy also applies to investment operations undertaken by Natixis, Ostrum, and Natixis Assurances.

Tobacco

In December 2017, Natixis committed to discontinuing all financing of, or investment in, tobacco producers, wholesalers, and traders as well as tobacco product manufacturers.

In light of this commitment, Natixis published a detailed account of its tobacco sector policy in May 2018[1]. This policy applies to Natixis, Ostrum and Natixis Assurances' financing, investment and services activities.

Oil and gas

In December 2017, Natixis committed to stop providing financing for the exploration and production of oil sands and oil in the Arctic region.

In November 2018, Natixis published an oil and gas sector policy setting out the terms of its commitment, namely to:

- discontinue the financing of projects involving the exploration, production, transportation and storage of extra-heavy oil and oil derived from oil sands, and related export terminals;
- no longer provide general purpose corporate financing for, and no longer invest in[2], any company of which the aforementioned activities *(see above)* account for 30% or more of total operations;
- discontinue financing for onshore or offshore oil exploration and production projects in the Arctic.

This commitment to protect the Arctic upholds the position already adopted by Ostrum and Mirova, which, since 2016, have headed a group of investors having signed a declaration calling for the Arctic region to be protected against oil exploration activities, and for the adherence to national commitments to combat climate change in this particularly hydrocarbon-rich area of the world.

2020 KEY EVENT

Natixis announces its withdrawal from the shale oil and gas industries

On May 18, 2020, Natixis completed its policy by committing to no longer finance any shale oil and gas exploration and production projects worldwide. In addition, Natixis will no longer finance companies whose business is more than 25% based on the exploration and production of shale oil and gas.

More information: https://pressroom.natixis.com/actualites/charbon-fe94-b09b6.html (french only)

Other industries

Natixis has internal ESR policies **for the nuclear, mining & metals, and palm oil sectors**. These apply to financing operations and cover the following issues:

- nuclear: compliance with the strictest international security rules (IAEA, etc.), reliability of technologies, demonstration by the host country and the operator of their capacity to control and operate their nuclear industry, based on specific criteria;
- mining & metals: compliance with international mining industry standards as well as the E&S criteria established by the IFC (World Bank);
- palm oil: traceability and compliance with best practices and applicable standards.

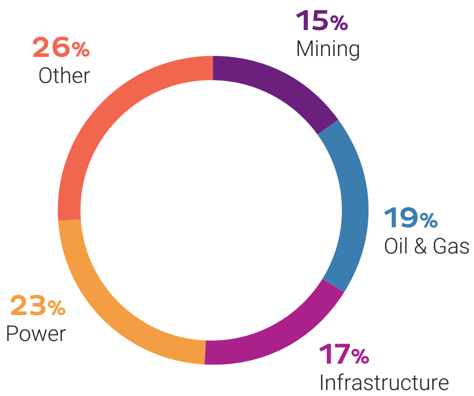
(1) https://www.natixis.com/natixis/en/tobacco-policy-rep_95634.html
(2) This applies to all Natixis Assurances' investments.

Overview of financing transactions over the last three years

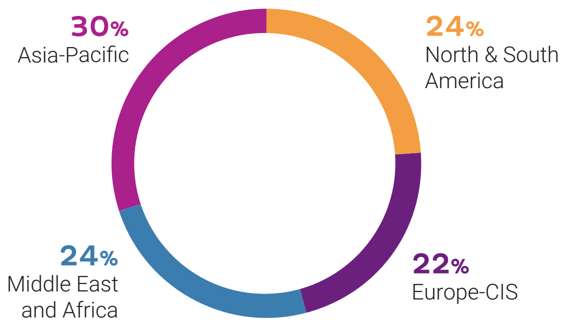
Managing environmental and social risks across Natixis' financing business lines involves analyzing clients and transactions to ensure they comply with its ESR policies and exclusion commitments, analyzing transactions according to the Equator Principles or other evaluation methods, and analyzing controversial issues that its clients may run into.

Over the last three years, 563 (including 224 in 2020) such transactions have been managed in this way, with the following sector breakdown:

Breakdown of the number of transactions reviewed by sector *(2018-2020)*



Breakdown of the number of transactions reviewed by geographic area *(2018-2020)*



Equator Principles

As a signatory of the Equator Principles since December 2010, Natixis applies an industry-wide methodology recognized by 114 member banks and financial institutions aimed at evaluating the E&S risks of the projects it finances and assessing the quality of the management systems used by its clients to manage, minimize, and remedy the impacts they cause as best they can.

This methodology applies to the financing of investments in new projects or the extension of existing projects. For Natixis it mainly concerns infrastructure, energy (oil, gas), electricity and renewable energy, and the mining and metals sectors around the world.

An organizational structure has been set up to involve both the business lines and the ESR Department in assessing and managing transactions. The process includes an assessment of the quality of existing E&S documentation prepared by the client (or client advisory services, if such documentation has not yet been drafted), the measurement and classification of the potential E&S impacts and risks, and, where necessary, the consultation of external specialists. It also provides for the drafting of an action plan for impact mitigation and correction measures, which is included in the financial documentation. Compliance with the action plan is monitored over the life of the financing facility.

Natixis' credit approval process includes a summary of key issues used to assess a project.

Details of the analysis and decision-making process, the resources used and full information on transactions audited in this way are available in the annual Equator Principles report (published before July 31 each year and available on the Natixis website[1]).

The banks and institutions that are members of the Equator Principles association approved an amended version of the Principles (Amendment EP IV) on November 18, 2019, which became effective on October 1, 2020. The new version extends the scope of application of the Principles and strengthens the conditions applied when assessing transactions, in particular in terms of human rights (especially the rights of indigenous communities) and physical and transition risks arising from climate risk. Initiatives have been launched to raise team awareness and organize training.

Assessments performed beyond the scope of the Equator Principles

Mindful of the great diversity of client transactions and financing solutions, Natixis ensures the same level of vigilance on the underlying E&S risks of certain types of transactions outside the scope of the Equator Principles. These include acquisition financing transactions not associated with an investment program, financing that is, by nature, for multiple purposes, transactions involving portfolios of assets too large for a dedicated assessment, or certain kinds of assets.

In each of these cases, the quality of governance and management of the E&S risks inherent to the industry in question are assessed on the basis of current international best practices and standards, and the services of external consultants are called upon if necessary.

(1) https://www.natixis.com/natixis/jcms/ala_5415/en/environmental-and-social-risk-management

Analysis of reputational risk associated with involved parties

For all the financing transactions referred to above, and also when deemed necessary for any other transaction, an analysis is performed to determine whether the borrowing company, its operator or main shareholder has a history of poor management of its operations, from an environmental, social or health and safety standpoint.

In the interest of establishing lasting relations with its clients, the objective is to raise awareness among the business lines – before a credit decision is made – of all the situations that can give rise to reputational risk, and where necessary to consider appropriate measures. This analysis will be systematically applied when the screening solution described below is rolled out.

A more robust client-assessment system

To identify, assess and monitor the environmental, social and governance (ESG) risks of its corporate clients, Natixis has set up a complementary tool, *ESR Screening*.

2020 KEY EVENT

Implementation of an environmental, social and governance (ESG) risk screening tool for corporate clients

This new system in place in all regions includes two levels of assessment integrated with existing risk management systems.

The first level ranks clients in a risk category based on the context in which they do business, the maturity of their ESR risk management system, any controversies to which they may be exposed and the type of business relationship they maintain with Natixis.

The second level performs an in-depth analysis of the most material ESG risks. The analysis focus on counterparties identified as being the most at risk and most often involves direct discussions with the client.

The system is integrated throughout client onboarding and loan approval processes to allow the systematic analysis of ESG risks. It involves the business lines, Compliance, and the Risk and ESR divisions.

The assessment process will gradually be applied to the portfolio of existing clients, taking into account the schedule for periodic renewals of financing authorizations.

2020 KEY EVENT

Deployment of an ESG risk training campaign

To support the launch of the ESR Screening process, a far-reaching training and acculturation work was carried out throughout the year. In particular, an ESG risk training campaign was set up for target populations within the business lines and the Risk division.

This campaign, led by Ernst & Young experts, brought together nearly 750 employees who were trained in ESG risks in the business sectors in which they operate.

In total, Natixis employees attended 1,501 hours of training on ESG risks in 2020.

6.5.2 Duty of vigilance

The French law on the duty of vigilance requires Natixis to prepare, publish and implement a duty of vigilance action plan containing measures that can identify and prevent the risks of violating human rights and basic freedoms, harming the environment, and endangering occupational health and safety, that are associated with the activities conducted by Natixis as well as its subsidiaries, subcontractors and suppliers.

Launched in 2017, the duty of vigilance project is overseen by Natixis' ESR Department and involves several other departments: Purchasing, Human Resources, Logistics, Compliance and Legal.

Several additional projects were initiated at the same time, with the aim of establishing a duty of vigilance plan for Natixis employees at its own offices, and also for its purchases of products and services. Work was also begun to expand the due diligence procedures implemented in respect of the bank's financing activities. As such, particular attention is paid to climatic risks: physical and transition risks *(see Chapter [6.5.3])*.

Lastly, Natixis' Compliance Department has adapted the bank's whistleblowing system to take new regulations into account (including, in particular, the duty of vigilance, but also the Sapin II law) *(see Chapter [6.2.])*.

Duty of vigilance in purchasing

In 2017, Natixis participated in a joint initiative involving several French Banking and Insurance companies and signed the Responsible Purchasing Charter. The aim of the charter is to encourage the suppliers of the signatory banks to implement duty of vigilance measures as part of their overall ESR approach. The charter sets a series of commitments that both parties are required to observe, based largely on the basic principles of the United Nations Global Compact in the areas of human rights, working conditions, the environment and anti-corruption[1].

Regarding the enforcement of the duty of vigilance law, Natixis and BPCE Procurement took part in a concerted effort in the banking and insurance sector to map out ESR risks in purchasing activities, involving three other banking groups. The map, which was delivered in June 2018, enables the following risks to be measured by country and by category of purchase:

Fair practices and ethics	Fraud and corruption
	Personal data protection
	Copyright and patents
Environment	Consumption of natural resources
	Pollution (air, water, ground)
	Biodiversity
	Carbon emissions
	Waste management
Human rights	Health and safety
	Working conditions
	Discrimination
	Forced labor and modern-day slavery
	Child labor

It maps out risks by drawing on the expertise of the chosen supplier for each purchasing category, in addition to statistics on each country, in accordance with recognized standards.

The mapping system identified 13 types of high ESR risk-type purchases from among more than 100 purchasing categories in the banking sector. These high risk purchases are to be the subject of targeted duty of vigilance measures:

Under the new consultation procedures conducted by BPCE Procurement in sensitive categories, suppliers are assessed on the basis of their ESR performance:

- the ESR questionnaire based on the risk map is sent to the supplier;
- the supplier must detail their action plan to deal with the identified ESR risks;
- BPCE Procurement/Natixis ESR together assess this response;
- the ESR grade is built into the supplier's overall grade;
- the supplier action plan must be implemented where ESR grade is below average;
- monitoring of the supplier's action plan.

The process applied since 2018 has made it possible to assess a first series of suppliers in sensitive categories. At the end of 2020, 62% of the purchasing categories concerned by the system had been assessed (servers, ATMs, bank cards, relationship marketing, furniture, vehicles, etc.) and other categories are being assessed.

BPCE Procurement has provided training to familiarize the procurement and ESR functions with the system, in the form of morning procurement meetings, classroom-based lessons and specific duty of vigilance e-learning courses. 100% of BPCE Procurement buyers responsible for these procurement categories have received training.

For purchases made directly by Natixis, an equivalent process was implemented in 2020 as part of the new Know Your Supplier procedure (KYS). For all purchases of more than €50 thousand in one of the thirteen sensitive categories, this process is now followed for purchases made in France and will be gradually rolled out to international platforms.

Duty of vigilance in everyday operations

The environmental risks associated with Natixis' operations are discounted as its business is not liable to generate serious adverse impacts on the environment. Furthermore, the bank already applies strict environmental regulations in Europe and the United States, and has launched several initiatives to limit its impact on the environment (e.g. certified buildings, use of resources, waste management, eco-friendly business travel, etc.).

Regarding the risks incurred by Natixis employees and service providers in terms of human rights, the decision was made to extend efforts in areas deemed most important in view of Natixis' businesses: working conditions, prevention of discrimination, and personal safety.

These issues are already strictly governed by a number of regulations in France (representing nearly 70% of Natixis employees) including labor law, the personal and property safety policy, and the Professional Risk Assessment Document. A whole host of internal agreements have also been signed in France (relating to union law, collective bargaining, gender equality, the professional integration and retention of employees with disabilities, and quality of life at work).

(1) https://back.bpce-achats.fr/storage/documents/9YMh2ecdXFSrAUhMOp4SKfZWh64bfInkxPnW5izi.pdf (French only).

Internationally, the mapping prepared by the Human Resources Department was enhanced in 2020 with the collection of handbooks describing the rules applicable in the various Natixis sites. It is thus verified that the working conditions of Natixis employees comply with local regulations or improve them, particularly in terms of working hours and dismissal conditions.

With regard to salaries, beyond compliance with regulatory minima, each entity participates each year in a targeted salary survey on Financial Services in order to allow the various trades to adapt their remuneration policy and verify their competitiveness. In terms of social protection, the entities rely either on surveys conducted on a multi-year basis, or on the expertise of the brokers who intervene in the management of these programs to ensure that they are in line with standards of the Financial Services industry. Overall, maternity leave is more favorable than local regulations.

On the basis of this initial assessment, the Human Resources Department is considering a group-wide employment framework for all Natixis employees regardless of the country, covering, for example, minimum paternity/maternity leave, the implementation of minimums or standards in social protection or access to an employee savings scheme.

The safety and security of Natixis' **employees and service providers are of vital importance**. In 2019, the Security Department at Natixis in Paris rolled out solutions for all its offices focused on two major aspects: early warning and self-assessment.

Early warning systems are essential to be able to anticipate and respond quickly to risks and dangerous situations. To allow this, security managers can now access an early warning system on the internet that analyzes safety and security risks arising from geopolitical events.

The self-assessment and compliance system used for the past three years has been reviewed and rationalized. Its use was extended from France to all offices at the end of 2019.

Travel safety around the world is enhanced through an application that brings together all travel agencies and offers training adapted to each trip. A global security unit is being developed to better coordinate actions and costs."

Managing risks in our financing activities

For several years now, Natixis has addressed the human rights and environmental risks incurred by some of its financing activities, most notably by applying the Equator Principles for project financing or specific policies for sensitive sectors.

In addition, the ESR Department has implemented with the business lines, the Compliance and Risk Departments a solution to identify, assess, and monitor corporate clients' environmental, social and governance (ESG) risks. The assessment process will gradually be applied to the portfolio of existing clients, taking into account the review schedule *(see Chapter [6.4.1])*.

Whistleblowing system

The whistleblowing system forms an integral part of Natixis' Code of Conduct and is based on a company-wide policy which sets the minimum standard to be applied throughout Natixis group. In July 2018, Natixis S.A. published an updated version of its existing whistleblowing system to reflect the latest regulatory changes. The whistleblowing system is available to any person holding an employment contract with Natixis, as well as to employees of external service providers or subcontractors *(see Chapter [6.2.5])*.

6.5.3 Climate risks

The environment and climate emergency is one of the biggest challenges facing the world's economies and every one of us. The financial sector can and must spearhead the ecological transition by channeling funds into a sustainable economy. As a provider of financial solutions, Natixis has a role to play in this movement.

As a financial institution and major economic player, Natixis is exposed to climate risk in the running of its operations and business activities. Taking this climate risk into consideration is crucial for the bank in all its areas of business: Asset Management, Financing and investments, insurance and Payments.

Natixis has taken a series of measures to **adapt to the effects of climate change**:

- **the consequences of extreme climate events** (e.g. storms, heatwaves, flooding of the Seine, etc.) that can directly impact Natixis in France and internationally are addressed in the Business Continuity Plan (BCP). The impact of the different scenarios is assessed in the operational risk map, resulting in the calculation of a VaR (value at risk) that takes into account external data, the quality of the BCP and insurance coverage;
- **the climate risks linked to our business operations** are taken into account insofar as Natixis' clients may themselves be subject to climate risks. These include physical risks (exposure to physical consequences caused directly by climate change) and transition risks (exposure of certain sectors to the adjustments brought about by the transition to a low-carbon economy). Since 2019, these risks have been incorporated into Natixis' risk monitoring system, the Risk Appetite Framework.

Pursuant to Article 173 of the French Energy Transition Act, Natixis is required to report on the climate risk management tools it has put in place and on its low carbon strategy.

Measuring the climate change risks associated with our activities: local works

Since 2016, Natixis has been part of a working group to improve recognition of these risks: specifically, and in line with the Autorité de Contrôle Prudentiel et de Résolution (ACPR – French Prudential Supervisory Authority for the Banking and Insurance Sector), BPCE and Natixis participated in a working group addressing Article 173, Provision V of the Energy Transition for Green Growth Act of August 17, 2015, with a view to drawing up stress test scenarios. The working group reviewed the sectors most exposed to physical risk and to transition risk.

In 2018, Natixis joined the UN Environment Program Finance Initiative (UNEP-FI) to address climate risks alongside 16 international banks. Their aim is to meet the challenges of implementing some of the recommendations made by the Task Force on Climate-Related Financial Disclosure (TCFD) by establishing a joint methodology for conducting stress tests on climate change-related risks (physical and transition risks).

In 2019, Natixis took part in the banking sector discussions with the ACPR on two major topics: climate strategy and governance and climate risk metrics. These meetings allowed banks to present and compare their systems and will allow the ACPR to publish a guide to best practice in taking climate risk into account in the first quarter of 2020.

Natixis was invited to present its system for analyzing transition risk in its financing activities by the NGFS (Network for Greening the Financial System), which includes 45 central banks and banking sector supervisors.

Transition risks

Transition risks arise when a company's business model needs to be adapted to a low carbon economy be it due to the introduction of stricter carbon regulations, a change in customer behavior, or technological innovation. These changing market conditions can give rise to stranded assets or a significant loss in revenue, thereby exacerbating the Company's credit risk.

In 2018, Natixis took the innovative step of introducing a Green Weighting Factor to support its clients in the shift towards lower carbon activities and gradually decarbonize its balance sheet. Climate transition risk will be systematically included in the assessment of financing opportunities.

Over and above the GWF methodology described above, this initiative has raised awareness of the risks and opportunities associated with climate change among business line and risk management teams. Insofar as since September 2019 each loan file reviewed by the Credit Committee and covered by the initiative must be rated for its climate impact, in-depth discussions are held during the loan approval process on the consequences of climate change on the borrower's activity. Further work is currently underway to translate the color ratings resulting from the GWF methodology into a temperature trajectory. Natixis undertakes to use the GWF initiative to set climate impact targets for each of its banking activities. Climate impact targets will be defined with different time horizons (short, medium and long term) at bank level, and for each business line in 2021.

In addition, training for the roll-out of the GWF also raised awareness among business line and risk management teams on the key concepts of climate risk analysis (materiality and intensity of climate risks, life-cycle analysis, supply chain analysis, associated reputation risk).

In accordance with Article 173, Provision VI of the Energy Transition for Green Growth Act establishing new ESG reporting obligations, certain Natixis subsidiaries have made extensive efforts to measure the carbon footprint of their portfolios:

- **Mirova and Natixis Assurances** use the Carbon Impact Analytics method co-developed by Mirova and Carbone 4 to calculate the carbon footprint of their portfolios.

  This innovative approach covers generated emissions, prevented emissions and each company's overall contribution to the fight against climate change. It assesses investments made relative to a benchmark scenario and compared to the principal market indices.

  Applied to the strategies managed by Mirova, the methodology shows that the investments made by the Natixis subsidiary are below the 2°C scenario and are much better than the main benchmark indices.

  Natixis Assurances has pledged to align its investment policy with the 2°C climate scenario and each year it will devote nearly 10% of new investments to green assets, with a target of 10% of its total investments being in green assets by 2030;
- in 2020, **Ostrum AM** initiated a reflection on a new methodology of alignment with the IPCC temperature scenarios in order to be able to report to its clients on the impact of their portfolios. A TCFD report will also be published in 2021;
- **DNCA** factors climate issues into its investment policy by drawing on the work and recommendations of the Taskforce on Climate-related Financial Disclosure (calculation of each company's climate risk exposure and assessment of its climate strategy). Since the end of 2020, DNCA assesses the temperature of all of its investments in partnership with the CDP. The objective is to take stock of the on-Board climate risks and to steer a gradual alignment of all investments in accordance with the Paris Agreement;
- **Ossiam** has established a framework for measuring its portfolios' transition risk and comparing it with their benchmark. This framework can be applied to several indicators such as GHG emissions, risks associated with the energy transition (coal reserves, etc.) or impact (production of green energy, etc.). Work on the temperature trajectory of the portfolios was initiated in 2020 and will be completed in 2021;
- in 2019, **Loomis Sayles** set up a new sub-Committee dedicated to climate change in order to integrate climate issues into its activities. Substantial work has been undertaken on climate change, including the use of tools such as analysis of climate-related scenarios as recommended by the TCFD;
- **Harris Associates** takes into account climate risk on a case-by-case basis, depending on the exposure of individual companies to material risks related to climate change;
- **Naxicap** Partners has signed up to the International Climate Initiative to help achieve the objectives of the Paris Agreement. An initial estimate of its carbon intensity (scope 1 and 2 emissions) was completed in 2019. In 2020, in respect of the 2019 fiscal year, Naxicap published all the GHG emissions of its portfolio companies, including scope 3 which accounts for the majority of companies' impact on the climate;
- since 2018, **AEW Ciloger** reports on climate risk and alignment with the 2°C objective for several investors using the Science Based Target (SBT) method. These portfolios are aligned with the objectives of the Paris Agreement;
- **AEW Capital Management** calculates the carbon footprint of 44% of its portfolio: GHG emissions decreased by 2.1% in 2019 compared to 2018. In 2021, AEW Capital Management will develop and implement a resilience program that will align with the recommendations of the TCFD, including the determination of a target that aligns with the SBTI (Science Based Target Initiative) with an annual reduction of at least 2.5% of GHG emissions;
- **Vauban IP** excludes investments in the exploration and production of fossil fuels and annually assesses the carbon footprint of the assets in the portfolio (scopes 1, 2 and 3). This assessment makes it possible to identify the levers of action to avoid and reduce GHG emissions and to engage in dialogue with joint ventures on these actions;
- since December 2020, **NIM Solutions** has access to Trucost's climate data to holistically support its clients in measuring and integrating climate criteria into their investments. This will be done through various services: portfolio analyses, integration of climate criteria, investment solutions integrating climate considerations, reporting, as well as a strong presence in methodological research and development.

Physical risks

Climate change increases the frequency and/or intensity of extreme weather events such as hurricanes, storms, droughts, and flooding.

The economy stands to suffer from these physical risks, and some sectors and geographic regions are already proving vulnerable to such events, which can result in major financial losses (interruptions in the supply chain, loss of operations), alter the value of assets and affect borrower solvency. This could have a knock-on effect on credit and investment portfolios.

Despite this, financial institutions lack the tools needed to analyze portfolio exposure to physical risks. Natixis has therefore committed to the ClimINVEST initiative launched by a consortium of European climate change experts, notably I4CE and Météo France, to produce ideas for such solutions.

This project seeks to co-design and co-produce tools, in conjunction with financial institutions, to facilitate the inclusion of physical climate change risks in decision-making processes. An initial simulation on a portfolio of real estate loans was performed at the end of 2019 and the final report will be made public in 2021 in order to enable as many people as possible to adopt them.

Specific work was carried out in the area of real estate Asset Management:

- **AEW Ciloger** conducted a vulnerability assessment audit on nine pilot buildings. Recommendations to improve the resilience of buildings were presented to investors as well as the impacts on the values of the buildings. The use of these audits will be proposed to investors and in particular their integration into the acquisition process. At the end of 2019, the Darwin project on physical and transition risks was launched, aiming to define a governance, a strategy and objectives related to all these risks, based on the TCFD framework. This project should be completed in early 2021;
- **AEW Capital Management** hired Four Twenty Seven, a company that assesses the physical impacts of climate change, to conduct a climate risk assessment (e.g. hurricane, typhoon, flooding, sea level rise, heat stress, etc.). This analysis is used to assess risks as part of the due diligence process and to budget for costs in order to improve the resilience of an asset if necessary. AEW will continue to bring on Board the remaining portfolio in 2021.

Low carbon strategy

13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES

Natixis believes it has a responsibility to actively combat climate change and has developed a proactive strategy aimed at reducing its direct and indirect impacts on the environment resulting from its financing and investment activities.

Direct impact: Each year, Natixis measures its carbon emissions and takes a number of measures to limit its own impact on the climate, namely:

- carbon neutrality of power consumption via renewable energy supply contracts;
- energy-efficient buildings;
- eco-friendly business travel.

Indirect impact generated by its business lines: Natixis draws on its investment and financing operations as its key means of action the fight against climate change, both in terms of risk management and business opportunities. Natixis is implementing a low-carbon strategy, fully integrated into its ESR policy, in all its business lines.

Green Weighting Factor: To step up its transition to green finance, Natixis is developing a tool to gradually bring its financing activities into line with the Paris Agreement goals for the climate. Work is underway to define a temperature trajectory. Climate impact targets will be defined with different time horizons (short, medium and long term) at bank level, and for each business line in 2021.

Financing green growth: Natixis is a significant player in the financing of renewable energies, particularly in Europe and Latin America: 21 new projects were financed in 2020 representing an installed capacity of 6,510 MW for an agreed amount of €1.5 billion. Natixis is also a leading bank in the financing of sustainable infrastructures (sustainable real estate, sustainable mobility, environmental services), as well as in the green bond market.

Investment products helping to combat climate change: Natixis Investment Managers also finances renewable energy via the investment funds proposed by its affiliates. Natixis Assurances was supported by Mirova in January 2020 for the launch of its first Green bonds strategy, for an initial amount of €30 million, supplemented in July 2020 by a new Green bonds Euro strategy. These two strategies propose a portfolio aligned with a global warming trajectory of less than 2°C.

Managing climate risk in projects financed by Natixis: As a signatory of the Equator Principles, Natixis incorporates climate change into the environmental impact assessments conducted on its major projects. Borrowers are required to present an analysis of the possible alternatives to their projects, and to report annually on the project's CO_2 emissions once it is in operation.

Exclusion of carbon-intensive issuers: Since 2015, Natixis has ceased all financing and investments in the coal sector (exclusion threshold of 25% applicable to general purpose corporate financing - see section [6.4.1]) and has also undertaken to stop financing oil sands and oil exploration in the Arctic (30% exclusion threshold applicable to general purpose corporate financing - see section [6.4.1]).

6.6 Managing our direct environmental impact

	2020	2019	2018
Energy consumption per workstation *(in kwh)*	2.14	2.47	2.89
Energy consumption from renewable sources *(in %)*	100	100	100
Consumption per workstation *(in kg)*	5.04	10.41	11.83
Distance traveled by plane *(in thousands of km)*	4,302	27,441	33,790
Percentage of electric and hybrid vehicles in the vehicle fleet *(in %)*	20	15	9
Carbon footprint *(tco_2eq/fte)*	7	7.92	7.39

In line with its policy of recognizing ESR in its activities, for over ten years, Natixis has actively reduced its direct impact on the environment related to its internal operations. These impacts are very significant given its 16,000 employees and its numerous sites in France and abroad.

This policy is broken down into seven themes: sustainable real estate, responsible digital technology, the promotion of sustainable mobility, resource management (energy and paper), responsible purchasing, waste management and revegetation. These themes serve the key areas of biodiversity protection and the fight against climate change, the latter being managed each year as part of the carbon footprint.

6.6.1 Sustainable Real Estate

The Natixis Workplace Department, as manager of the Company's buildings, oversees the implementation and monitoring of environmental certifications, the reduction of energy consumption and the energy supply of buildings, as well as their accessibility.

Natixis and its subsidiaries in France (with the exception of Financial investments and affiliates – *see scopes in Chapter [6.8]*) account for 242,494 m² in office space (compared to 239,228 m² in 2019) and 16,162 workstations (compared to 15,917 in 2019), as well as two data centers operated for Groupe BPCE. Natixis is currently working to rationalize its real estate portfolio to reduce its environmental impact. This rationalization made possible by the introduction of the Flex Office and by the generalization of two days of remote working for the majority of its employees.

Creation and monitoring of certifications

For the purpose of managing its buildings and offices, Natixis has chosen to occupy buildings whose design and operation guarantee optimal environmental performance. The bank has 11 certified buildings (HQE [(1)], BBC [(2)], HPE [(3)] or BREEAM [(4)] certifications), covering a total surface area of 101,662 m² (compared to 100,421 m² in 2019). The two Natixis datacenters have ISO 14001 certification.

Abroad, Natixis also occupies environmentally-certified offices. The Natixis head office building in New York benefits from the LEED gold environmental label for its design and construction. It has also improved its Energy Star score from 69 to 76. In Madrid, Natixis occupies a BREEAM certified building. In Hong Kong, the occupied building has been recognized for its environmental performance with numerous certifications (BEAM [(5)] platinum level, LEED [(6)] bronze level for interior fittings).

(1) HQE : High Environmental Quality
(2) BBC : Low Consumption Building
(3) HPE: High Energy Performance
(4) BREEAM : Building Research Establishment Environmental Assessment Method.
(5) BEAM: Building Environmental Assessment Method.
(6) LEED: Leader in Energy and Environmental Design.

6.6.2 Digital sustainability

Given the high level of digitization throughout Natixis' business lines, digital sustainability is a key challenge for Natixis. Information systems and technologies have a significant impact on the life cycle of the equipment they require:

- on the environment: loss of biodiversity, consumption of energy and natural resources, greenhouse gas emissions, pollution;
- on society: accessibility of services and e-inclusion, transformation of the business lines, working conditions in the supply chain.

Since 2018, Natixis has embarked on a Responsible Digital approach, which was strengthened in June 2019 with the signing of the Responsible Digital Charter with the INR (Institut du Numérique Responsable).

The Natixis IT Department structures its Responsible Digital policy around five fundamental principles in line with the charter:

- to optimize digital tools to limit their impact and consumption;
- to develop inclusive, sustainable services that are accessible to all;
- to foster ethical, responsible digital practice;
- to make digital measurable, transparent and clear;
- to facilitate the emergence of new behaviors and values.

This commitment is implemented within Natixis through actions structured around the three pillars:

- *Green for IT* aiming to reduce the impact of digital technology;
- *Green by Design* integrating eco-design into each IT solution;
- *Tech for good* putting digital technology at the service of sustainable development goals.

6.6.2.1 Reducing the impact of digital technology: Green for IT

This first pillar of the digital sustainability policy aims to reduce the impact of digital with more responsible purchasing, optimized life cycles for IT equipment and reduced energy consumption.

Managing and containing growth in Natixis' stock of IT equipment has been one of the key challenges facing the Infrastructures Department in recent years. The focus is on reducing the number of equipment and using equipment to its full potential. The use of technology such as virtual servers, resource overallocation and data compression means that infrastructure growth can now be absorbed without significantly increasing the number of devices required.

Reduce the number of equipment

Since 2017, the optimization of the printer fleet has led to a reduction of nearly 37% in the number of devices used (individual and shared printers) at Natixis, and continued in 2020 with the elimination of an additional 150 printers an estimated reduction in greenhouse gas emissions of 51 TCO_2e.

Extend the useful life of equipment within Natixis

The Telephony IT team extends the period of use of employees' professional smartphones by one year, thus increasing to three years of use (-58 TCO_2e in 2020). In 2020, 4,800 computer screens were reused during a move, thus avoiding new acquisitions and the emission of 1,702 TCO_2e.

Promoting the reuse of Natixis equipment at the end of the cycle

Natixis encourages the reuse of its equipment at the end of the cycle, either by selling it to reuse channels or by making occasional donations to associations. Thus, in 2020, thanks to donations from Natixis, Les Ateliers du Bocage were able to reuse 88% of the 1,418 smartphones donated, the others being upgraded. In addition, laptops and tablets were donated to the Necker Hospital as well as to associations for integration and assistance to families located in Seine et Marne and Val de Marne.

6.6.2.2 Responsible eco-design: Green by Design

The IT Department aims to be able to offer digital services that fulfil Natixis' social and environmental commitments while meeting its business lines' requirements. For example, this involves designing infrastructure eco-responsibly or ensuring we retain only the required data, without compromising security or losing sight of our regulatory obligations.

The IT sectors and the Corporate & Investment Banking business lines benefited from the renewal of part of the computing grids to set up a more scalable and densified infrastructure based on more recent and more efficient manufacturer offers. This responsible digital scenario has reduced equipment greenhouse gas (GHG) emissions by 233 TCO_2e and energy consumption by nearly 1,500 MWh per year.

The second example is the Internet network infrastructure overhaul. This new infrastructure, offering a significantly higher capacity, has reduced the number of equipment and associated energy reductions: it will be more virtuous over its entire seven-year life cycle, allowing a reduction of nearly 23% of greenhouse gas emissions.

6.6.2.3 Digital technology for ESR: Tech for Good

Natixis aims to make digital services available to support the social and environmental challenges of Natixis' businesses and its employees.

At the end of 2019, a tool for measuring the carbon footprint of paper prints was developed for employees. This tool measures the number of individual prints made on an annual basis and makes employees aware of their daily impact (on the principle of life cycle analysis including the impact of printers, ink, paper).

Through a digital footprint calculator for its equipment, Natixis has also introduced the enhancement of its IT standards with environmental data, thus enabling us to:

- evaluate the environmental impact of each project scenario (decision support, for example, between reuse and the acquisition of more efficient equipment);
- measure the impact of digital purchases on Natixis' carbon footprint;
- identify, for each business line, its virtuous optimization levers by providing the aggregate footprint of its Information System.

2020 KEY EVENT

The systematization of remote work made possible by IT during the health crisis

Natixis has demonstrated its great resilience during the COVID-19 health crisis by adapting to this unprecedented situation: the infrastructures and the IT teams have ensured that employees can work remotely and easily. This adaptation is also due to the provision of mobile solutions (equipment and services) for employees and the introduction of remote working ahead of the health crisis.

6.6.3 Promoting sustainable mobility

Mobility plan

Since 2018, Natixis has stepped up its efforts to promote clean mobility, in accordance with the French Energy Transition for Green Growth Act of 2015, with the publication of an inter-company mobility plan for the Greater Paris region. Five other plans were also drawn up for the main French regions in which Natixis has offices.

The action plan drawn up for 2018, 2019 and 2020 concerned more than 20 Group companies and 26 buildings, i.e. 18,000 employees. It has enabled Natixis to implement new measures to reduce or optimize employees' commuting and inter-site travel with the adoption of less polluting transport in terms of air quality or noise impact.

In 2020, travel between home and work and between sites was drastically reduced given the health situation and increasing numbers of employees are using bicycles.

Support cycling

To support the increase in bicycle use, Natixis has created an additional 200 secure parking spaces for bicycles in the Paris region, with more than 850 indoor and outdoor spaces. In addition, Natixis has pooled all the bicycle parking spaces in its buildings, which are now open to all employees. Lastly, Natixis provides changing rooms with showers and lockers at 15 of the 26 sites in the Paris region.

Internationally, the Frankfurt and New York platforms have also set up bicycle parks for employees.

Lastly, with the support of a specialized operator, Natixis set up a shared fleet of 15 self-service electric bicycles in three stations, enabling its employees to cycle between the sites of Charenton-le-Pont and the 13th arrondissement. This pilot project is being tested over a twelve-month period, after which its continuation and possible extension will be studied.

Encourage remote working and remote work to reduce travel

Even beyond the specific lockdown periods of 2020 when remote working was introduced, the deployment of remote working has accelerated, with 79% of employees on permanent employment contracts having signed an amendment to remote working at the end of 2020, i.e. more than 8,000 employees.

In addition, in the event of a pollution peak with restrictions on car traffic, additional remote working days may be granted, as well as authorizations to work at home for employees with remote connection facilities.

Facilitating the use of electric vehicles

Natixis continues to increase the number of car parking spaces with recharging points. There were 151 places in 2020, compared with 117 in 2019 and 87 in 2018.

Support the use of public transport or soft transport

Natixis encourages its employees to use public transport, which is well established near its Île-de-France sites, and reimburses up to 60% of transport costs. Since 2018, Natixis has also reimbursed employee subscriptions to public bike-sharing services in full.

2020 KEY EVENT

Employee survey on mobility and transport

In 2020, Natixis launched a survey of all its employees in France. The survey recorded a high participation rate (45%) with more than 5,500 respondents. This survey aimed to better understand employees' habits and expectations in terms of home-work and inter-site travel. The results will be used to prepare Natixis' future mobility plan as well as for discussions on the development of its buildings while meeting the new Mobility Guidance Act.

The survey's diagnosis has already revealed several action levers that could be applied to encourage the use of modes of transport with lower impacts on the environment, in particular the bicycle (conventional and electric) with the development of parking infrastructure and implementation of a financial incentive.

Vehicle fleet

Natixis has 325 company and service vehicles which traveled 4.4 million km in 2020 compared to 6.5 million km traveled in 2019, a decrease of 32%.

Under its Car Policy, Natixis selects more eco-friendly vehicles – in terms of both CO_2 and particulate emissions.

Thus, the share of electric and plug-in hybrid vehicles in the car fleet continued to increase in 2020 with a total of 65 vehicles, i.e. 20% in 2020 compared to 15% in 2019. In 2020, more than half of the cars renewed were replaced by electric or plug-in hybrid vehicles.

These new vehicles meet an average CO_2 emissions rate of 41.5 g/km. The average CO_2 emissions rate for the Natixis vehicle fleet was 102 g/km in 2020.

Business travel policy

In 2020, business travel by plane (-73%) and train (-84%) fell sharply compared to 2019, drastically impacted by the health crisis.

Business travel data (in km)	2020	2019	2018
Train (total)	2,157,105	7,853,749	12,053,828
Travel by air (total)	4,302,819	27,441,201	33,790,223
Travel (total)	6,459,924	35,294,950	45,844,051

Natixis' business travel policy has set out rules ensuring the safety and comfort of employees during business trips, while contributing to the policy of optimizing costs and managing the environmental impact of these trips. This policy applies to Natixis and its subsidiaries, excluding Financial investments in France. The subsidiaries and branches abroad establish travel rules that are consistent with the Group's Worldwide Travel policy.

This notably includes rules on business travel that has an environmental impact:

- when a destination can be reached by both rail and air, trains are now compulsory for a number of destinations in France and Europe (depending on journey time);
- economy class is compulsory for domestic flights, flights between European countries and intercontinental flights of less than four hours;
- the use of taxis and the reimbursement of mileage expenses are governed by rules on specific use (approval by manager, exceptional circumstances). Natixis also prefers that its employees use green taxis (hybrid vehicles) for business travel.

6.6.4 Management of resources

The Workplace Department managing Natixis' Real Estate ensures optimum resource management by closely managing the various resources used: energy (electricity, heating and cooling utilities), water and paper. Each building it manages has a budget for energy consumption, which is monitored on a monthly basis.

6.6.4.1 Energy: less and better

Reduction of energy consumption

Natixis has optimized the energy consumption of its buildings for several years with the roll-out of various measures:

- a re-lamping policy with the use of LED light bulbs;
- installation of motion sensor lighting systems in common areas;
- automatic switching off of lights and air conditioning;
- optimization of heating and cooling systems that give greater consideration to temperatures outside the building.

Combining these measures with efforts to raise employee commitment via an "eco-gestures" guide, challenges and conferences has steadily reduced energy consumption in Natixis buildings since 2010, per workstation and per m^2 of rented surface. In addition, Natixis offers a bonus to each of its employees if the energy consumption reduction target is collectively achieved.

The specific situation related to COVID-19 in 2020 directly impacted the energy consumption of buildings:

- an increase in consumption: the legal obligation to constantly renew the air in air-conditioned buildings leads to the permanent operation of air renewal systems that were previously only triggered on an ad hoc basis. In addition, the continuous injection of outdoor air requires that the heating or air conditioning systems be operated to regulate the temperatures;
- a reduction in consumption: as employees have benefited greatly from remote working, the real estate portfolio has been rationalized (closure of certain buildings, adapted configuration of the remaining buildings), resulting in a reduction in the energy consumption of Natixis buildings. It should be noted that this decrease is qualified by the transfer of energy consumption to the homes of employees, which Natixis is unable to assess.

Scope: Natixis France – excluding data centers.

Energy	2020	2019	2018
Energy consumption: electricity, heating and cooling of office buildings *(in mwh)*	34,556	39,345	56,022
Energy consumption per workstation *(in mwh)*	2.14	2.47	2.89
Energy consumption per m^2 of usable rented office space *(in mwh)*	0.14	0.16	0.18
Total heating oil consumption *(in m^3)*	10	11	15

In 2020, energy consumption fell by 12% year-on-year. Reported to the workstation or m^2 of usable leasable area, we observed a further 13% decrease in energy consumption between 2019 and 2020. However, this decrease should be qualified by the COVID-19 health crisis.

In 2015 Natixis signed a Paris Climate Action partnership with the City of Paris and participates in achieving the sustainable development objectives of the Paris Climate Plan. This commitment was renewed in 2018 with a target of a 30% reduction in the energy consumption of its buildings in the Paris region between 2010 and 2020. Between 2010 and 2019, Natixis had already exceeded this target with a 40% reduction in energy consumption per m^2. If we include 2020, where the drop in consumption was accentuated by the specific context of the COVID-19 health crisis, this decrease reaches 47% between 2010 and 2020.

International platforms have also taken actions to improve the energy efficiency of their buildings by:

- lighting with the use of motion sensors in Frankfurt, Kazakhstan and Milan, relamping in favor of LEDs or energy-saving light bulbs in Frankfurt, Istanbul, Kazakhstan and Moscow, automatic switching off of lights in Madrid and Milan;
- the optimization of air conditioning and air renewal systems in Moscow and Kazakhstan.

With the widespread implementation of remote working linked to the COVID-19 pandemic, 300,000 kWh were saved in building 1251 in New York. This represents the equivalent of two months of consumption based on 2019 energy consumption.

2020 KEY EVENT

Natixis renews its participation in the CUBE 2020 challenge

Following its 1st participation crowned with two medals in 2018-2019 in the CUBE 2020 energy saving competition, organized by the Institut Français de Performance Énergétique du Bâtiment, Natixis renewed its participation with two new buildings, one in France and one in Portugal.

The offices in Porto and Charenton-le-Pont (the largest Natixis office, + 40,000 m^2) recorded energy savings of 24% and 16% respectively at the end of October, in less than a year of competition. Porto ranked fourth in the International category at the end of October 2020.

Energy production

Several actions make it possible to produce energy or recover heat in Natixis buildings:

- in one of the data centers operated by Natixis, the heat produced by IT equipment is used to heat the water in the neighboring aquatic center in Marne-la-Vallée;
- in Paris, the heat from the IT equipment in the trading room is recovered to heat the 47 quai building. This provides heating autonomy of eight months out of twelve, with the additional heat coming from the district heating network;
- in Charenton, the Liberté 2 building heats its domestic water by installing solar carpets;
- in Kazakhstan, Natixis is participating in an on-site renewable energy production project with the installation of solar panels on the roof of the building's car park.

Energy supply

Since November 2015, Natixis' buildings have run entirely on green electricity, i.e. **from fully renewable sources of energy**, pursuant to the terms of its energy supply contract with Engie. The supplier guarantees this origin via approved certificates (ENGIE Green Electricity certificate, "electricity from renewable sources").

Likewise, since 2018, the Natixis building in Boston – USA, has been supplied with renewable electricity through the commitments of BXP, the building owner. Since 2020, Natixis in Germany has also sourced renewable electricity via a contract with Mainova. All international platforms are mobilized around the same objective.

Apart from electricity, the main energies used are cooling and heating provided by urban networks.

6.6.4.2 Paper: less and better

The raw material used the most at Natixis is paper (reams, envelopes, desktop publishing, internal and external printouts, etc.).

Practically all paper used by Natixis (96%) in France is sustainable forest management-certified (FSC certification[1]). Abroad, Natixis offices in Madrid and New York have been using recycled paper since 2018.

Scope: Natixis France – letterhead paper and paper reams

Paper	2020	2019	2018
Total paper consumption *(in metric tons)*	81	166	266
Consumption per workstation *(in kg)*	5.04	10.41	11.83

This internal consumption (reams, letterheads) has been steadily decreasing for several years, following employee awareness-raising initiatives, the deployment of laptops and the rise of remote working. In addition, Natixis has introduced multi-function shared printers and reduced their number *(see Chapter [6.6.2] "Digital sustainability")*.

Natixis France also encourages its employees to limit their printing through an individual bonus linked to a collective objective of reducing paper consumption.

In France, paper consumption was halved between 2019 and 2020. This decrease is largely due to increased remote working by employees in 2020. The paper consumption here is exhaustive given that no printing can be done from the employees' homes, for security reasons.

The New York office also reduced its paper consumption by 74.72% in two years following the implementation of the EASY program in 2018 *(see paragraph "Digital sustainability")* and as a result of the COVID-19 pandemic.

(1) FSC: Forest Stewardship Council.

2020 KEY EVENTS

My Green Footprint

Natixis enables each employee to track their individual paper consumption and CO_2 equivalent via the My Green Footprint tool. This calculation is based on a global approach in life cycle analysis including the paper itself, but also the impact of the ink and the printer. This indicator will be enhanced in the coming years.

PAP50 – Green response awards

Natixis participates in the **Green response** barometer, dedicated to the 50 largest French banks and insurance companies, which assesses and compares the environmental impact of their paper policy. In 2020, Natixis won two categories: **"Annual CO_2 emissions/GHG emissions" and "Annual consumption/Institutional, promotional and desktop documents"**.

6.6.4.3 Responsible purchasing

The responsible purchasing policy is a strategic and operational lever for the implementation of the BPCE and Natixis ESR policy. The main objective of the policy is to promote more eco-friendly products and services that provide guarantees and added value at the social and societal levels.

Broader objectives are also pursued through this policy:

- assessing Natixis' suppliers using social and environmental responsibility criteria related to their products, services or industries;
- promoting official environmental certifications and eco-designed products;
- encouraging suppliers to be more transparent in describing the environmental characteristics of their products.

This policy is based on a number of tools, including a responsible purchasing framework, specifying the criteria applicable by category of products and services.

It should be noted that in 2020 these criteria were reviewed in the context of IT equipment and furniture purchases, with increased requirements on the carbon impact of products over their entire life cycle.

In 2020, the Communications Department also reviewed its catalog of goodies to have a smaller and more responsible offering, based on the criteria of usefulness, origin, composition and product certification.

Lastly, Natixis works in collaboration with its service providers to improve the ESR impact.

Thus, in 2020, Natixis reviewed the conditions of cleaning services in the Paris region offices. Cleaning will now be carried out during the day, rather than early in the morning or late at night, in order to improve the quality of life at work for service providers' employees, to strengthen the visibility of the service (contact with Natixis employees, cleaning service) and to reduce on-site energy consumption (heating and electricity).

6.6.5 Developing green spaces

Consistent with the Objective 100 hectares Charter signed with the City of Paris in 2017 Natixis is committed to:

- developing urban farming and landscaping projects as part of the operation of its buildings;
- promoting eco-friendly green spaces in built-up areas, contributing to biodiversity and water management in Paris by banning the use of pesticides and saving water;
- sharing its knowledge of the subject with other partner companies, employees and project stakeholders.

Three shared kitchen gardens in Natixis buildings in Paris, Porto and Charenton-le-Pont now allow its employees to get together to garden and to learn about urban agriculture and biodiversity. These productive green spaces were designed according to a circular and sustainable approach (using some of the bio-waste from the Company canteen for compost, organic planting, exclusion of phytosanitary products, garden furniture from reuse, etc.).

Open houses and the distribution of harvests made it possible to raise the awareness of employees working at the buildings in question.

In addition to these gardens, Natixis symbolically produces its own honey thanks to six beehives installed on the roofs of its build-ings, including two beehives introduced in 2020 and which produced 23kg of honey in the first year. The beehives help to raise employee awareness of biodiversity loss issues and the issue of pollination.

2020 KEY EVENT

Biodiversity diagnostic for the garden of the Liberté 2 building

In order to measure the biodiversity gains from the development of one of the gardens, Urbanescence carried out two biodiversity diagnostics in 2019 and 2020, with a study of the soil's flora, fauna and macro fauna. The document draws up a non-exhaustive list of the main species observed on site and formulates ecological issues for each type of space, proposing pro-biodiversity measures in garden landscaping (e.g. wild grassland). The garden of the Charenton Liberté 2 building is intended to be both an ecological corridor and a micro nature reserve.

In Frankfurt, for several years, Natixis has been co-financing an apple orchard of old local species in the Hesse region. This area is a refuge for many animal and plant species, and feeds endangered birds, insects and wild bees. It thus contributes to the preservation of biodiversity in the region. This year, employees were involved in the project by participating in the apple harvest.

Lastly, in 2020, ESR correspondents were made aware of biodiversity issues through La Fresque de Biodiversité participatory workshops, following conferences organized in 2019 on this theme.

6.6.6 Waste reduction and sorting

Natixis' waste reduction policy is based on the principle of the five Rs: refuse, reduce, reuse, return to the earth, recycle.

6.6.6.1 Waste reduction and reuse

Natixis is taking action to reduce the waste it generates. The Company is committed to a responsible approach called "Let's go from disposable to sustainable" with the aim of eliminating all single-use items.

In 2019, all plastic and disposable cups for water fountains were completely removed from buildings in France and internationally, saving 3.5 million cups per year. In France, the process continued in 2020 with the elimination of plastic water bottles. It should be noted that the project has already been completed in Portugal where all plastic water bottles have also been eliminated.

Reuse and recycling are also part of Natixis' strategy to reduce its waste. The recycling of furniture and carpets has been implemented in its buildings and its membership of the Circolab association since 2019 has strengthened its commitments to the circular economy in the real estate and construction sector.

2020 KEY EVENT

Reuse and recycling of furniture

As part of the Well Environnement de Travail real estate program, which concerns the management of Natixis' real estate portfolio, an initiative has been undertaken to reuse and recover unused furniture. In 2020, over 1,000 seats and 700 desks were reused as part of new developments at the Liberté 2 site in Charenton-le-Pont.

Furniture that is not reused internally is entrusted to social and solidarity economy companies for reuse. End-of-life professional furniture is transported to a processing center for energy recovery or recycling.

6.6.6.2 Waste sorting

Natixis' waste-sorting activities are conducted as follows:

- sorting and recycling of paper, plastic (bottles, cups) and metal (cans). Centralized sorting collection points are installed in offices to replace individual bins and are systematically deployed in new buildings;
- collection and special disposal of used ink cartridges, batteries and fluorescent and neon tubes;
- sorting and recycling of plastic pens and office supplies.

Scope: Natixis France.

Volume of sorted waste	2020	2019	2018	2017
Paper, envelopes and cardboard (in metric tons)	242	352	578	717
Batteries (in metric tons)	0.13	1.15	0.56	1.45
Ink cartridges (in metric tons)	0.66	1.2	1.00	3.05

The volume of sorted waste decreased drastically in 2020 compared to 2019, given the limited presence of employees on site in the context of the COVID-19 health crisis.

In addition, Natixis sells its electrical and electronic equipment (including IT) to specialized reuse and recycling channels. The weight of waste electrical and electronic equipment (WEEE) was 6.26 tons in 2020 for France. Natixis Frankfurt transfers the profits from the resale of WEEE to environmental projects around the world.

In addition, a collection circuit for aluminum coffee capsules has been set up in collaboration with the supplier and the companies in charge of collecting them in order to recycle them. Abroad, Natixis' offices in New York have aligned themselves with the French approach by installing collection systems for this type of capsule.

Natixis Investment Manager France renewed its contract with the company Cy-clope to collect cigarette butts from the Éléments building in order to recover them in specialized channels.

This partnership avoided polluting 19,300 m^3 of water in 2019 and 13,100 m^3 in 2020. The decrease between 2019 and 2020 is mainly due to the COVID-19 pandemic.

Raising awareness of waste sorting and waste reduction initiatives

Every November, during European Waste Reduction Week, Natixis organizes a series of events to raise employee awareness of waste management and its impact on the environment. In 2020, several remote conferences were held, including a conference on planned obsolescence with the non-profit organization "Halte à l'Obsolescence programmée" and workshops on zero waste led by an employee involved in this field (France) and by the Sistema Terrestre Sustentável association (Portugal).

2020 KEY EVENT

Creation of a "carpet recycling" system

In early 2020, an eco-responsible approach was initiated with the creation of a carpet recycling channel. This involves the processing of carpets for all carpet removal work in the buildings occupied by Natixis.

This project covers two dimensions:

- environmental: 97% of the carpet surfaces removed were integrated into a cycle of transforming floor covering waste into alternative fuels;
- societal: the work of removing carpets has been entrusted to the ARES group, an association for Economic and Social Reintegration, whose main purpose is to promote the integration of underprivileged people.

6.6.7 Carbon footprint management

Every year, Natixis measures the carbon footprint for Natixis France.

Natixis France carbon footprint

Carbon footprint *(in metric tons of co_2 equivalent)*	2020	2019	2018
Energy	2,151	3,638	5,116
Procurement	51,095	58,003	60,569
Travel	4,977	9,557	13,278
Fixed assets	7,652	6,552	17,668
Other items	5,706	4,207	4,214
TOTAL	**71,581**	**81,957**	**100,934**
Carbon footprint assessment per FTE *(in tco_2e/fte)*	7.00	7.92	8.10

As health measures related to the COVID-19 crisis have had a strong impact on the carbon footprint, it is difficult to carry out a comparative analysis compared to previous years.

The trends observed in 2020 are as follows:

- lower energy consumption *(see section 6.6.2)*;
- a reduction in the impact of travel: taking into account the remote working and decrease in business travel by car and plane;
- a significant reduction in purchases.

It should be noted that Natixis does not assess the carbon impact of its business lines in the carbon footprint. However, an assessment of the climate impact of the investment vehicles offered by Natixis was carried out in certain business lines *(see section [6.3.2.6])*

Carbon emission reduction plans

Based on calculated carbon emissions, a carbon action plan has been implemented in three main areas:

- **buildings:** the introduction of the Flex Office and the rise in remote working will allow Natixis to rationalize its real estate portfolio in order to reduce, among other things, energy consumption (electricity, heating and cooling);
- **travel:** for commuting, Natixis promotes the use of public transport and active mobility, and enables remote working with robust and appropriate digital tools. For business travel, priority to the train is defined in the travel policy;
- **IT:** managing the impact of digital technology through a Responsible Digital policy and actions *(see section [6.6.2])*.

6.7 Employee engagement

6.7.1 Human Resources policy and diversity management

Natixis is a unique company, enhanced by the richness of its identity and history. It owes its success to the commitment of its people and to the long-standing trust of its clients.

In a profoundly changing environment (be they regulatory, digital, competitive, or societal), the aim of Natixis' HR policy is to support the Company's transformation by offering solutions to ensure the sustainable performance of all employees in a respectful working environment.

The HR strategy has three objectives: to support the transformation of the business lines, promote a positive employee experience, and actively develop talent.

To this end, the Human Resources Department strives to develop strategic workforce planning, maintain quality employer-employee communications, address the human aspects of change management, support the internationalization of the Natexis business lines and offer a more agile and streamlined organizational framework and methods.

6.7.1.1 Headcount

Natixis Worldwide (1) headcount under contract

	Natixis Worldwide		
Breakdown by division	**2020**	2019	2018 (a)
Cooperate and investment banking	3,617	3,676	3,625
Asset & Wealth Management	5,155	4,914	4,730
Insurance	2,058	2,033	1,882
Specialized Financial Services	-	-	2,652
Payments	1,143	1,061	1,021
Support Departments and others	4,933	4,593	4,581
TOTAL, EXCLUDING FINANCIAL INVESTMENTS	**16,906**	**16,277**	**18,491**
Financial investments (c)	772	5,203	5,136
TOTAL NATIXIS WORLDWIDE	**17,678**	**21,480**	**23,627**

Regional breakdown *(in %)* **(excluding financial investments)**	**2020**	2019	2018 (a)
France (b)	66.6%	67.8%	72.7%
EMEA	11.9%	10.5%	8.3%
North & South America	16.4%	16.7%	14.7%
Asia-Pacific	5.1%	5.0%	4.3%

The 17,678 contracts in the Natixis Worldwide scope correspond to 16,943 FTE (Management data).*

The breakdown by division of these 16,943 FTEs is as follows: Corporate & Investment Banking: 3,572, Asset & Wealth Management: 5,020, Insurance: 1,898, Payments: 1,088, Support Departments and others: 4,615, Financial Investments (Natixis Algérie): 750.

Using Management data, the global breakdown of the 16,943 FTE employees by business line is as follows: Corporate & Investment Banking: 2,597, Asset & Wealth Management: 5,020, Insurance: 1,898, Payments: 1,088, Support Departments and others: 5,590, Financial Investments: 750 (Natixis Algérie).

(a) *Data not restated for transfers and restructuring between business lines between 2018 and 2019.*
(b) *Including French overseas departments and territories.*
(c) *Natixis Algérie.*
(1) *Natixis Worldwide means the entire accounting scope of consolidation of Natixis and its subsidiaries ** around the world, including financial investments (Coface, Fimipar, Natixis Algérie).*
* *Compared to headcount under contract, FTE headcount takes into account the rate of activity, consolidation rates of subsidiaries and excludes employees on long absences: occupational illness/accident of over 90 calendar days, leave of several months (maternity, sabbatical…), working-time account balance in the event of retirement or early retirement.*
** *Companies in which Natixis directly or indirectly holds at least a 50% interest.*

Headcount – staff under contract (managed scope)

The **managed scope covers** all of Natixis and its subsidiaries[1] around the world that apply its HR Policies. The indicators provided in Chapter [6.4.3] refer to this scope.

	Management scope					
	2020		2019		2018 [(a)]	
Breakdown by division	Fr [(b)]	Intl	Fr [(b)]	Intl	Fr [(b)]	Intl
Cooperate and investment banking	1,341	1,948	1,415	1,968	1,366	2,014
Asset & Wealth Management	2,279	605	2,178	608	2,145	242
Insurance	1,995	63	1,974	59	1,833	49
Specialized Financial Services	-	-	-	-	2,563	28
Payments	690	-	682	-	653	-
Support Departments and others	4,202	731	4,160	433	4,283	298
	10,507	**3,347**	**10,409**	**3,068**	**12,843**	**2,631**
TOTAL	**13,854**		**13,477**		**15,474**	

Regional breakdown *(in %)*	2020	2019	2018 [(a)]
France [(b)]	75.8%	77.2%	83.0%
EMEA	12.9%	11.2%	7.8%
North & South America	5.8%	6.0%	4.8%
Asia-Pacific	5.5%	5.6%	4.4%

(a) Data not restated for transfers and restructuring between business lines between 2018 and 2019.
(b) Including French overseas departments and territories.

** Compared to headcount under contract, FTE headcount takes into account the rate of activity, consolidation rates of subsidiaries and excludes employees on long absences: occupational illness/accident of over 90 calendar days, leave of several months (maternity, sabbatical…), working-time account balance in the event of retirement or early retirement.*

*** Companies in which Natixis directly or indirectly holds at least a 50% interest.*

Breakdown of headcount *(by number of contracts)*	France			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Headcount under contract	10,507	10,409	12,843	1,782	1,509	1,201	801	806	749	764	753	681	13,854	13,477	15,474
o/w permanent employment contracts (as a %)	97.5	97.6	97.4	98.0	97.7	97.3	100.0	100.0	100.0	97.9	98.7	98.1	97.7	97.8	97.6
Men (as a %)	50.2	50.3	47.9	65.9	67.4	67.4	65.5	65.9	66.4	54.3	53.9	55.2	53.4	53.4	50.7
Women (as a %)	49.8	49.7	52.1	34.1	32.6	32.6	34.5	34.1	33.6	45.7	46.1	44.8	46.6	46.6	49.3

Hires/Departures	France			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Total new hires	**933**	**1,290**	**1,469**	**454**	**366**	**363**	**62**	**102**	**134**	**100**	**123**	**154**	**1,549**	**1,881**	**2,120**
% Permanent employment contracts	*60.1*	*68.8*	*62.0*	*92.3*	*89.3*	*92.3*	*100*	*100*	*100*	*88.0*	*95.9*	*94.2*	*73.0*	*76.2*	*71.9*
Total departures	**933**	**1,205**	**1,348**	**179**	**195**	**179**	**69**	**114**	**101**	**87**	**109**	**94**	**1,268**	**1,623**	**1,722**
o/w resignations	*217*	*313*	*345*	*110*	*121*	*97*	*42*	*66*	*63*	*63*	*85*	*70*	*432*	*585*	*575*
o/ w layoffs	*82*	*78*	*83*	*24*	*15*	*23*	*12*	*9*	*13*	*7*	*8*	*5*	*125*	*110*	*124*

Including transfers of the activities outside the managed scope. The conversion of fixed-term employment contracts to permanent employment contract are included under both new hires (permanent employment contracts) and departures (fixed-term employment contracts).

*(1) Managed Scope means all Natixis and its subsidiaries** worldwide for which personal data is available in HR Information Systems, excluding Fintechs of the Payments division.*

Turnover (permanent employment contracts)	France			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
Turnover *(in %)* [(a)]	6.3	8.8	7.0	17.3	18.7	20.9	7.8	13.5	16.1	10.6	15.2	18.1	8.0	10.4	9.0
New hire rate *(in %)* [(b)]	6.8	10.0	7.5	25.5	24.7	29.2	7.4	12.8	18.3	11.3	16.1	22.3	9.3	12.0	10.4
Departure rate *(in %)* [(c)]	5.9	7.5	6.5	9.2	12.7	12.7	8.2	14.3	14.0	10.0	14.2	13.8	6.6	8.8	7.6

(a) Average: (new hire rate + departure rate)/2.
(b) Number of new hires during the year/average annual headcount.
(c) Number of departures during the year/average annual headcount.

6.7.1.2 Culture

Collaborative work carried out in 2020, with the broad participation of employees representing all business lines, resulted in the emergence of the Purple Way, which defines Natixis' culture and is based on three pillars:

- **lasting impact** by ethically and responsibly bringing our expertise to our clients and stakeholders;
- **entrepreneurial spirit** by being agile, involved and resilient in all circumstances;
- **collective intelligence** by actively working to succeed together, as a team, with openness and trust.

They must be the foundation for the operation of Natixis teams, in a climate of trust and responsibility and aims to promote innovation, the development and expression of everyone's skills for the Group as well as initiatives in compliance with the rules and ethics.

6.7.1.3 Talents

Developing talented employees is a priority of Natixis' HR strategy.

Natixis deploys a structured Talent Management system across all of its entities, which makes it possible to anticipate successions and contribute to the individual development plans of each employee, particularly through Talent reviews and Career Committees.

In 2020, this system made it possible to define or update all succession plans for Executive Committee members and the majority of Natixis Global Leaders (first leadership circle) in all Natixis entities.

For each employee, the **development interview** with his/her manager, gives rise to the creation of an **individual development plan**, tailored to his/her skills development needs, whether through training or taking charge of new projects to develop his/her experience, and his/her wishes for internal mobility (geographical and/or functional).

The **"Purple Academy"**, the internal university dedicated to leadership development, offers programs to support leaders in the transformation of Natixis, promote the deployment of the leadership model and accelerate the development of leaders and talents.

The **Natixis Leadership Program (NLP)** every year enables a group of 20 young talents to follow a path focused on the Company's strategy. Since 2018, a **"Development Journey"** program supports high-potential Purple Leaders in the development of their individual development plan, preparing them for their next career step.

Natixis also offers a **Women Sponsorship Program**, allowing the sponsorship, for one year, of 15 female talents from the Purple Leaders community (extended leadership circle) by a member of the Executive Management Committee or Executive Committee. The aim is to promote these employees in the Company and encourage them to take on greater responsibilities.

Internal mobility is at the heart of Natixis' career management system. More than 98% of the positions opened in France in 2020 were filled by the **Talent Acquisition Hub** i.e. 857 recruitments. More than half of the positions filled in France are through internal mobility.

An Intranet platform, **My Purple Career**, dedicated to mobility, offers employees a wide range of content on career management and career paths: business line information, advice, testimonials, etc.

	FRANCE			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
Number of internal transfers	729	764	1,148	22	31	28	1	19	172	12	22	27	764	836	1,375
Internal transfer rate *(in %)*	6.9	7.3	nc	1.6	3.2	nc	0	2	nc	2	3.6	nc	5.6	6.3	nc
Job openings filled through internal transfers *(in %)*	56.5	46.3	55.7	5	8.7	7.7	1.6	15.7	55.8	12	15.7	15.5	40.3	36.8	47.4
Internal transfers between divisions *(in %)*	2.7	7.3	nc	48.5	69	nc	100	60	nc	35.3	40	nc	5.5	13.8	nc

Internal transfers are recorded by country/region of arrival.
Employee mobility rate for the geographic area. New calculation formula; no data available in 2018 due to business transfers in 2019.
Incoming mobility in the geographic area with regard to all recruitment and inward mobility in the geographical area.
New indicator; no data available in 2018 due to business transfers in 2019.

Company commitment to develop mobility: Jobs in motion

In a constantly changing world, the ability to adapt makes all the difference. This is why, in 2020, Natixis set up **Jobs in Motion**, a strategic program to meet the challenges of business transformation by promoting a stronger culture of internal mobility.

In a **Mobility pact**, communicated to all employees, Natixis is committed to giving everyone the means to change jobs as easily and often as possible. An **action plan based on three pillars** was defined to:

- analyse the skills needs of all business lines in the short and medium term (Strategic Workforce Planning);
- boost internal mobility;
- offer promising positions to employees who do not have the required skills, by making them accessible via appropriate training courses.

Strategic workforce planning approach

In 2020, Natixis embarked on an SWP approach – a responsible anticipation approach, over a period of three to four years which aims to identify the resources and skills that the Company will need in order to achieve its development objectives. The methodology has been formalized and experiments have been carried out to clarify the "jobs and skills of the future" and to develop an action plan to align skills with the needs of the business lines and guide training, retraining, mobility, etc.

More than 20% of Natixis employees in France have jobs identified as undergoing transformation (changes in activities, skills, etc.). At the same time, new jobs are appearing, particularly in the areas of technology, customer relations, and jobs related to the ecological transition or new ways of working.

2020 KEY EVENT

Creation of the Step up Academy

The Step up programs offer positions of the future accessible through enhanced training courses to employees whose jobs are undergoing transformation. They aim to reconcile the evolution of employees with the skills needs of the business lines. As soon as they take up their new position, employees start a training course of three to nine months, adapted to their profile. They are supported during their training by their tutor, manager and HR manager. The employee shares best practices and feedback with other employees of the promotion throughout the program.

In 2020, the Step Up Academy developed more than 60 courses, followed by 140 employees. Some career paths are particularly focused on the technology and data sectors, which are in full development.

Training policy

The training policy aims to meet the challenges arising from the transformation of business lines, skills and new ways of working by creating conditions that foster continuous learning and maintained employability.

It has five major priorities:

- **developing the skills** needed to accompany the business lines' transformation and maintain the employability of staff in positions undergoing transformations;
- meeting the challenges of the **digital transformation** and new ways of working;
- developing **leadership** and supporting changes in management to boost employee engagement;
- enhancing **English language skills** to further the Company's international growth;
- facilitating **employee mobility**.

All of Natixis' skills development tools are available on the **Learning Hub**, a single entry point, which gives access to the entire **training offer**, with online request management, tracking and selection of desired training dates, including mandatory training and follow-up.

In addition, Natixis organizes and leads **internal trainer** communities, made up of specialists within the business lines. A brand new MOOC was designed for them in 2020 to help them understand the essential stages of digitization (face-to-face, distance learning, mixed-learning) and better understand the Natixis learning ecosystem. It is supplemented by the organization of virtual classes to discuss practical cases.

Throughout the year, Natixis worked on the digital transformation of its training offer to continue to support the upskilling of its employees in the specific context of 2020. Thus, **33 new distance learning courses** are now offered to as many people as possible.

2020 KEY EVENT

Natixis organizes Learning Days in a fully digital format

Built in the context of the health crisis, the two-week Learning Days event in September 2020 was a resounding success. The **"Unlock your potential, We all have something to share"** theme brought employees on Board in France and abroad as part of a global program, which was also rolled out locally. At the end of these Learning Days, 94% of employees voted in favor of their renewal and 93% felt they had learned during this event, which is rich in formats (workshops, podcasts, videos, etc.), in content and in discussions.

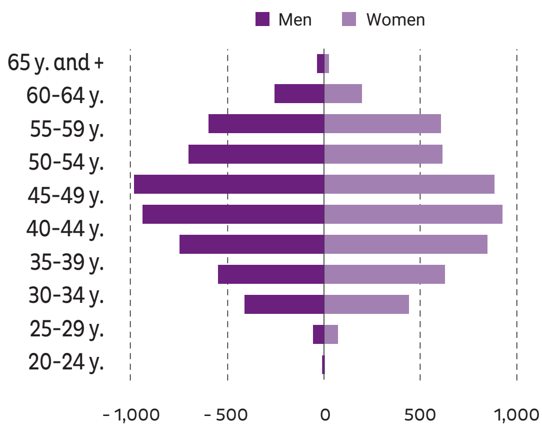
In 2020, Natixis employees in France received over 159,959 hours of training. 94.2% of employees took one or more training courses.

	France		
	2020	2019	2018
Number of employees trained	10,573	10,543	13,402
Number of training hours	159,959	219,096	287,218
o/w e-Learning (in %)	*15.2*	*15.7*	*24.1*
Percentage of employees trained *(in %)* [(a)]	94.2	91.6	94.4
Average number of training hours per employee	15.1	20.8	21.4
Training topics *(as a % of training hours)*			
Office and IT	11.4	9.2	8.2
Languages	13.9	29.1	24.9
General training	17.5	19.0	23.6
o/w Personal and professional efficiency, Human Resources	*13.5*	*14.4*	*17.8*
o/w Management	*4.0*	*4.6*	*5.8*
Risks and regulations	14.5	16.8	15.8
Business Line	28.0	17.6	18.5
Training resulting in a qualification	8.3	1.5	3.1
Other	6.5	6.7	6.0

Consolidated figures at 26/01/2021, representing at least 90% of hours of training received during the year.

(a) Number of employees trained during the year/workforce present during the year

Age pyramid



Initiatives for young employees

In accordance with the Agreement on Employment and SWP, Natixis has also made commitments in favor of employees under 30, including hiring them under permanent contracts, developing work-study programs and providing induction schemes for new hires.

Natixis aims to recruit at least 47% of young people under the age of 30 in France (37.9% of new hires in 2020), and to offer a permanent employment contract to 15% of work-study students (7.8% in 2020).

Natixis gives students and recent graduates opportunities to learn about the diversity of its professions and, to this end, participates in several forums and has established long-term partnerships promoting closely monitored relations with targeted schools and universities.

In 2020, around 450 work-study students and 670 interns were recruited in France. In addition, there were 50 VIEs operating internationally.

Initiatives for older employees

Under the Agreement on Employment and SWP, Natixis has set quantified targets and taken steps to encourage the retention of older staff members and end-of-career adjustments.

Natixis has committed to maintaining the percentage of employees aged 55 or older at more than 12% of the workforce (the figure was 16.7% at year-end 2020), and to ensuring that persons aged 45 and older account for at least 5% of total annual hires.

2020 KEY EVENTS

Natixis receives Top Employer 2021 certification

Natixis was certified Top Employer France 2021 for the fifth consecutive year. This label reflects the quality of our Human Resources policy. It is obtained at the end of a complete audit process of our HR systems in France and shows our desire to continually challenge our practices.

Natixis is also included in the Glassdoor ranking of the top 25 employers in France, which lists the best-rated companies by their employees on topics such as work-life balance, career opportunities and workplace atmosphere within teams. Natixis remains the only financial institution to be included in the ranking.

Finally, in 2020 Natixis obtained the **Happy Trainees** for the third consecutive year. This label illustrates the desire to offer a rich and motivating experience to interns and work-study students, and also rewards the commitment to young people. The overall score awarded by students is 4.03/5 and more than 89% of them recommend Natixis (more than 300 internship or work-study students expressed their views on their experience at Natixis). The results are up compared to 2019.

6.7.1.4 Diversity & Inclusion

As a signatory of the **Diversity Charter**, Natixis is committed to combating discrimination in all its forms. With the support of a dedicated team, it has put in place a policy aimed at capitalizing on the diversity of profiles, experience and skills.

In 2020, Natixis focused on continuing its initiatives to promote diversity in three key areas: gender equality in the workplace, cooperation between older and young employees, and the integration and retention of employees with disabilities.

2020 KEY EVENT

Launch of the Diversity and Inclusion initiative

Natixis aims to foster an inclusive work culture and environment in which every employee can have an impact. A participatory approach was launched in 2020 to propose the main areas of Natixis' diversity and inclusion policy. This work led to a priority action plan, progress indicators and the establishment of a governance body bringing together representatives from all business lines. Training in the concepts of diversity and inclusion was carried out to promote individual and collective commitment, in a climate of trust.

Gender equality in the workplace and diversity

Natixis' policy on gender equality in the workplace is upheld in the framework agreement for companies in the France scope, and internationally through voluntary actions.

Within the scope of Natixis S.A., a gender equality agreement, renewed in 2020, calls for the implementation of concrete initiatives centered on six priorities: hiring and employment, compensation and equal pay, career development and promotions, professional training, work-life balance and parenting, and communication and raising awareness. Further collective agreements and action plans on this topic are in force in other companies within the scope of Natixis France. The commitments made under these agreements are reviewed every year by dedicated Equity Committees.

2020 KEY EVENT

Natixis is the **first bank in the ranking of women in SBF 120 governing bodies**, conducted by the State Secretariat for Gender Equality.

In 2020, Natixis was included for the first time in the Bloomberg Gender Equality Index. The 350 companies included in this index stand out for their actions and results in favor of gender equality and also for their transparency, since each of them undertakes to publish data relating to professional equality within its company.

In addition, since 2019, Natixis has published the index on **equal pay** between the men and women for its companies in France. In 2020, 100% of the indexes were above the minimum threshold.

Natixis has set targets for **diversity** in its leadership circles (20% women among the members of the Senior Management Committee, 30% among the Global Leaders – first leadership circle, 40% among the Purple Leaders – extended leadership circle).

With the aim of opening up and raising awareness, Natixis has been committed since 2018 to the **Marie-Claire Acting for equality Think-Tank**, which brings together personalities from the world of business, the media, education and culture.

In terms of training, Natixis has set up a talent development program for its female employees: "**Réussir sa carrière au féminin**" (achieving success in your career as a woman) for managers and experienced executives. 399 female employees of Natixis in France have participated in the program since its launch.

Each year, the **international women's day** is an opportunity to raise awareness of gender equality among all employees worldwide. In 2020, Natixis chose the theme of sexual harassment and sexist behavior at work. A guide was made available to employees. It recalls the expected behaviors and zero tolerance applied by Natixis. It provides essential guidelines for taking action in the event of inappropriate behavior: the limits not to be exceeded and the remedies provided within the Company as witnesses or victims.

Natixis management supports the **Winn network** (Women in Natixis Network) which aims to promote gender diversity in Natixis management in France and internationally. This association is sponsored by Nicolas Namias, Natixis Chief Executive Officer. In 2020, there were 1,017 participants globally, including 192 men.

Natixis also supported the creation of the **All Equals** network launched at the initiative of a group of employees. It aims to prevent discrimination based on sexual orientation and promote equality and inclusion of LGBT+ people.

	FRANCE			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
% of women in the workforce	49.8	49.7	52.1	34.1	32.6	32.6	34.5	34.1	33.6	45.7	46.1	44.8	46.6	46.6	49.3
% of women in the extended leadership circle (Purple Leaders) [(a)]	33.7	32.2	30.9	22.2	16.3	16.1	24.5	20.4	26.5	28.1	19.4	14.3	31.8	29.6	29.4
% of women in the leadership circle (Global Leaders) [(a)]	29.4	27.8	25.0	16.7	0.0	0.0	66.7	60.0	60.0	20.0	0.0	0.0	30.3	26.9	26.3
% of women on the Executive Committee [(a)]	26.3	25.6	20.5	0.0	0.0	nc	100.0	100.0	100.0	nc	nc	nc	27.5	26.7	22.2
% of women in SMC (SMC) [(a)]	36.4	30.0	27.0												

(a) *Managerial circles are inclusive, as decided in 2019 by the HR Codir. Pro forma were carried out on these circles for 2018 and 2017, but not on the scope (SMITH).*

In terms of governance, it should be noted that Natixis has seven women out of fifteen members on its Board of Directors.

	France		
	2020	2019	2018
Percentage of women among management level staff	43.6	44.6	43.8
Percentage of women among employees receiving promotions	56.4	57.5	59.3
Percentage of women among employees granted individual pay increases	59.2	57.5	58.9
Percentage of women among employees who received training	49.5	49.5	51.1

Professional integration and retention of employees with disabilities

Natixis is committed to a policy to promote the hiring, professional integration and retention of employees with disabilities. Championed by the Mission Handicap team and its network of experts in the business lines, the policy has led to three Group agreements while strengthening cooperation with management and delivering tangible results.

Natixis has once again committed to a 4th Disability agreement for a period of three years from January 1, 2020.

Natixis' commitments include:

- **promoting the retention of employees with disabilities** by adapting positions and working conditions, and providing access to professional training. In 2020, workstation adjustments to compensate for disability were duplicated in employees' homes as part of the implementation of remote working;
- **developing a hiring plan** by participating in specialized hiring forums, establishing partnerships with schools and universities, and developing application pools;
- **promoting the use of disability-friendly companies** by diversifying the list of approved services and partners;
- **conducting communication and awareness-raising campaigns** for all Natixis employees.

2020 KEY EVENT

Disability awareness through Role Reversal – Handi'days 2020

Every year, on the occasion of the European Week for the Employment of People with Disabilities (SEEPH), Natixis educates its employees about disability. In 2020, for five weeks, employees were able to follow a web-series of three episodes, based on the concept of reversal, that is to say by putting themselves in the situation of a company where disability is the standard. This web-series was supplemented by quizzes and a final meet-up bringing together the actors of the series and the employees of the Company.

6.7.1.5 New ways of working/Quality of life at work

Health, safety

In the context of the COVID-19 health crisis, Natixis has endeavored to ensure safety and protect the health of its employees. A Business Continuity Plan was launched in January for entities in Asia, then in early March for France. It scrupulously followed the government's directives.

Successful business continuity thanks to the ability to adapt and digitization processes launched a few years ago, or accelerated thanks to this crisis.

Natixis has implemented remote work for all employees whose activity does not require an on-site presence (around 97% in France).

Targeted and regular communications were sent to all employees to provide them with the best possible support and information in a difficult context. The psychological counseling unit was mobilized.

At the same time, occupational physicians were regularly involved in discussions with the internal teams in charge of adapting the system for managing the health crisis in line with government recommendations. Lastly, via the complementary health insurance, the HR Department set up free medical consultations (remote medical consultations accessible 24 hours a day, via access to a remote consultation platform).

In early 2020, Natixis, in coordination with BPCE and all Group companies, decided to donate the entire stock of masks that we held to the French health authorities (450,000 surgical masks and 50,000 FFP2 masks).

Work management, absenteeism and workplace accidents

At Natixis S.A., the collective work week is 38 hours and employees also enjoy compensatory time off in lieu of overtime. The current set of agreements on the management of working hours includes several types of contracts (part-time, short-time, special working conditions for employees with disabilities, etc.) and provides for the associated terms and conditions of compensation and social security contributions.

	France			EMEA			North & South America			Asia-Pacific			Total Worldwide		
	2020	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
Part-time workers as a % of headcount (a)	9.2	10.1	10.6	3.9	3.8	5.3	0.4	0.1	0.5	0.1	0.1	0.1	7.5	8.3	9.2
o/w women *(in %)*	87.7	87.4	88.9	82.6	84.2	85.9	100	100	100	100	100	100.0	87.4	87.2	88.8

(a) *Excluding pre-retirees.*

	France		
	2020	2019	2018
Absenteeism as a% of total headcount	6.3	5.8	6.1
Overtime *(in no. of hours)*	20,041	18,603	24,561
Overtime *(in annual fte)*	10.5	9.8	12.9

	France		
Workplace accidents	**2020**	2019	2018
Workplace accident frequency rate (a) *(in number per million hours worked)*	2.85	6.11	6.61
Workplace accident severity rate (b) *(in number of days of disability per thousand hours worked)*	0.08	0.13	0.23
Absenteeism rate due to illness, including occupational illnesses *(in %)* (c)	3.3	2,9	3,0

(a) *Frequency rate: (number of accidents with leave/hours worked) x 1,000,000, source INSEE.*

(b) *Severity rate: (number of days lost due to temporary incapacity/hours worked) x 1,000, source INSEE.*

(c) *It is not possible to isolate days of sick leave related to occupational illness.*

Employee feedback/Employee engagement

In 2020, an employee listening system was deployed on a massive scale within Natixis. This system, entitled "**YourPulse**" based on short, rapid and anonymous surveys makes it possible to quickly and regularly take the pulse of employees on the basis of a few recurring or thematic questions. The tool was made available to 19 entities so that each business line could construct its questionnaires in a format and frequency appropriate to its context and as close as possible to specific needs.

2020 KEY EVENT

An enhanced employee listening system during the health crisis

Since March 2020, more than a hundred surveys have been launched by the various entities. The system made it possible to carry out social monitoring and to support employees throughout the health crisis by collecting their specific questions and needs during this period. In addition to this "quantitative" system, a methodology for facilitating "discussion spaces" was also deployed: managers were supported by guides and webinars to facilitate discussions within their teams on topics related to the health crisis or changes in work organization/remote working.

Quality of life at work

In 2015, the Senior Management Committee signed the 15 Work/Life Balance Commitments Charter. The charter was an initiative of the French Ministry of Social Affairs, Health and Women's Rights, and the OPE (French observatory aimed at improving the balance between work and home life), and it encourages signatory companies to take action in favor of a better life-work balance.

In terms of well-being in the workplace, to make everyday life easier staff now benefit from a **concierge service** at the Austerlitz and Charenton offices.

2020 KEY EVENT

Unprecedented development of remote working in 2020

remote working is becoming more common with two remote working days a week across Natixis. In France, the eligibility rate for remote working stood at 95% of employees at the end of 2020, i.e. around 9,500 employees; and 79% of employees on permanent employment contracts signed a remote working amendment, i.e. more than 8,000 remote workers. Support for the management of the hybrid office/remote working mode has been launched for managers.

New working environments

2020 KEY EVENT

Launch of preparatory work for the WELL work environment program in 2020

Natixis launched work on the "WELL working environment" program in 2020.

Co-managed by the BPCE community and Natixis, "WELL working environment" is a program covering both new working environments (offices, real estate, infrastructures) and new ways of working (flex office, remote working, etc.). It is part of a project for a new real estate master plan in the Île-de-France region, around three divisions, Charenton, Austerlitz and the Tours Duo, under construction.

The aim is to improve the employee experience and provide Natixis employees with innovative spaces that integrate social issues, efficiency, functionalities and shared spaces for their well-being in order to encourage collaborative work and cross-functionality.

6.7.1.6 Employer-employee communications

A Group-wide employment framework, quality employer-employee communications, and the ability to reach agreements form a solid framework for change management and transformation.

Collective negotiations held in recent years in the Natixis France scope reflect a determination to gradually establish a Group-wide employment framework.

This framework currently consists of:

- a standard framework for the Social and Economic Committee (CSE), the new employee representation body;
- compensation measures, through a single Natixis employee savings plan, a supplementary collective pension plan, a profit-sharing mechanism, and consistent salary measures;
- internal transfer and career management opportunities;
- actions to promote the hiring of young people while retaining older employees;
- the same complementary healthcare insurance for all Natixis France employees;
- measures to address employees with disabilities, including a Group-wide policy covering the professional integration and retention of employees with disabilities, and an allocation for children with disabilities.

A BPCE Agreement, applicable to Natixis, covering the careers of employee representatives, reflects the importance placed on employer-employee communications and the career path of employee representatives.

Within the Natixis scope, since 2017, strategic dialog with representative unions has taken place through a Strategy and Transformation Dialog Committee aimed at establishing a better understanding of the strategy and the transformation of the business lines.

Two agreements applicable to the Natixis France scope were signed in 2020:

2020 Natixis France agreement	Signing date
Amendment to the extension of the GPEC agreement	30/06/2020
Amendment No. 1 to the collective agreement on supplementary health reimbursement guarantees	27/02/2020

In addition to these overall agreements, several agreements were signed by Natixis' French entities in 2020, including one by Natixis S.A.

6.7.1.7 Compensation policy

Natixis' compensation policy is structured in such a way as to promote employee engagement over the long term and increase the Company's employer appeal, while discouraging excessive risk-taking. Each year, Natixis conducts a study comparing its compensation levels to the external market in a bid to remain competitive.

The compensation policy strictly complies with the regulatory framework in Natixis' countries and sectors of operation, including CRD IV, the French law on the separation and regulation of banking activities, AIFMD, UCITS V, MiFID II and Solvency.

It also meets transparency requirements vis-à-vis its external stakeholders, such as the ACPR, the ECB and the AMF, but also internal stakeholders.

A compensation logbook gives Natixis employees in France an individualized view of their salary, additional forms of compensation, social security coverage, and employee savings plan for the previous year.

The compensation policy is centered on three components and reflects both individual and collective performance:

fixed compensation reflects, at the individual level, the skills, responsibilities and expertise expected for a position, as well as the role and importance of duties in the organization;

variable compensation is granted where applicable, based on the achievement of individual and collective targets. Pursuant to the various regulations in force, and to encourage performance over the long term, a significant portion of variable compensation granted to employees identified as risk-takers may be deferred (from 40% to 70% for the highest amounts).

Natixis also encourages its employees in France to contribute to collective performance via incentives, profit-sharing and employee savings mechanisms (employee savings plan and collective pension plan).

The compensation policy also incorporates the fundamental objectives pursued by Natixis in terms of equality in the workplace and non-discrimination. To this end, in its latest agreement on gender equality in the workplace, Natixis S.A. renewed its commitments to equal compensation between men and women by allocating a specific annual budget of 0.20% of fixed salaries in order to remove the fixed compensation gaps identified and not justified between men and women, and launched new measures to improve efforts to decrease the wage gap between men and women.

Natixis also places great importance on the compensation of senior and junior employees.

Information on the compensation policy, especially for employee categories whose professional activities have a significant impact on Natixis' risk profile, is set out in the annual report on compensation policies and practices published each year before the General Shareholders' Meeting.

ESR criteria are factored into Natixis' compensation policy through:

- the inclusion of Natixis' ESR strategy when determining the Chief Executive Officer's variable annual compensation;
- ESR assessment goals set by non-financial agencies for the long-term incentive plan for members of the Senior Management Committee;
- the inclusion of ESR criteria (paper and energy consumption) in Natixis' profit-sharing agreement;
- the inclusion of additional specific ESR goals in certain Natixis subsidiary incentive schemes;
- SRI certification of half of employee savings schemes (PES and PERCO).

Management scope France	France 2020	2019	2018
Average gross annual compensation of staff under permanent employment contracts [1] (excl. profit-sharing, incentives and employer contributions to the Company savings plan) *(in thousands of euros)*	88.4	89.7 [a]	83.1 [c]
Average profit-sharing bonus *(in thousands of euros)*	2.8 [a]	2.8 [b]	2.9
Average incentive bonus *(in thousands of euros)*	5.0 [a]	5.6 [b]	5.7
Average gross employer contribution paid in respect of the Company savings plan and the collective pension plan (PERCO) *(in thousands of euros)*	3.2 [a]	3.3 [b]	3.4

Note: The overall contribution amount paid in 2020 totaled €35.76 million (€38.67 million in 2020 and €43.76 million in 2018).

(1) *Average gross annual compensation is calculated based on full-time permanent employees.*
(a) *Excluding Specialized Financial Services (SFS), disposed on 01/04/2019.*
(b) *Including the Specialized Financial Services (SFS) division.*
(c) *It should be noted that the average gross annual compensation of staff under permanent employment contracts in 2018, restated for the exclusion of the SFS division, would be 90.0.*

Accounting consolidation scope [a]	France 2020	2019	2018
Profit-sharing bonuses *(in millions of euros)*	35.3	41.5	42.2
Incentive bonuses *(in millions of euros)*	63.8	82.9	83.6

(a) *On the accounting consolidation scope: mandatory employee profit totaled €35.1 million in 2020, €40.1 million in 2019, and €43.9 million in 2018; voluntary employee profit sharing totaled €80.3 million in 2020, €96.3 million in 2019, and €108.6 million in 2018.*

N.B. Total payroll costs (wages and salaries, profit-sharing and incentive schemes) are also reported in Chapter [7.6] "Operating expenses".

6.7.2 Commitments to solidarity-related projects

Boosted by its employees' engagement, Natixis supports many projects to reduce inequality, combat disease or poverty and facilitate social integration for vulnerable individuals.

Sports and solidarity

For the 2020 edition, Odyssea organized individual connected races and walks in which around one hundred Natixis employees registered. As every year, Natixis has joined forces to mobilize its employees to support the fight against breast cancer. Employee registration fees were doubled by Natixis and an additional donation was made to Gustave Roussy to fund research projects on immunotherapy and personalized breast cancer treatments.

Humanitarian leave

Since 2013, Natixis has allowed its employees to take humanitarian leave (Congé Solidaire®) to support the non-profit association Planète Urgence. The missions concern the protection of biodiversity, socio-educational support for young people and the reinforcement of the skills of adults in various fields. In 2020, missions were offered in France or remotely. More than 150 missions have been supported since the beginning.

Natixis Assurances allows its members of staff a day's leave each year so that they can do volunteer work with non-profit associations. In 2020, 33 volunteer missions were organized in various areas (helping in charity shops, accompanying underprivileged children on a day trip to the beach, installation of temporary cinemas in children's hospitals, etc.). A total of 817 missions have been carried out with associations since 2014.

Charity collections

Every year, Natixis and its subsidiaries organize charity collections for charities and solidarity organizations (collection of books, clothing, toys, etc.). In 2020, due to the COVID-19 context, several collections could not be repeated, but solidarity actions were launched remotely to continue to support associations with which Natixis has had a partnership for many years. For example, in France, thanks to financial support from Natixis Assurances, the Rejoué association was able to donate recycled toys to Secours Populaire during the first lockdown.

Payroll giving

Since 2019, Natixis has offered its employees in France a simple and participative generosity scheme: payroll ROUNDING. It enables them to support one of the five selected associations. The monthly micro-donation is taken directly from the payslip and Natixis doubles the amount of donations. One year after its launch, more than €64,000 were paid to the five beneficiary associations.

Solidarity in the face of COVID-19

Since the start of the health crisis in March 2020, Natixis has chosen to support the local initiatives of its employees around the world faced with the coronavirus pandemic. This commitment was intended to best meet the needs identified locally in the fight against COVID-19. More than 85 initiatives have been carried out in favor of healthcare staff, medical research or populations particularly affected by the pandemic.

2020 KEY EVENT

Fundraising to fight COVID-19

In France, a fundraising campaign was launched over a three-month period, with a matching contribution from the Company, and nearly €100,000 were raised for the following three organizations: Tous unis contre le virus (alliance between the Fondation de France, AP-HP and Institut Pasteur), Samusocial de Paris and Action Against Hunger. In addition to this fundraising, Natixis Wealth Management and VEGA Investment Managers also made a financial donation to the Samusocial de Paris.

Some Natixis entities have enabled employees personally involved in local associations to obtain financial support from their respective departments. Natixis Investment Managers and Mirova (an Asset Management company affiliated to Natixis Investment Managers) made donations to around fifty non-profit organizations on the recommendation of their employees.

Other entities, such as Natixis in Dubai and Natixis Assurances, have also created challenges using mobile applications and have contributed to increasing the amount of donations made by each entity to the selected associations.

In addition, new commitments have been made over the long term, as is the case with Ostrum AM (Natixis Investment Managers) which has decided to support the AP-HP Foundation for three years, in order to provide concrete support for its medical research projects.

Lastly, some teams provided material support to local hospital staff, through simple solidarity actions, such as in Dubai and Porto where food baskets were distributed to hospital staff and patients.

Natixis Foundation

In 2020, Natixis Foundation – corporate foundation was created. Its aim is to facilitate the commitment of all Natixis employees to a fair transition. Natixis Foundation will thus support projects and actions of general interest that come under both environmental protection and solidarity, with a goal of lasting impact.

2020 KEY EVENT

First projects supported by Natixis Foundation

Natixis Foundation was founded on December 1, 2020 and the first proposals for international projects were put to the vote of employees. Two projects were selected and will be supported by the foundation:

- a water access project presented in partnership with the NGO Action Against Hunger, which aims to build and/or rehabilitate wells in rural communities in Liberia;
- a project called Health & Solar Energy, presented in partnership with the NGO Electricians without Borders, which aims to improve the conditions of care in rural African villages using solar energy equipment.

The implementation of these projects will begin on the 1st quarter of 2021.

International solidarity

In all its international offices, Natixis establishes partnerships with general-interest associations and mobilizes employees support for solidarity-based projects. In 2020, the health crisis had a major impact on the organization of many actions, but other forms of initiatives have been launched to continue to support charities whose role has proved more important than ever.

In the **EMEA region**:

The Milan branch organized a donation campaign as part of the partnership with a food bank and Dynamo Camp (a charity that helps disabled children), for which members of staff can normally volunteer to support.

In Madrid, Natixis has strengthened its partnership with the non-profit organization Caritas to support a solidarity-based supermarket, Tres Olivos, which helps disadvantaged families (basic goods are subsidized to cost 80% less than usual market prices). The supermarket benefits from regular payroll donations from about thirty Natixis employees in Madrid whose contributions are matched by the company, and a fundraising campaign was also organized for the fight against COVID-19.

Many charities are supported **in London**, including Future Frontiers and SOS Villages d'Enfants, which provide funds and daily support to families living in poverty. During the lockdown periods, employees have been fully engaged in online actions to support the SCT association and to participate in initiatives such as a "virtual" walk in Lapland, draws, games and even online challenges.

In Porto, a multitude of actions to mobilize all employees have been organized in recent years. During the health crisis and periods of lockdown, the teams have provided support to hospitals and caregivers through donations of masks, distribution of food hampers and a virtual solidarity race. Donations of computer equipment and financial donations were made to the association Bagos D'Ouro, enabling schoolchildren and students to continue their learning remotely. During the Christmas season, employees also showed support for the Casa da Criança association, notably by purchasing or donating toys for underprivileged families.

The partnerships with associations **in the Americas** set up several years ago continued and new COVID-19 support programs were set up:

In **New York**, employees took part in a clothing drive for America's Vietnam veterans and the branch organized several fundraising events to support the New York Cares association, the Robin Hood Relief Fund, and the NYC COVID-19 Emergency Relief Fund.

As part of the annual "Natixis Employees Giving Campaign", Natixis also supports its employees' initiatives by organizing two weeks of fundraising for various charities supported by Natixis Investment Managers and its affiliates.

Lastly, Natixis is continuing to expand its contributions to charitable causes **in the Asia-Pacific region**, despite having to amend its program for 2020:

As the 2020 edition of "Hong Kong Volunteering Month" could not take place, two fundraising campaigns were organized by employees to support the charities through financial donations.

The continuity of the partnership with the association Pour un Sourire d'Enfant (PSE) has materialized with the mentoring of students by a dozen committed employees, a donation campaign for Chinese New Year and a collection of items such as clothing, books and toys in December.

6.8 Table of reporting on Natixis' main commitments

2020 Non-financial performance report		United Nations Global Compact	PRI	PRB	Equator Principles	SDG	Act4nature
6.1.1	Strategic pillars of ESR						
6.1.2	ESR governance		6	4, 6	5, 9, 10		
6.1.3	ESR commitments	1-10	1-6	1-6	1-10	1-17	1-10
6.1.5	Communications with stakeholders			4	5	17	2
6.1.6	Recognized ESR performance			4	5	17	2
6.2.	The Natixis Code of Conduct	1, 2, 10				1-17	
6.3	Business ethics and safety	1-10	2	5	1-10	1-17	1-10
6.4.1	Sustainable growth: financing the transformation in society					1-17	
6.4.1.1	A growing number of Natixis' Asset Management companies observe the Principles for Responsible Investment (PRI)	1-10	1-6	5-6	1-10	1-17	
6.4.1.2	Natixis commits to the new Principles for Responsible Banking (PRB)	1-10	5	1-6	1-10	1-17	
6.4.1.3	Socially responsible investment	1-10	1-6	1-6	1-10		
	Recognition of ESG criteria in the issuer analysis	7	1-6	2	1-10		
	Incorporation of ESG criteria and exclusion policies in investment decisions	7	1-6	2	1-10	5	
	Fund certification	1-10	1-6	1-6	1-10	11	
	Voting and engagement policies	1-10	1-6	1-6	1-10	5, 13	
6.4.1.4	Solidarity investment	4, 7	1-6	1-6	1, 2, 3, 4	8, 10	
6.4.1.5	Social impact finance	1-10	1, 2, 3	1, 2, 3	2, 3, 10	8, 10, 11	
6.4.2	Green growth: financing the energy transition and combating climate change	7, 8		1, 2	2, 4	13, 15	
6.4.2.1	GWF: an innovative solution	7, 8		1, 2	2, 4	13, 15	4
6.4.2.2	Financing and investment in renewable energy	7, 8	1, 2, 3	1, 2	2, 4	7	
6.4.2.3	Financing and investment in mobility and sustainable cities	7, 8	1, 2, 3	1, 2	2, 4	11, 13	
6.4.2.4	Green bonds and green loans	7, 8	1, 2, 3	1, 2	2, 4	13	
6.4.2.5	Development of low carbon structured products	7, 8		1, 2	2, 4	13	
6.4.2.6	Aligning with the objectives of the Paris Agreement	7, 8	1-6	1-6	2, 4	13	
6.4.3	Green growth: protecting and developing natural capital	7, 8	1, 2, 3	1, 2, 4	1-10	1, 2, 6, 12, 13, 14, 15	1-10
6.4.3.1	The Act4Nature commitment	7, 8	1, 2, 3	1, 2	2, 4	14, 15	1-10
6.4.3.2	Recognition of biodiversity in financing	7, 8		1, 2	1-10	14, 15	1, 2, 3, 4, 5, 6
6.4.3.3	Thematic investment in natural capital	7, 8	1, 2, 3	1, 2	1-10	1, 2, 13, 14, 15	1, 2, 3, 4, 5, 6
6.4.3.4	Development of natural capital structured products	7, 8		1, 2	1-10	6, 14	1, 2, 3, 4, 5, 6
6.4.3.5	Development of the solidarity-based economy	7, 8		1, 2, 4		12	1, 2, 7, 8, 9, 10
6.5.1	Incorporating E&S criteria in financing operations and investments	1-10	1-6	1-6	1-10		
6.5.2	Duty of vigilance	1-10					
6.5.3	Climate risks	7, 8	1, 23	1		13	
6.6.1	Sustainable real estate	7, 8, 9				10, 11	7
6.6.4	Managing resource consumption	7, 8, 9				6, 7, 12	7
6.6.7	Carbon footprint management	7, 8, 9				7, 13	
6.6.6	Waste reduction and sorting	7, 8, 9				12	8
6.6.3	Promoting sustainable mobility	7, 8, 9				11	
6.6.2	Digital sustainability	7, 8, 9				12	
6.6.5	Developing green spaces	7, 8, 9				15	7, 8, 9
6.7.1	Human Resources policy and diversity management	3,4				5, 8	
6.7.2	Commitments to solidarity-related projects					1-2-3-4-5-8-10	

6.9 Reporting frameworks and methodology

ESR reporting in 2020 is based on the requirements of the non-financial performance report.

The information in this document covers the 2020 fiscal year. The reporting period considered is one full calendar year, running from January 1 to December 31.

Environmental information relating to the direct impact of Natixis relates to the scope of Natixis France, with the exception of certain qualitative information collected from international locations.

Social information covers the scope of Natixis France (managed scope), with the exception of Worldwide staff, which are presented in the accounting consolidation scope.

The managed scope covers all of Natixis and its subsidiaries[(1)] around the world whose HR information systems contain data on employees by name. This workforce forms the basis of the HR indicators for ESR. This scope excludes Financial investments. The list of entities in this scope is presented below.

Outside France, the inclusion of entities depends on the relevance of indicators with respect to social and environmental regulations and their ability to integrate monitoring tools or deliver information.

Indicators are broken down by geographic area.

The **Natixis Worldwide** scope covers all of Natixis and its subsidiaries1 around the world, including Financial investments and entities within the accounting consolidation scope (Natixis Algérie).

The following changes in scope took place in 2020:

- in the managed scope:
  - Corporate & Investment Banking division: creation of Natixis Saudi Arabia Invest Co. *(no increase in staff)*,
  - Asset & Wealth Management:
    - absorption by Ostrum Asset Management of the activities of LBPAM (La Banque Postale Asset Management): 106 employees,
    - creation of Vauban Infrastructure Partners *(no increase in staff)*;
- in the Natixis Worldwide scope:

  Impacts of changes in the managed scope such as:
  - inclusion of the following entities:

    Asset & Wealth Management:
    - MV Credit Partners LLP (31 employees at 31/12/2020),
    - Investors Mutual Limited (39 employees at 31/12/2020);
  - exit from the scope of the following entities:

    Financial investments:
    - Coface and Fimipar, now less than 50% owned and out of the scope of accounting consolidation: 4,419 employees at 31/12/2019.

Specific methodological information on audited data

The headcount includes all employees who have an active employment contract with a Natixis legal entity (managed scope). Interns, apprentices and beneficiaries of a VIE (International Volunteer Program) assignment are not considered. Expatriates and seconded employees are accounted for in their entity of origin.

Hires include external recruitment to positions with permanent employment contracts or fixed-term employment contracts, transfers from Groupe BPCE and the conversion of all other types of contract (work-study placements, internships, VIE, etc.) into permanent employment contracts or fixed-term employment contracts, and conversions of fixed-term employment contracts into permanent employment contracts.

Departures include external departures of employees with permanent employment contracts or fixed-term employment contracts and transfers to Groupe BPCE, and conversions from fixed-term employment contracts to permanent employment contracts.

The absentee rate is the total number of business days absent (due to illness, accidents in the workplace or in transit, maternity or parental leave, etc.) divided by the total number of employee workdays theoretically available.

Exclusions

Certain indicators covered by the DPEF were not disclosed because they were deemed to be distant from Natixis' core business:

- actions against food waste;
- efforts to combat food poverty, improve animal welfare and ensure responsible, fair, sustainable food supplies.

(1) *Companies in which Natixis directly or indirectly holds at least a 50% interest.*

List of subsidiaries included in the ESR reporting framework

Natixis France (managed scope)

Division	Business Line	Company
Cooperate and investment banking		Natixis Coficiné
		Media Consulting & Investment
Asset & Wealth Management	Private Equity	Alliance Entreprendre
		Flexstone Partners SAS
		Naxicap Partners
		Seventure Partners
		Vauban Infrastructure Partners
	Asset Management	Natixis Investment Managers
		Natixis Investment Managers International
		Ostrum Asset Management
		Natixis TradEx Solutions *(formerly Natixis Asset Management Finance)*
		Mirova
		Seeyond
	Real Estate Asset Management	AEW Ciloger
	Wealth Management	Natixis Wealth Management
		VEGA Investment Managers
	Employee Savings Schemes	Natixis Interépargne
Insurance	Personal Insurance	BPCE VIE
		BPCE Relation Assurances
	Non-Life Insurance	BPCE Assurances
		BPCE Assurances Production Services
Payments		Natixis Payment Solutions
		Natixis Intertitres
		Titres Cadeaux

Natixis International (managed scope)

Division	Business Line	Company
Cooperate and investment banking		Natixis Almaty Representative Office
		Natixis Australia Proprietary Limited
		Natixis Banco Múltiplo S.A.
		Natixis Bangkok Representative Office
		Natixis Beijing Branch
		Natixis Belgique Investissements S.A.
		Natixis Buenos Aires Representative Office
		Natixis Canada Branch
		Natixis Colombia Representative Office
		Natixis Dubai Branch
		Natixis Frankfurt Branch
		Natixis Hong Kong Branch
		Natixis Jakarta Representative Office
		Natixis Japan Securities Co., Ltd.
		Natixis Labuan Branch
		Natixis Lima Representative Office
		Natixis London Branch
		Natixis Madrid Branch
		Natixis Mexico Representative Office
		Natixis Milan Branch
		Natixis Moscow Bank (ZAO)
		Natixis Mumbai Representative Office
		Natixis New York Branch
		Natixis North America Inc.
		Natixis Pfandbriefbank AG
		Natixis Saudi Arabia Invest Co.
		Natixis Shanghai Branch
		Natixis – Singapore – DBU
		Natixis Taipei Branch

Division	Business Line	Company
Asset & Wealth Management	Private Equity	Flexstone Partners SARL
		Vauban Infrastructure Luxembourg SARL
	Asset Management	Natixis Investment Managers, LLC
		Natixis Investment Managers International Hong Kong Limited
		Natixis Investment Managers Japan Co., Ltd.
		Natixis Investment Managers Singapore Limited
		Natixis IM Australia Pty Limited
		Natixis IM Beijing
		Natixis IM Hong Kong Limited
		Natixis IM International, LLC
		Natixis IM LUX
		Natixis IM Mexico, S. de R.L. de C.V
		Natixis IM Middle East, a branch of Natixis IM UK Limited
		Natixis IM S.A. Oficina de Representación (Colombia)
		Natixis IM S.A., Korea Representative Office
		Natixis IM S.A., Succursale Italiana
		Natixis IM S.A., Zweigniederlassung Deutschland
		Natixis IM Securities Investment Consulting (Taipei) Co., Ltd.

Division	Business Line	Company
		Natixis IM UK Limited
		Natixis IM Uruguay S.A.
		Natixis IM, Nederlands
		Natixis IM, Nordics filial
		Natixis IM, Sucursal en España
		Natixis IM, Switzerland Sàrl_Geneva
		Ostrum Asset Management US LLC
		Mirova Luxembourg SAS
		Mirova Natural Capital
		Mirova US
	Real Estate Asset Management	AEW Central Europe/Czech Republic
		AEW Central Europe Sp z o o
		AEW Europe Global LUX
		AEW Europe Italian Branch
		AEW Europe LLP
		AEW Europe SARL
		AEW Invest GmbH
	Wealth Management	Natixis Wealth Management Luxembourg
		Natixis Wealth Management Luxembourg, Belgian branch
Insurance	Personal Insurance	Natixis Life Luxembourg
Support Departments		Natixis – Succursale de Porto

6.10 Report by one of the Statutory Auditors, appointed independent third party, on the consolidated non-financial performance report

Year ended December 31, 2020

To the General Shareholders' Meeting of Natixis S.A.,

In our capacity as Statutory Auditor of Natixis S.A., we hereby present our report on the consolidated Non-Financial Performance Report for the year ended December 31, 2020 (hereafter referred to as the "Report"), as presented in the Universal Registration Document which includes the Group's management report, on a voluntary basis, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce)*.

Company's responsibility

The Board of Directors decided to prepare a Report in accordance with legal and regulatory requirements, including a presentation of the company's business model, a description of its main non-financial risks, a presentation of the policies applied with regard to these risks, and the results of these policies, including key performance indicators. The Report was prepared according to the company's procedures (hereafter referred to as "the Standard"), the material components of which are presented in the Report and available on the website or from the company's registered office on request.

Independence and quality control

Our independence is defined in the provisions of Article L.822-11-3 of the French Commercial Code and in our Code of Ethics. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to provide a reasoned opinion and to express a conclusion of limited assurance on:

- the compliance of the Report with the requirements of Article R.225-105 of the French Commercial Code;
- the sincerity of the information provided in accordance with paragraph 3 of sections I and II of Article R.225-105 of the French Commercial Code, namely the results of the policies, including the key performance indicators and the actions taken in respect of the main risks, hereafter referred to as the "Information".

However, it is not our responsibility to express an opinion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of due diligence, anti-corruption measures and taxation, or on the compliance of products and services with the applicable regulations.

Nature and scope of the work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code setting out how the independent third party should perform its review and in accordance with the professional code of the *Compagnie Nationale des Commissaires aux Comptes* (France's National Association of Statutory Auditors) relating to this assignment (and pursuant to international standard ISAE 3000 "Assurance engagements other than audits or reviews of historical financial information").

We completed the work needed to assess the Report's compliance with regulatory requirements and the sincerity of the Information reported:

- we familiarized ourselves with the activity of all the companies included in the scope of consolidation and the description of the main risks;
- we assessed the appropriate nature of the Standard in terms of its relevance, completeness, reliability, objectivity, and comprehensible nature, taking best practices in the sector into consideration, where applicable;
- we verified that the Report includes each category of information required under section III of Article L.225-102-1 regarding social and environmental risks as well as paragraph 2 of Article L.22-10-36 on respect for human rights and the fight against corruption and tax evasion;
- we verified that the Report includes the information provided for in section II of Article R.225-105, where relevant in terms of the main risks, and includes, where appropriate, an explanation of the reasons for the absence of information required under paragraph 2 of section III of Article L.225-102-1;
- we verified that the Report describes the company's business model and a description of the main risks arising from the activities of all entities included in the scope of consolidation, including, where relevant and reasonable, the risks created by its business relationships, its products and services and its policies, actions and results, including key performance indicators;

- we consulted documents and held interviews to:
  - assess the process for selecting and approving the main risks as well as the consistency of the results, including the key performance indicators presented, in terms of the main risks and policies described, and
  - corroborate the qualitative information (actions and results) that we considered the most important[1];
- we verified that the Report covers the scope of consolidation, i.e. all the companies included in the scope of consolidation as defined in Article L.233-16, within the limitations set out in the Report;
- we familiarized ourselves with the internal control and risk management procedures established by the entity, and reviewed the data collection process used to ensure the completeness and sincerity of the Information reported;
- for the key performance indicators and the other quantitative results[2] we considered to be the most important, we applied:
  - analytical procedures to verify the correct consolidation of collected data as well as the consistency of changes thereto,
  - substantive tests, on a sampling basis, to verify the proper application of definitions and procedures, and to reconcile data with supporting documents. This review was performed on a selection of contributing entities[3] and covered between 48% and 100% of consolidated data in the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Report in relation to our knowledge of the entity.

We believe that the work we performed while exercising our professional judgment allows us to express a conclusion of limited assurance; a higher level of assurance would have required more extensive work.

Resources and methods

Our work engaged the skills of five persons between November 2020 and March 2021.

To assist us in our work, we called upon our sustainable development and corporate social responsibility experts. We conducted around 10 interviews with the people responsible for preparing the Report.

Conclusion

Based on our work, we did not observe any significant misstatement likely to call into question the compliance of the non-financial performance report with regulatory requirements, and the fair presentation of the Information, taken as a whole, in accordance with the Standard.

Paris-La Défense, March 9, 2021

One of the Statutory Auditors,

Deloitte & Associés

Charlotte Vandeputte	Julian Rivals
Partner, Audit	Partner, Sustainable Development

(1) *Selected qualitative information: Green Weighting Factor (proportion of financing with the greatest impact on the climate (rated brown); Review of processes and procedures, Number of ESG risk reviews, Non-compliance risk control procedure/results of level 2 controls, Application of the management system.*

(2) *Selected quantitative information: Headcount (managed scope), Percentage of permanent contracts in France, Total hires in France, Total departures in France, Percentage of women among company leaders, Number of employees trained, Average number of training hours per employee trained, Energy consumption: electricity, hot and cold fluids in office buildings, Carbon footprint assessment (tCO2eq.), Amount of socially responsible investment assets managed (Loomis Sayles & Company, WCM Investment Management, Ostrum AM and Vega IM), Carbon footprint or portfolio temperature (AEW Capital Management, Mirova and Ostrum AM), Amount of renewable energy financing arranged during the year.*

(3) *Natixis SA Paris and its subsidiaries (Loomis Sayles & Company, WCM Investment Management, Ostrum AM, Vega IM, AEW Capital Management, Mirova).*

7

CAPITAL AND SHARE OWNERSHIP

7.1 Distribution of share capital and voting rights

Following the merger of Banque Fédérale des Banques Populaires (BFBP) and Caisse Nationale des Caisses d'Epargne (CNCE) that resulted in the creation of Groupe BPCE, Natixis has been majority-owned by BPCE since August 1, 2009.

7.1.1 Distribution of share capital at December 31, 2020

7.1.1.1 Share ownership table

At December 31, 2020, Natixis' main shareholders were as follows:

	% capital	% voting rights
BPCE	70.57%	70.66%***
Employee shareholding	3.08%*	3.08%
*o/w employee shareholding within the meaning of Article L.255-102 of the French Commercial Code***	*2.46%*	*2.47%*
Treasury shares	0.13%	0.00%
Free float	26.22%	26.26%

* *0.92% held through capital increases reserved for employees ("FCPE Mauve").*
0.78% held outside of employee savings plans by employees and former employees.
1.38% was held under the BPCE Actions Natixis fund, including holders of Groupe BPCE shares.

** *The shares referred to in Article L.225-102 of the French Commercial Code serve to determine the threshold beyond which a motion shall be made to appoint a Director representing the shareholders (applies to shares held directly by employees: FCPE Mauve, shares held under free share allocation plans (Macron Act No. 2015-990), the BPCE Actions Natixis fund including Groupe BPCE shares).*

*** *The % voting rights takes into account the treasury shares held by Natixis.*

As far as Natixis is aware, at this date no shareholders, other than those listed in the above table, owned more than 5% of the capital or voting rights.

7.1.1.2 Treasury shares

Information relating to the use of the share buyback program communicated to the General Shareholders' Meeting pursuant to Article L.225-211 of the French Commercial Code:

The following information concerns the use of the share buyback program for the period from January 1 to December 31, 2020.

Transactions carried out as part of the share buyback program were exclusively intended to stimulate the share market by an investment provider under a liquidity contract in accordance with the Ethics Charter established by the French Financial Markets Association (AMAFI).

The table below summarizes the transactions carried out by the Company in its own shares from January 1, 2020 to December 31, 2020 and indicates the number of treasury shares held by the Company:

Number of treasury shares registered in the name of the Company as of 31/12/2019	**2,083,199**
Number of shares purchased during fiscal year 2020 [(a)]	**53,293,325**
Number of shares potentially reallocated to other objectives	0
Average price of shares acquired in 2020	€2.487
Value of shares acquired in 2020 measured at purchase price	€132,557,288
Number of shares sold during fiscal year 2020 [(a)]	**51,361,861**
Average price of shares sold in 2020	€2.516
Value of shares sold in 2020 measured at sale price	€129,237,474
Volume of shares actually used to achieve the objective pursued *(liquidity contract – purchases + disposals)*	**104,655,186**
Total trading expenses (excl. tax)	**€120,000**
Number of treasury shares registered in the name of the Company as of 31/12/2020	**4,014,663**

Gross book value per share [(b)]	€2.789
Total gross book value of shares [(b)]	€11,196,895
Nominal amount of share	€1.60
Percentage of share capital held by the Company as of 31/12/2020	0.127%

(a) Transactions carried out as part of the share buyback program intended to stimulate the market of the share by an investment provider (liquidity contract).
(b) Share price at 31/12/2020.

7.1.1.3 Employee shareholding

As of December 31, 2020, the percentage of share capital held by employees was 3.08% *(2.46% within the meaning of Article L.225-102 of the French Commercial Code*[(1)]) of which:

- 0.92% held through capital increases reserved for employees ("FCPE Mauve");
- 0.78% held outside of employee savings plans by employees and former employees;
- 1.38% was held under the BPCE Actions Natixis fund, including holders of Groupe BPCE's shares.

7.1.1.4 Ownership of shares by members of the management and administrative bodies

Board members, including natural and legal persons, owned 70,57% of Natixis' capital at December 31, 2020 (of which almost all is owned by BPCE).

The number of shares owned by corporate officers who are natural persons is not material.

7.1.1.5 Crossing of legal thresholds declared to the Company during fiscal year 2020

None.

7.1.2 Distribution of share capital at February 26, 2021

According to the Prospectus Regulation, at February 26, 2021, Natixis' main shareholders were as follows:

	% capital	% voting rights
BPCE	70.57%	70.63%**
Employee shareholding	2.78%*	2.78%
o/w employee shareholding within the meaning of Article L.255-102 of the French Commercial Code[(1)]	*2.16%*	*2.16%*
Treasury shares	0.08%	0.00%
Free float	26.57%	26.59%

* *0.75% held through capital increases reserved for employees ("FCPE Mauve").*
0.77% held outside of employee savings plans by employees and former employees.
1.26% was held under the BPCE Actions Natixis fund, including holders of Groupe BPCE shares.
** *The % voting rights includes treasury shares held by Natixis.*

As far as Natixis is aware, at this date no shareholders, other than those listed in the above table, owned more than 5% of share capital or voting rights.

(1) The shares referred to in Article L.225-102 of the French Commercial Code serve to determine the threshold beyond which a motion shall be made to appoint a Director representing the employee shareholders (applies to shares held directly by employees: FCPE Mauve, shares held under free share allocation plans (Macron Act No. 2015-990), the BPCE Actions Natixis fund including holders of Groupe BPCE shares).

7.2 Changes in share capital and voting rights

7.2.1 Share capital at March 1, 2021

The share capital amounted to €5,052,644,851.20 on March 1, 2021, divided into 3,157,903,032 fully paid-up shares of €1.60 each.

7.2.2 Changes in the shareholder base over the past three years

The table below shows changes in the Company's share capital over the last three fiscal years.

	31/12/2020			31/12/2019			31/12/2018		
	Number of shares	**% capital**	**% voting rights**	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
BPCE	2,227,221,174	70.57%	70.66%	2,227,221,174	70.64%	70.68%	2,227,221,174	70.70%	70.78%
Employee shareholding	97,166,403	3.08%*	3.08%	88,057,496	2.79%	2.80%	79,184,870	2.51%	2.52%
Treasury shares	4,014,663	0.13%	0.00%	2,083,199	0.07%	0.00%	3,716,978	0.12%	0.00%
Free float	827,549,262	26.22%	26.26%	835,716,613	26.50%	26.52%	840,165,570	26.67%	26.70%

* *Of which 2.46% (77,715,536 shares) within the meaning of Article L.225-102 of the French Commercial Code. Details concerning the employee share ownership plan are presented in section 7.1.1.3 above.*

7.2.3 Changes in Natixis' share capital over the last five fiscal years

The table below shows changes in the Company's share capital over the last five fiscal years.

	Number of shares at the start of the fiscal year	Number of shares created during the fiscal year	Number of shares at the end of the fiscal year	Share capital *(in euros)*
2016	3,128,127,765	8,946,815	3,137,074,580	5,019,319,328.00
2017	3,137,074,580	285,658	3,137,360,238	5,019,776,380.80
2018	3,137,360,238	12,928,354	3,150,288,592	5,040,461,747.20
2019	3,150,288,592	2,789,890	3,153,078,482	5,044,925,571.20
2020	3,153,078,482	2,873,020	3,155,951,502	5,049,522,403.20

The table below gives details on the value of share premiums for each corporate action.

Fiscal year	Heading	Number of shares	Share capital *(in euros)*	Share premium on capital increases *(in euros)*
2013	**At January 1**	**3,086,214,794**	**4,937,943,670.40**	
	Bonus shares awarded	5,640,766	9,025,226	
	Shares issued in respect of the capital increase reserved for employees	8,439,630	13,503,408	10,127,556
	At December 31	**3,100,295,190**	**4,960,472,304.00**	
2014	**At January 1**	**3,100,295,190**	**4,960,472,304.00**	
	Bonus shares awarded	6,261,106	10,017,769.60	
	Shares issued in respect of the capital increase reserved for employees	9,951,325	15,922,120	24,291,184.33
	At December 31	**3,116,507,621**	**4,986,412,193.60**	
2015	**At January 1**	**3,116,507,621**	**4,986,412,193.60**	
	Bonus shares awarded	3,114,520	4,983,232	
	Shares issued in respect of the capital increase reserved for employees	8,505,624	13,608,998.40	31,428,280.68
	At December 31	**3,128,127,765**	**5,005,004,424**	
2016	**At January 1**	**3,128,127,765**	**5,005,004,424**	
	Bonus shares awarded	957,368	1,531,788.80	
	Shares issued in respect of the capital increase reserved for employees	7,989,447	12,783,115.20	13,390,313.18
	At December 31	**3,137,074,580**	**5,019,319,328**	
2017	**At January 1**	**3,137,074,580**	**5,019,319,328**	
	Bonus shares awarded	285,658	457,052.80	
	At December 31	**3,137,360,238**	**5,019,776,380.80**	
2018	**At January 1**	**3,137,360,238**	**5,019,776,380.80**	
	Bonus shares awarded	945,549	1,512,878.40	
	Shares issued in respect of the capital increase reserved for employees	11,982,805	19,172,488	40,765,502.61
	At December 31	**3,150,288,592**	**5,040,461,747.20**	
2019	**At January 1**	**3,150,288,592**	**5,040,461,747.20**	
	Bonus shares awarded	2,789,890	4,463,824	
	At December 31	**3,153,078,482**	**5,044,925,571.20**	
2020	**At January 1**	**3,153,078,482**	**5,044,925,571.20**	
	Bonus shares awarded	2,873,020	4,596,832	
	At December 31	**3,155,951,502**	**5,049,522,403.20**	

7.3 Other information concerning Natixis share capital and securities

7.3.1 Form and transfer of shares (Chapter II, Article 4 of the bylaws)

Shares in the Company may either be registered shares or identifiable bearer shares, at the shareholder's discretion.

They are registered in share accounts and are transferred according to the terms provided for by law and regulations.

7.3.2 Securities not conferring rights to the share capital

On November 25, 1985, Banque Française du Commerce Extérieur, Natixis' predecessor, issued 140,000 non-voting shares with a par value of FRF 5,000 (€762.25). The coupon is payable annually on November 25. Redemptions are at the initiative of the borrower.

At December 31, 2020, 47,000 non-voting shares were outstanding.

7.3.3 Stock subscription option

No stock options were granted by the Company in fiscal years 2009 to 2020.

7.3.4 Natural or legal persons exercising or potentially exercising control over Natixis

As the main shareholder of Natixis, BPCE assumes the responsibilities provided for by banking regulations.

The application of the Afep-Medef Corporate Governance rules and the rules set out for members of the Board of Directors prevent the risk of abusive exercise of control.

7.3.5 Other information on the capital

In fiscal year 2020, Natixis did not pledge any of its shares.

7.4 Authorized potential capital

7.4.1 Current delegations and financial authorizations and use by the Board of Directors

As of the date of this document, the Board of Directors of the Company has the following delegations and financial authorizations granted to it by the General Shareholders' Meeting:

Date of General Shareholders' Meeting	Resolution No.	Purpose of authorization	Amount authorized	Duration	Date used	Amount used
28/05/2019	25	To award bonus shares to employees and corporate officers of the Company and related companies, without preferential subscription rights	2.5%/0.1% (b) of share capital	37 months	10/04/2020	€5,757,411 (f) *(0.11402%)*
					20/05/2020	€428,189 (f) *(0.00847%)*
28/05/2019	26	To reduce share capital by canceling treasury shares	10% of the shares constituting the Company's share capital	26 months	None	None
28/05/2019	27	To increase share capital through the issue of shares and/or securities providing access to the capital of the Company or entitling holders to the allotment of debt securities, with preferential subscription rights maintained	€1.5 billion (a)	26 months	None	None
28/05/2019	28	To increase share capital through the issue, by public offer, of shares and/or securities providing access to the capital of the Company or entitling holders to the allotment of debt securities, without preferential subscription rights	€500 million (a) (c)	26 months	None	None
28/05/2019	29	To increase share capital through the issue, by an offer as set out in Article L.411-2(II) of the French Monetary and Financial Code, of shares and/or securities providing access to the capital of the Company or entitling holders to the allotment of debt securities, without preferential subscription rights	€500 million (a) (d)	26 months	None	None
28/05/2019	30	To issue shares and/or securities providing access to the Company's share capital or entitling holders to the allotment of debt securities as remuneration for contributions in kind involving capital stock or securities giving access to capital, without preferential subscription rights	10% of the share capital (d)	26 months	None	None
28/05/2019	31	To carry out a capital increase through the capitalization of reserves, retained earnings, share premiums or other items	€1.5 billion (a) (c)	26 months	None	None
28/05/2019	32	To increase the number of securities to be issued in the event of capital increases with or without preferential subscription rights	15% of the initial issue (e)	26 months	None	None
28/05/2019	33	To increase share capital through the issue of shares or securities providing access to the capital of the Company, reserved for members of employee savings plans with waiving of preferential subscription rights in favor of said members	€50 million (a) (c)	26 months	None	None

(a) Overall par value ceiling.
(b) For executive corporate officers. Amount deducted from the cap of 2.5%.
(c) Amount deducted from the overall ceiling set in resolution No. 27 of the General Shareholders' Meeting of May 28, 2019 (€1.5 billion).
(d) Amount deducted from the overall ceiling set in resolution No. 27 of the General Shareholders' Meeting of May 28, 2019 (€1.5 billion) and the ceiling decided in resolution No. 28 of said General Shareholders' Meeting (€500 million). For the delegation of the 29th resolution, the issue of shares may not exceed the limits specified by the applicable legislation at the date of the issue (currently 20% of share capital per year).
(e) Amount deducted from the ceiling set in resolution No. 27 of the General Shareholders' Meeting of May 28, 2019 (€1.5 billion). For each issue, ceiling equal to the limit provided for under regulations in force on the issue date (currently, 15% of the initial issue).
(f) The stock market valuation is presented in the table in section 7.4.2 below.

7.4.2 Special report on transactions carried out in under the provisions of Articles L.225-197-1 to L.225-197-3 of the French Commercial Code during the year 2020

In accordance with the provisions of Article L.225-197-4 of the French Commercial Code, the transactions carried out pursuant to Articles L.225-197-1 to L.225-197-3 on free shares for employees and corporate officers of the Company are described in this report.

Pursuant to the authorization granted by the twenty-fifth resolution of the Combined General Meeting of May 28, 2019, the Board of Directors decided to grant free shares (i) to certain employees of the Company at its meeting of April 10, 2020 and (ii) to the members of the Senior Management Committee of the Company at its meeting of May 20, 2020.

The following table does not detail the beneficiaries by employee category because, on the one hand, the allocation of shares carried out on April 10, 2020 corresponds to a portion of the deferred variable compensation indexed to the Natixis share in accordance with CRD Regulations (and does not depend on belonging to a professional category), and on the other, the allocation of shares made on May 20, 2020 was determined in a uniform manner for all beneficiaries (excluding corporate officer).

The number of beneficiaries as well as the number and value of free shares awarded by the Company during the year are as follows:

Date of General Shareholders' Meeting	28/05/2019 (25th resolution)	
Date of Board of Directors' Meeting (grant date)	**10/04/2020**	**20/05/2020**
Free shares/performance shares	**Free shares**	**Performance shares (LTIP)**
Closing price on the grant date	€2.24 (a)	€1.99 (b)
Valuation based on share price	*€8,060,376*	*€532,560*
Total number of bonus shares allocated	3,598,382	267,618
Of which corporate officers (c)	*N/A*	*77,783*
Of which other employees	*3,598,382*	*189,835*
Of which ten leading employees	*830,513*	*189,835*
Number of beneficiaries	185	10

(a) Closing price of Natixis shares on 09/04/2020.
(b) Closing price of Natixis shares on 20/05/2020.
(c) Natixis' Chief Executive Officer.

The items below are provided for additional information.

Bonus shares in vesting period

The table below details the free shares granted during the vesting period in previous years.

Date of General Shareholders' Meeting	24/05/2016 *(19th resolution)*	24/05/2016 *(20th resolution)*	24/05/2016 *(19th resolution)*	24/05/2016 *(19th resolution)*	24/05/2016 *(20th resolution)*	24/05/2016 *(19th resolution)*
Date of Board of Directors' Meeting (grant date)	23/05/2017	13/04/2018	23/05/2018	02/08/2018	12/04/2019	28/05/2019
Total number of shares granted (a)	79,369	3,389,678	69,685	13,605	2,600,406	105,128
Vesting date (definitive allocation) (b)	23/05/2021	01/03/2020 (c) 01/03/2021 13/04/2021 13/04/2023	23/05/2022	22/05/2022	01/03/2021 (c) 01/03/2022	28/05/2023

(a) Details of the shares allocated to executive corporate officers are provided in section 2.3.2.4 (AMF table No. 10).
(b) Subject to compliance with the presence and performance conditions defined in the plan regulations.
(c) Scheduling of the shares' vesting by beneficiaries.

Free shares in the holding period delivered during fiscal year 2020

The information below details the free shares in the holding period following the definitive acquisition of the shares by the beneficiaries recorded during fiscal year 2020 by decision of the Chief Executive Officer.

- By virtue of the authorization granted by the Combined General Shareholders' Meeting of May 24, 2016, resolution twenty, the Board of Directors decided at its April 10, 2017 meeting to award a total of 3,012,307 bonus shares to certain employees of Natixis and its subsidiaries, and to the Chief Executive Officer of Natixis in respect of the 2017 Plan. The vesting period for the last tranche of this award expired on March 1, 2020. By virtue of the authorization granted by the Combined General Shareholders' Meeting of May 24, 2016, resolution twenty, the Board of Directors decided at its April 13, 2018 meeting to award a total of 3,389,678 bonus shares to certain employees of Natixis and its subsidiaries, and to the Chief Executive Officer of Natixis in respect of the 2018 Plan. The vesting period for the first tranche of this award also expired on March 1, 2020.

As a result, **by decision of March 1, 2020**, the Chief Executive Officer, by virtue of the powers granted to him by the Board of Directors, acknowledged capital increases by capitalization of reserves in the amount of €2,961,124.80 via the issue of 1,850,703 new shares with a par value of €1.60 in respect of the 2017 Plan, and in the amount of €1,467,696 via the issue of 917,310 new shares with a par value of €1.60 in respect of the 2018 Plan, thereby increasing the Company's share capital from €5,044,925,571.20 to €5,049,354,392.

- By virtue of the authorization granted by the Combined General Shareholders' Meeting of May 24, 2016, resolution nineteen, the Board of Directors decided at its July 28, 2016 meeting to award a total of 151,283 bonus shares under the 2016 Plan to the members of the Natixis Senior Management Committee. The vesting period for these shares expired on July 28, 2020.

  As a result, **by decison of July 28, 2020**, the Chief Executive Officer, by virtue of the powers granted to him by the Board of Directors, acknowledged capital increases by capitalization of reserves in the amount of €168,011.20 via the issue of 105,007 new shares with a par value of €1.60, thus bringing the Company's share capital from €5,049,354,392 to €5,049,522,403.20.

Mauve employee share ownership plan

The Mauve plan is reserved for employees of companies included in the scope determined by the Board of Directors, which comprises Natixis S.A. and its subsidiaries and branches, who are enrolled in the Natixis Employee Savings Plan and in the Natixis International Employee Savings Plan. The scheme is also available to the retirees and pre-retirees of the companies included in this scope.

Under the Mauve plan, beneficiaries are able to subscribe for Natixis shares (or for a similar alternative if they are international beneficiaries) on advantageous terms and with the benefit of employer-paid contributions in compliance with the provisions of existing plans within Natixis.

Amounts invested in the Mauve plan are locked up for a period of five years, barring cases of early release applicable to employee savings plans in France. This time period may be reduced outside of France based on local legislation and the alternative proposed.

In order to align the interests of Natixis employees with the growth and earnings of Natixis over the long term, the Board of Directors of Natixis agreed to use the authorization granted by the General Shareholders' Meeting to carry out a capital increase reserved for the employees of Natixis, without their preferential subscription right under the Mauve employee share ownership plan, for the years 2013 to 2016 inclusive and again in 2018.

In a resolution dated May 28, 2019, the Combined General Shareholders' Meeting renewed the authorization granted to the Board of Directors to decide whether to increase share capital, in one or more stages, up to a maximum of fifty (50) million euros, through the issue of shares or securities giving access to share capital reserved for members of employee savings plans. It also established that the delegation of authority to issue shares would remain valid for a period of 26 months from the date of said meeting.

Natixis' Board of Directors did not use this delegation of authority in 2020.

7.5 Issues potentially relevant to any public offering

Article L.22-10-11 of the French Commercial Code requires companies whose securities are admitted for trading on a regulated market to disclose and explain certain information, where said information may have an impact in the event of a public offer.

Natixis' main shareholder BPCE held 70.57% of the share capital and 70.66% of the voting rights at December 31, 2020. Given its capital structure, Natixis believes that a hostile takeover bid would have very little chance of succeeding.

7.6 Shareholder voting rights

None of the Company's shareholders holds different voting rights.

In line with Article 25 of the Company's bylaws, and as an exception to the granting of double voting rights to any fully paid-up shares that can be proved to have been registered in the name of the same shareholder for at least two years as stipulated by Article L.22-10-46 of the French Commercial Code, each member of the meeting has a right to as many votes as they hold or are represented by shares.

7.7 Share buyback program

In accordance with Articles 241-2 and 241-3 of the AMF General Regulation and Delegated Regulation (EU) 2016/1052 of March 8, 2016, the Company presents below the description of the share buyback program that will be subject to the approval of the Combined General Shareholders' Meeting of May 28, 2021. This program will replace the one authorized by the Combined General Shareholders' Meeting of May 20, 2020.

As of December 31, 2020, Natixis held 4,014,663 of its own shares, i.e. 0.127% of its share capital, mainly intended for the promotion of Natixis shares on the financial markets under the liquidity contract. In accordance with the regulations in force, these shares have no dividend rights or voting rights.

Information on the use made of the previous share buyback authorization is provided in section 7.1.1.2 of this universal registration document.

Objectives of the share buyback program

The various objectives of this share buyback program set out in the 19th resolution submitted to the General Shareholders' Meeting of the Company on May 28, 2021, are notably, in accordance with the regulations in force and the market practices accepted by the AMF:

- market making for Natixis stock in the secondary market or ensuring the liquidity of Natixis stock;
- award bonus shares in accordance with the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code; or
- award or transfer shares to employees in connection with their share of Company profits or implement any Company or group employee savings plan (or similar plan) under the conditions provided for by law, in particular Articles L.3332-1 et seq. of the French Labor Code; or
- implement any Company stock option plan in accordance with the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code or any similar plan; or
- in general, honor obligations related to stock option programs or other share awards to employees or corporate officers of the issuer or a related company based on the provisions of Articles L.225-180 and L.225-197-2 of the French Commercial Code; or
- cancel all or a portion of the shares bought back accordingly; or
- tender shares in connection with the exercise of rights attached to securities convertible into the Company's shares, by way of redemption, ordinary conversion, exchange, presentation of a warrant or any other manner; or
- tender shares (for exchange, payment or another reason) in connection with acquisitions, mergers, spin-offs or asset transfers.

This program is also intended to enable the Company to implement any market practices that might be permitted by the AMF and, more generally, to conduct any other transaction that complies with the regulations in effect. In such a scenario, the Company will notify its shareholders by means of a press release.

Minimum purchase price – Maximum amount allocated to the program and maximum number of shares

Under this share buyback program, the Company may acquire its own shares subject to a maximum purchase price of **ten (10) euros per share** (price unchanged since 2015).

The Board of Directors would be authorized to set up a treasury share buyback program **up to a limit of 10% of the total number of shares comprising the Company's share capital**, or 5% of the total number of shares comprising the share capital of the Company with a view to their holding and delivering them in payment or in exchange in the context of a merger, demerger or contribution.

The Company cannot under any circumstance own at any given time more than 10% of the shares comprising its share capital.

The total amount allocated to the share buyback program may not exceed €3,155,951,502 as calculated on the basis of the share capital at December 31, 2020 (excluding the deduction of treasury shares at December 31, 2020).

Resolves that the acquisition, sale or transfer of the shares may take place at any time (except in public offer periods on the Company's shares), by any means, on regulated markets, multilateral trading platforms, with systematic internalizers or over the counter, including by means of the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be realized by this means), by a tender or exchange offer, or by using options or other forward financial instruments, or by the tendering of shares subsequent to the issue of securities giving access to the Company's capital by means of conversion, exchange or redemption, by exercising a warrant or by any other means, either directly or indirectly via an investment services provider.

Duration of the buyback program

As of its authorization by the General Meeting of May 28, 2021, this program will be valid for one year for a maximum duration of 18 months i.e. until November 28, 2022.

7.8 Dividend distribution policy

In accordance with the recommendation of the European Central Bank, Natixis' dividend distribution policy is based on prudent assumptions in order to be able, after potential distribution, to meet the applicable capital requirements and the conclusions of the prudential monitoring and evaluation process.

On December 15, 2020, the European Central Bank announced certain additional measures to regulate the distribution of dividends by banking institutions, given the context of the health crisis. This defines the following conditions and limits on the amount of dividends that may be distributed:

- the bank must be a beneficiary;
- the amount of dividends must not exceed 15% of cumulative profits (excluding exceptional or technical items) for the financial years 2019 and 2020 and the impact of the distribution must not represent more than 20 basis points of the CET 1 ratio as of December 31, 2020, the effect of which is the lower of the two;
- dividend payments must be approved in advance by the supervisor.

With the exception of fiscal year 2019, the Company has, in recent years, distributed a dividend representing more than 50% of net income Group share.

The Company cannot guarantee the amount of dividends that will be paid in respect of a fiscal year because this is dependent on the Group's financial position, results and recommendations from banking supervisory authorities.

In respect of the 2019 fiscal year, in view of the COVID-19 pandemic and the difficulty of assessing the economic and financial short- and medium-term consequences, and in line with the ECB's recommendations of March 27, 2020, the Board of Directors proposed to the General shareholders Meeting of May 20, 2020 that no dividend would be paid out (instead of the distribution of €31 cents per share initially planned). The General Shareholders' Meeting of May 20, 2020 therefore decided to allocate the distributable profit in full to retained earnings.

Given the limitations imposed by the supervisor, in this case compliance with the limit of 20 basis points of the CET 1 ratio as at December 31, 2020, the Board of Directors proposes to the General Shareholders' Meeting of May 28, 2021 the distribution of a dividend of six cents per share, representing the amount of €189,357,090.12 for fiscal year 2020.

In respect of previous years (2015 to 2019), Natixis has distributed the following dividends:

(in euros)	For 2019 fiscal year*	For 2018 fiscal year	For 2017 fiscal year	For 2016 fiscal year	For 2015 fiscal year
Net dividend per share	N/A	0.78	0.37	0.35	0.35
Pay-out ratio	N/A	64%	74%	85%	85%

* *Given the Covid 19 pandemic and in line with the ECB recommendations of March 27, 2020, the Company did not distribute dividends in 2019.*

7.9 Natixis shares and shareholders

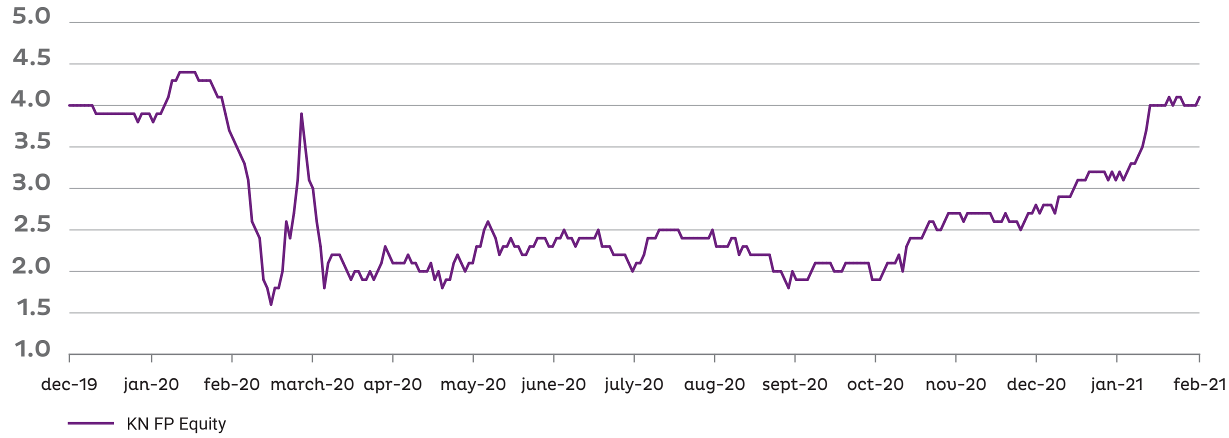
7.9.1 Stock market profile at December 31, 2020

Capital	€ 5,044,522,403.20
Number of shares	3,155,951,502
Stock market capitalization (reference share price = €2,7890)	€8,801,948,739.08
Trading	Euronext Paris (compartment A), eligible for deferred settlement
ISIN code	FR0000120685
Reuters code	CNAT. PA
Bloomberg France code	KN FP
Stock market indexes	SBF Top 80 EW (SBF80), SBF 120, CAC All-Tradable and Euronext 100

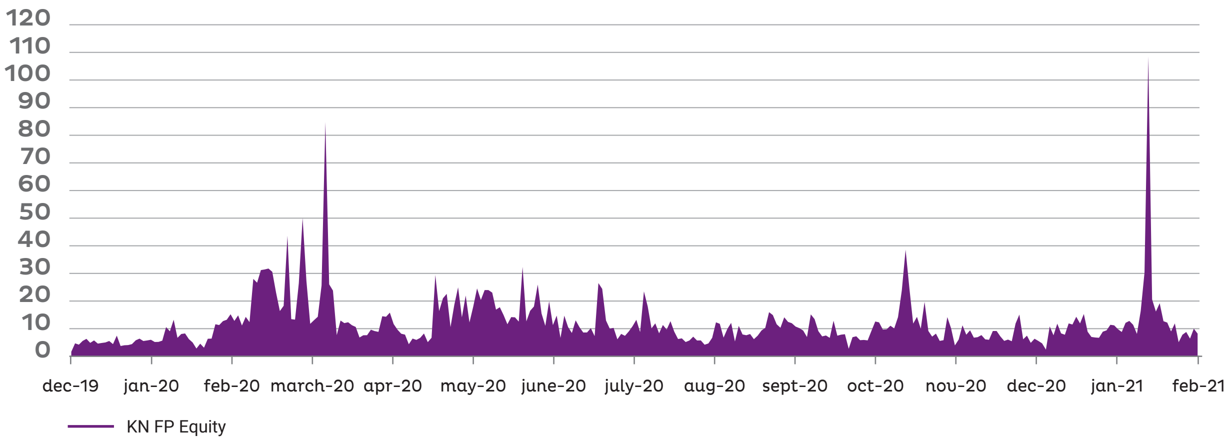
7.9.2 Share price information

Change in closing share price and number of shares traded

Change in share price since January 1, 2020 *(in euros)*



Daily volume *(in millions of shares traded)*



In 2020, the Natixis share fell by 30% (from €3.96 on December 31, 2019 to €2.79 on December 31, 2020), impacted by changes in the healthcare environment. Over the same period, the euro zone bank index (Euro Stoxx Banks) fell by 23%.

The average daily volume of Natixis shares traded on the market amounted to around 11.93 million shares in 2020 versus an average of around 5.87 million shares in 2019.

7.9.3 Shareholder scorecard

(in euros)	2020	2019	2018	2017	2016	2015
Earnings per share[(a)]	(0.01)	0.56	0.47	0.50	0,41	0.41
Net assets per share[(b)]	5.37	5.17	5.35	5.18	5.38	5.31
Net dividend per share	0.06	0.00	0.78	0.37	0.35	0.35
Number of shares	3,155,951,502	3,153,078,482	3,150,288,592	3,137,360,238	3,137,074,580	3,128,127,765
Pay-out ratio	NA	0%	64%	74%	85%	85%
Maximum price[(c)]	4.383	5.322	7.426	7.00	5.49	7.74
Minimum price[(c)]	1.6235	3.398	3.938	5.15	3.07	4.82

(a) *Calculated using the average number of shares (excluding treasury shares) during the period and after accounting for net interest payments on deeply subordinated notes after tax.*

(b) *Calculated using the number of shares at December 31 of the year in question and after paying out the proposed dividend for 2015, 2016, 2017, 2018, 2018, 2019 and 2020.*

(c) *Closing price.*

7.9.4 Natixis and its individual shareholders

Natixis's relationship and communication system for individual shareholders is made up of three tools:

- the toll-free number (0 800 41 41 41) which gives access to an information officer, from 9 a.m. to 6 p.m., Monday to Friday. The interactive voice response system provides information on the share price, the Company's financial calendar, the latest results and shareholders' Club events;
- a dedicated e-mail address for all shareholders' questions (*actionnaires@natixis.com*) and a dedicated e-mail address for the shareholders' Club (*clubactionnaires@natixis.com*) managed directly by the Individual shareholder Relations team;
- the website *(www.natixis.com)* that provides comprehensive information on Natixis. In the "Investors & shareholders" section, visitors can view or download press releases, key figures, Natixis' calendar and financial news, while the "shareholder Corner" section contains extensive editorial content and documents for individual shareholders.

The following two bodies also coordinate relations with individual investors:

The shareholders' Club

Created in November 2007, the Natixis shareholders' Club had 12,300 members at December 31, 2020.

Club members receive the newsletter, the shareholders' newsletter and the shareholders' guide.

The shareholders' Club website (*clubdesactionnaires.natixis.com*) includes all information and services relating to the Club.

Online video chat sessions have been held to discuss Natixis' earnings and strategy or other economic- or stock-market-related topics, and recordings of these chats were posted on our website (*www.natixis.com*) and sent to members of the shareholders' Club via our newsletters.

In partnership with École de la Bourse, training on taxation was also made available to members of the shareholders' Club.

Before the lockdown caused by the COVID-19 epidemic, as part of its sponsorship with Racing 92, Natixis was able to offer tickets to its shareholders for a match in Castres, as well as for matches in the Paris La Défense arena (SuperSevens, Stade Toulousain and Stade Rochelais). Then, due to the COVID-19 crisis and the closure of the Opéra de Paris, the Philharmonie and museums, as well as the ban on public racing, Natixis had to suspend its counterparty offer to its shareholders. Only tickets for the Musée des Tuileries and the Musée d'Orsay could be distributed at the end of the first lockdown.

Natixis shareholders' Consultative Committee (CCAN)

- The CCAN is an advisory body and sounding Board composed of 12 members who represent Natixis' individual shareholders. These members are themselves individual shareholders chosen through an application process that includes interviews. The Committee is in charge of all aspects of financial communication with individual investors, and in particular the communication tools at their disposal.
- In view of the health situation, in 2020 Committee members worked remotely. They were able to discuss Natixis news and the results of Natixis' 2020 third quarter and provide feedback to the Chief Financial Officer.
- Then, building on discussions held since 2017 on the redesign of the Natixis website, the Committee held a consultation with the employees of the Natixis Communication Department responsible for of this project. The new website was launched this year and warmly received by the Committee. Its members generally appreciate the content, the fluidity and the choice of tree structures and colors.
- All of the topics discussed, minutes of meetings and video presentations by members are available on the website.

2020 General Shareholders' Meeting

In the context of the health crisis, the General Shareholders' Meeting of Natixis was held behind closed doors – without the presence of shareholders – on May 20, 2020 and not at the Palais Brongniart in Paris, as initially planned. It was broadcast live by video on the Natixis website.

The meeting was chaired by Laurent Mignon in his capacity as Chairman of the Board of Directors of Natixis, who, after a brief reminder of the shareholder communication system, gave the floor to Natixis Chief Executive Officer, François Riahi.

The Company's results for the first quarter of 2020 and the financial structure were presented. François Riahi indicated that the Natixis Board of Directors had decided to follow the recommendations made by the European Central Bank (ECB) concerning the distribution of dividends in the context of uncertainties about the financial impact of the COVID-19 crisis.

As a result, it was no longer proposed to the meeting to distribute a dividend per share of €0.31 for fiscal year 2019 and that this distribution will be reviewed later by the Board of Directors based on ECB recommendations. Then, François Riahi ended his speech with a focus on the main strategic developments.

Laurent Mignon then gave a brief overview of Natixis' governance, its structure and the work of the Board of Directors. The video "Work of the Compensation Committee" by its Chairman Nicolas de Tavernost on the compensation of executives and the "regulated population" was then shown.

Then, the Statutory Auditors' reports certifying Natixis' financial statements for 2019 were presented.

The secretary of the meeting then shared the seven written questions received and the Chairman answered them. The questions of Les Amis de la Terre and Reclaim France concerned the following subjects: oil and shale gas, gas development in Mozambique, Total resolution (11 investors who submitted a climate resolution).

An individual shareholder asked questions about the delay in sending the notice of meeting and the waiver of the dividend payment in respect of 2019 according to the ECB's recommendations.

After explanations of the resolutions put to the vote by the secretary of the meeting, the results of the votes were posted.

The final quorum was 81.79%; the 19 resolutions were adopted with an approval rate of between 91.08% and 99.95%.

The full video broadcast and the presentation of the Shareholders' Meeting will be available for five years on the Natixis website under the heading "Our investors & shareholders", under Individual shareholders then Shareholders' Meeting.

7.9.5 Investor Relations

The core responsibility of the Investor Relations Department is to maintain clear and transparent dialog with the financial community on Natixis' financial standing, strategy, economic environment and any other information that would assist in accurately assessing Natixis' situation.

The Investor Relations Department provides information and resources to analysts and investors. To this end, a variety of sources is used: formal informational meetings during major events (publication of annual, interim and quarterly financial statements, etc.), road shows, conference calls and one-on-one interviews. The materials used in these meetings (press releases, presentations, etc.) as well as any other additional information (financial calendar, regulated information, corporate governance, Annual General Shareholders' Meeting, etc.) are available on Natixis' website in the Investor Relations section. From time to time, depending on current events, we also organize specific, themed presentations to give our financial partners and colleagues a better understanding of the general climate and Natixis' specific challenges.

Natixis organizes meetings with analysts and institutional investors throughout the year at roadshows or conferences organized by brokers in the main financial marketplaces. In 2020, the Investor Relations Department had to adapt to the health context by maintaining dialog with its stakeholders through the use of digital tools. As a result, most meetings were held virtually through videoconferences and teleconferences, with the average number of interactions in 2020 roughly equal to those in 2019.

Institutional investors and analysts can contact the Investor Relations Department by e-mail at *investorelations@natixis.com*.

8

GENERAL SHAREHOLDERS' MEETINGS

8.1 Terms and conditions of attendance by shareholders at General Shareholders' Meetings

8.1.1 Notice of General Shareholders' Meetings

General Shareholders' Meetings are convened by the Board of Directors or, failing this, under the conditions of Article L.225-103 of the French Commercial Code. Notices of meeting are prepared in accordance with the conditions laid out in the applicable regulations (Article 21 of the bylaws). Meetings take place either at the registered office or at another location specified in the notice.

8.1.2 Access to meetings

All shareholders whose shares are paid up may participate in General Meetings under the conditions provided for by law.

Shareholders who can prove their shares are in a custody account (pursuant to subparagraph 7 of Article L.228-1 of the French Commercial Code) in their name or in the name of an intermediary acting on their behalf, either in the registered share accounts held by the Company or in the bearer share accounts held by their authorized intermediaries, no later than two working days before the date of the meeting (by midnight Paris local time hereinafter referred to as D-2), may attend the meetings.

For holders of registered shares, such entry in the account by D-2 is sufficient to enable them to attend the meeting.

With respect to holders of bearer shares, proof of their status as a shareholder must be provided directly to the centralizing body of the meeting by the authorized intermediaries holding their bearer share accounts. The intermediaries do so by producing a certificate that must be attached to the voting form or admission card request in the name of the shareholder or the name of the registered intermediary acting on behalf of the shareholder. A certificate is also delivered to shareholders who wish to attend the meeting in person and who have not received an admission card by D-2, midnight Paris time.

An authorized proxy (namely the shareholder's spouse or another shareholder, a partner with whom the shareholder has a civil partnership, or any other individual or legal entity of their choice) may represent a shareholder at General Shareholders' Meetings. This proxy may not represent another person.

Under the terms and conditions set forth by law and regulations, shareholders wishing to vote by postal ballot may send their proxy and absentee voting ballots, either in paper format or, on the decision of the Board of Directors published in the notices of meeting, electronically.

By decision of the Board of Directors, the shareholders can also take part in the meetings via videoconferencing or vote by any means of telecommunication and teletransmission, including the Internet, under the conditions set forth in the regulations that are applicable at the time of using them.

8.1.3 Shareholders' rights

In line with the provisions of Article L.225-105 of the French Commercial Code and subject to the conditions and time frames set by law, one or more shareholders holding the requisite portion of share capital may request, by means of registered letter with acknowledgement of receipt, that items or draft resolutions be included on the meeting agenda.

In line with the provisions of Article 27 of the bylaws, each shareholder may, subject to the terms and conditions and at the times fixed by law, request a copy of the documents needed to allow them to form an informed opinion on the management and control of the Company. The nature of the documents and the terms and conditions for their dispatch or availability are determined by law and regulations.

8.1.4 Conditions for exercising voting rights

In line with the provisions of Article 25 of the bylaws, and as an exception to the granting of double voting rights to any fully paid-up shares that can be proved to have been registered in the name of the same shareholder for at least two years as stipulated by Article L.22-10-46 of the French Commercial Code, each member of the meeting has a right to as many votes as they hold or are represented by shares.

8.1.5 Identification of shareholders

In line with the provisions of Article 5 of the bylaws, the Company may, subject to the conditions provided for by the laws and regulations in force, request from any authorized organization or intermediary, all information relating to the holders of shares conferring immediately, or in the future, the right to vote at Shareholders' Meetings, notably their identity, nationality, address, the number of shares that they own and the restrictions that may be placed on these shares.

Disclosure thresholds

Any individual or legal entity that directly or indirectly owns, alone or jointly, a 1% share of the voting rights or any multiple of this percentage, must notify the Company, by registered letter with acknowledgement of receipt, of the number of voting rights that they possess. This notice must be made within a period of 15 days following each acquisition or sale of this fraction. Major holding notifications must be sent to Natixis' Investor Relations (30 avenue Pierre Mendès-France 75013 Paris).

Failure to comply with the notification requirement referred to in the previous paragraph shall, at the request of a shareholder owning at least 1% of the voting rights, which request shall be recorded in the minutes of the meeting, cause any shares in excess of the fraction that should have been declared to be stripped of their voting rights for a period of two years following the date on which they were properly reported.

Any shareholders that hold more than 1% of the voting rights and have already declared that they have crossed the statutory threshold, may obtain or consult the list of shareholders that have crossed the statutory threshold at Natixis' registered office or by contacting Natixis' Investor Relations (30 avenue Pierre Mendès-France 75013 Paris).

8.2 Combined General Shareholders' Meeting of May 28, 2021

8.2.1 Agenda

Ordinary resolutions

- Reports by the Board of Directors;
- Reports by the Statutory Auditors;
- Review and approval of the parent company financial statements for the fiscal year ended December 31, 2020;
- Review and approval of the consolidated financial statements for the fiscal year ended December 31, 2020;
- Appropriation of earnings for the fiscal year ended December 31, 2020 and setting of the dividend;
- Special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code;
- Approval of the information mentioned in Section I of Article L.22-10-9 of the French Commercial Code, pursuant to Article L.22-10-34 I of the French Commercial Code;
- Approval of the fixed, variable and non-recurring items constituting the total compensation and the benefits of any kind paid during fiscal year 2020 or granted in respect of the same fiscal year to Laurent Mignon, Chairman of the Board of Directors, pursuant to Article L.22-10-34 II of the French Commercial Code;
- Approval of the fixed, variable and non-recurring items constituting the total compensation and benefits of any kind paid during the period from January 1 to August 3, 2020 or allocated for the same period to François Riahi, Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code;
- Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the period from August 3 to December 31, 2020 or allocated for the same period to Nicolas Namias, Chief Executive Officer, pursuant to the Article L.22-10-34 II of the French Commercial Code;
- Approval of the compensation policy for the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code;
- Approval of the compensation policy for the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code;
- Approval of the compensation policy for the members of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code;
- Total amount of compensation paid in 2020 to the persons referred to in Article L.511-71 of the French Monetary and Financial Code;
- Ratification of the co-option of Catherine Leblanc as a director;
- Ratification of the co-option of Philippe Hourdain as a director;
- Renewal of the term of office of Nicolas de Tavernost;
- Appointment of Christophe Pinault as a director, following his resignation to promote the staggering of directors' terms of office;
- Appointment of Diane de Saint Victor as a director, following her resignation to promote the staggering of directors' terms of office;
- Appointment of Catherine Leblanc as a director, following her resignation to promote the staggering of directors' terms of office;
- Authorization to be given to the Board of Directors for the Company to buy back its own shares.

Extraordinary resolutions

- Delegation to the Board of Directors to reduce the share capital by canceling treasury shares;
- Delegation of authority to be given to the Board of Directors to decide on a share capital increase, through the issue of shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities, with rights to be preferential subscription rights;
- Delegation of authority to be given to the Board of Directors to decide on a share capital increase by issuance, by way of public offers other than those referred to in Article L.411-2 of the French Commercial Code, of shares/or securities giving access to the share capital or giving the right to the allocation of debt securities, with cancellation of preferential subscription rights;
- Delegation of authority to be given to the Board of Directors to decide on an increase in the share capital by issuing shares to the public referred to in Item 1 of Article L.411-2 of the French Monetary and Financial Code, of shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities, with cancellation of preferential subscription rights;
- Delegation of authority to be given to the Board of Directors to issue shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities in return for for contributions in kind relating to equity securities or marketable securities giving access to the Company's share capital, with cancellation preferential subscription rights;
- Delegation of authority to be given to the Board of Directors to decide on an increase in the share capital by incorporation of reserves, profits, issue premiums, or other;
- Delegation of authority to be given to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights;
- Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issuing shares or securities giving access to the share capital; reserved for members of savings plans, with cancellation of preferential subscription rights in favor of the latter;
- Ratification of the amendment to Article 25 of the bylaws in order to comply with the new legislative provisions;
- Powers to complete formalities.

8.2.2 Report of the Board of Directors on the resolutions submitted to the Combined General Shareholders' Meeting of May 28, 2021

The purpose of this report is to present the draft resolutions submitted by your Board of Directors to your General Shareholders' Meeting.

You may refer to the 2020 Universal Registration Document for an overview of the financial condition, activity and results of Natixis and its group during the past fiscal year and the various disclosures required by the legal and regulatory provisions in effect (also available on the Natixis website: *www.natixis.com*).

Twenty-nine resolutions will be submitted to the shareholders at the Combined General Shareholders' Meeting to be held at 3 p.m. on May 28, 2021 at Palais Brongniart, 25 place de la Bourse – 75002 Paris.

These resolutions can be categorized into two groups:

- The first nineteen resolutions (from the 1st to the 19th resolution) fall within the remit of the Ordinary General Meeting and concern: (i) approval of the financial statements and appropriation of earnings, (ii) approval of related-party agreements, (iii) approval of the disclosures referred to in I of Article L.22-10-9 of the French Commercial Code, (iv) approval of the elements comprising the total compensation and benefits of any kind paid during FY 2020 or granted for the same financial year to the Chairman of the Board of Directors and the Chief Executive Officer, (v) approval of the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors, (vi) the total amount of compensation paid during FY 2020 to the persons referred to in Article L.511-71 of the French Monetary and Financial Code, (vii) the ratification of the co-option of two (2) directors, (viii) the renewal of the term of office of one (1) director, (ix) the appointment of three (3) directors following their resignation to promote the staggering of the terms of office of directors, and (x) the Company's involvement on the market for its own shares,
- The following ten resolutions (from the 20th to the 29th resolution) fall within the remit of the Extraordinary General Shareholders' Meeting and concern (i) the renewal of all financial authorizations and delegations intended to give your Company the financial means to develop and carry out its strategy, (ii) the ratification of the amendment to the bylaws in order to comply with the applicable laws and regulations and (iii) powers to carry out the formalities related to this Combined General Shareholders' Meeting.

Resolutions requiring the approval of the Ordinary General Shareholders' Meeting (resolutions one to nineteen)

Approval of the financial statements for fiscal year 2020 (resolutions 1 and 2)

In resolutions one and two, the General Shareholders' Meeting is asked to approve the 2020 Natixis parent company and consolidated financial statements, respectively.

Comments on the parent company and consolidated financial statements are detailed in Natixis' 2020 Universal Registration Document.

Appropriation of 2020 earnings (3rd resolution)

The third resolution concerns the allocation of Natixis' earnings and proposes the payment of a dividend, paid in cash of €0.06 per share in line with ECB recommendations.

Natixis' parent company financial statements at December 31, 2020 showed positive net income of €142,691,880.31. After taking into account retained earnings of €3,250,193,296.65, and as the legal reserve exceeded 10% of the share capital, distributable earnings amounted to €3,392,885,176.96.

Resolution three proposes (i) to pay a dividend per share of €0.06 (six euro cents), charged in full against distributable earnings for fiscal year 2020, and (ii) to allocate the remaining distributable earnings to retained earnings.

Based on the share capital at December 31, 2020, on the assumption that no treasury stock existed on that date and without taking into account any shares with immediate dividend rights created after December 31, 2020, the total dividend will be €189,357,090.12 charged against distributable earnings and the balance (€3,203,528,086.84) will be allocated to retained earnings.

The dividend would be detached from the share on June 2, 2021 and paid from June 4, 2021.

For individual beneficiaries who are tax residents of France and hold shares outside of an equity savings plan, these dividends are subject to income tax:

- at a single flat-rate withholding tax (**PFU** tax) of 12.8%, the tax base of which is the gross amount of dividends (Article 200 A of the French General Tax Code); or
- at the express and irrevocable option of the beneficiary when declaring his/her income, at the **progressive income tax scale** following the application of an allowance of 40% of the gross amount of dividends (Article 158-3-2° of the French General Tax Code).

Regardless of the tax treatment of dividends for income tax purposes (flat tax on capital income [PFU] or progressive income tax scale), the paying establishment located in France must collect:

- a mandatory non-definitive flat-rate withholding tax (**PFO**) at a rate of 12.8% (Article 117 quater of the French General Tax Code) as an initial income tax payment, unless individual beneficiaries who are tax residents of France have applied for an exemption under the conditions set out in Article 242 quater of the French General Tax Code;
- social security charges of 17.2%.

When the progressive income tax scale is applied to dividends, the portion of social withholding tax corresponding to CSG (contribution sociale généralisée – general social security tax) is deductible from taxable income at a rate of 6.8%.

All the Company's shares are eligible for this tax treatment.

In accordance with legal provisions, the following dividends were distributed for the three fiscal years prior to fiscal year 2020:

Fiscal year	Number of shares on which a dividend was paid	Dividend per share (in euros)	Total (in euros)
2017	3,137,360,238	0.37	1,160,823,288.06
2018	3,150,288,592	0.78	2,457,225,101.76
2019	0	0(*)	0(*)

(*) *In view of the economic context linked to the Covid-19 epidemic and in line with the recommendations made by the European Central Bank (ECB) on March 27, 2020, the Company's Combined General Shareholders' Meeting of May 20, 2020 decided to allocate the entire distributable profit to retained earnings.*

Statutory Auditors' special report on the agreements referred to in Article L. 225-38 of the French Commercial Code (4th resolution)

The purpose of the fourth resolution is to approve the Statutory Auditors' special report on the related-party agreements referred to in Articles L.225-38 et seq. of the French Commercial Code. It should be noted that in the context of a company's business, agreements may be concluded directly or indirectly between it and another company with which it has common managers, or even between the company and its managers or with a shareholder holding more than 10% of the capital. To prevent potential conflicts of interest, these agreements are subject to prior authorization by the Board of Directors, and must be approved by the General Shareholders' Meeting, after the presentation of the Statutory Auditors' special report, which is the subject of the fourth resolution.

The Statutory Auditors' special report presents the agreements authorized by Natixis' Board of Directors during the fiscal year 2020. For information, this report also includes the agreements entered into prior to fiscal year 2020 and still effective during fiscal year 2020, which do not need to be re-approved by the General Shareholders' Meeting (see Chapter 8 section 8.2.4 of the Natixis 2020 Universal Registration Document).

Agreements authorized by your Board of Directors during fiscal year 2020:

- On June 23, 2020, the Board of Directors authorized the **signature of a partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, La Banque Postale Asset Management ("LBPAM"), in the presence of Natixis, BPCE and La Banque Postale ("LBP").**

The purpose of this agreement is to formalize a partnership aimed at creating a leading European player in asset management by combining, within Ostrum Asset Management, the activities and expertise of euro rate and credit management, as well as the insurance management of Ostrum Asset Management and La Banque Postale Asset Management. The agreement aims to combine, within Ostrum Asset Management, the core euro rate management activities and expertise, as well as the insurance management of Ostrum Asset Management and LBPAM.

Following the merger, Ostrum Asset Management will also have a technological and operational platform capable of meeting the needs of Ostrum Asset Management as well as providing services to certain affiliates of Natixis Investment Managers and LBP and to any third-party customers. This platform will have the following objectives:

- To offer insurance management at a competitive price and a service to the best market standards;
- To offer its corporate clients core euro rate management with the highest standards of operational efficiency to operate at a lower cost;
- To grow and welcome other customers outside the LBP and BPCE groups;
- To be fully compliant with the principles of socially responsible investment.

The proposed merger comes within this framework (it being specified that the activities of LBPAM and Ostrum Asset Management that are not intended to be pooled will have been transferred beforehand by these two entities). Following the merger, Ostrum Asset Management would be owned at 55% by Natixis Investment Managers (a subsidiary of Natixis) and at 45% by Topco (subsidiary of La Banque Postale).

The parties have agreed that following the merger, Ostrum Asset Management will retain the name of "Ostrum Asset Management".

This partnership agreement, signed on June 28, 2020, is submitted for approval to the General Shareholders' Meeting of May 28, 2021.

On the day of the transaction, **Laurent Mignon, Catherine Halberstadt, Alain Condaminas, Christophe Pinault** and **François Riahi** are interested parties.

- On December 17, 2020, the Board of Directors authorized the conclusion of the **outsourcing service agreement between Natixis on the one hand, and BPCE-IT/ALBIANT-IT on the other.**

The purpose of this outsourcing services contract, dated December 18, 2020, is to merge the Infrastructure, Production and Security activities of Natixis ("IPS") and BPCE IT in order to optimize and improve the quality of the IT services and production provided to Natixis. The consolidation of the IT infrastructure, security and application production activities of Natixis S.A.'s retail banking sector within BPCE-IT aims to transfer the management of IT infrastructure, security and applicative production activities for Retail Banking from the Infrastructure, Production & Security division, known as the "IPS division" to BPCE-IT. This "IPS division" brings together a group of employees and resources dedicated to the continuation of this activity. In order to guarantee the proper functioning of the entity, all of these resources are transferred to BPCE-IT. This operation entails the automatic transfer of employment contracts under the conditions provided for in Article L.1224-1 of the French Labor Code for employees reporting to the "IPS division" of Natixis S.A., as well as the recovery of certain contracts with service providers of the "IPS division". This merger and all of these transactions have been effective since January 1, 2021. This agreement is subject to the approval of the General Shareholders' Meeting of May 28, 2021.

As Natixis, BPCE IT and ALBIANT IT have a common manager in the person of **Nicole Etchegoinberry**, this outsourcing services contract constitutes a related-party agreement within the meaning of Article L.225-38 of the French Commercial Code.

The Company has published information releases on its website (*www.natixis.com*) presenting the main terms of these agreements.

Resolutions 5 to 12 relate to the compensation of corporate officers

Approval of the disclosures referred to in section I of Article L.22-10-9 of the French Commercial Code, pursuant to Article L.22-10-34 I of the French Commercial Code (5th resolution).

The fifth resolution proposes to the General Shareholders' Meeting to approve, in accordance with the provisions of Article L.22-10-34 I of the French Commercial Code, the disclosures referred to in Section I of Article L.22-10-9 of the French Commercial Code, in particular the disclosures relating to the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the directors (jointly referred to as the corporate officers) paid during the fiscal year 2020 or allocated for the same fiscal year. These disclosures are presented in the Board of Directors' corporate governance report in Chapter 2 Section 2.3 of the 2020 Universal Registration Document.

Opinion on the elements of the total compensation and benefits of any kind paid during the fiscal year 2020 or awarded for the same fiscal year to each executive corporate officer (6th to 8th resolutions)

The sixth, seventh and eighth resolutions submit for shareholder approval, in accordance with Article L.22-10-34 II of the French Commercial Code, the components of the total compensation and benefits of any kind paid during the fiscal year 2020 or allocated for the same fiscal year to Laurent Mignon, Chairman of the Board of Directors, François Riahi, Chief Executive Officer for the period from January 1 to August 3, 2020, and Nicolas Namias, Chief Executive Officer for the period from August 3, 2020 to December 31, 2020.

For each of these executive corporate officers, the corporate governance report presents a table setting out the mechanisms and amounts of compensation paid in 2020 or awarded in respect of this fiscal year. In this respect, it is recalled that, in accordance with Article L.22-10-34 of the French Commercial Code, the payment of the annual variable compensation of François Riahi and Nicolas Namias for the fiscal year 2020 is subject to the approval of the General Shareholders' Meeting. In this respect, the Board of Directors meeting of February 11, 2021 assessed the level of performance with regard to the assessment criteria defined for 2020 and decided to allocate a gross amount of €190,583 to Nicolas Namias. Furthermore, the Board decided not to grant annual variable compensation to François Riahi for the fiscal year 2020.

It should be noted that the Chairman of the Board of Directors does not receive variable compensation for his duties.

It should be noted that in accordance with the French Pacte Law of May 22, 2019, Natixis publishes the equity ratios for each executive corporate officer, which are reproduced below:

Compensation of the executive corporate officer in relation to:	Chairman of the Board of Directors	Chief Executive Officer
Average compensation of Natixis employees	2.7	10.3
Median compensation of Natixis employees	3.6	14.1

Approval of the compensation policy for the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors (9th to 11th resolutions)

The purpose of the ninth, tenth and eleventh resolutions is to submit for the approval of the shareholders, in accordance with Article L.22-10-8 of the French Commercial Code, the compensation policy for the Chairman of the Board of Directors (ninth resolution), the Chief Executive Officer (tenth resolution) and directors (eleventh resolution), as presented in the Board of Directors' corporate governance report.

After consulting with the Compensation Committee and before pay packages are approved by the General Shareholders' Meeting, the Board of Directors determines the various compensation components of Natixis' executive corporate officers based on the principles of competitiveness in comparison with market practices for similar positions, and the way said components relate to performance.

Executive corporate officers

The compensation policy applicable to the executive corporate officers has been updated with regard to severance and non-compete payments:

Regarding severance pay, it is specified that the assessment of the achievement of the objectives will be carried out over the two previous fiscal years, and not by half-year, in order to reflect the process of defining and monitoring budgets which is carried out over a full fiscal year. In addition, the data relating to the GNI and ROE used to assess the achievement of the budget will be the underlying data.

1. Average Natixis underlying net income over the two fiscal years preceding departure greater than or equal to 75% of the average budget forecast for the period;
2. Average underlying Natixis ROE over the two fiscal years preceding departure greater than or equal to 75% of the average budget forecast for the period;
3. Natixis cost/income ratio below 75% over the last half-year prior to departure.

The system of non-compete compensation is amended to be clarified and brought into line with the latest changes to the AFEP-MEDEF Code:

The payment of the non-compete compensation is excluded when the executive officer asserts his/her pension rights and no non-compete benefit may be paid beyond the age of 65.

It is also specified that the non-compete compensation must be paid in installments during its term.

Members of the Board of Directors

The overall annual budget for compensation to be allocated to members of the Board of Directors for attendance at Board and Committee Meetings is €650,000 *(see the 36th resolution of the Combined General Shareholders' Meeting of May 19, 2015)*.

The main changes to the compensation policy are as follows:

- the adjustment to the methods for distributing the overall annual compensation package to be allocated to the members of the Board of Directors in order to take into account the creation of the CSR Committee;
- waiver by the Chairman of the Board of Directors of any compensation due in respect of his office as Director[1].

(1) In accordance with the rules applicable within Groupe BPCE, the portion of compensation due to Laurent Mignon, as a director, was until now allocated and paid directly to BPCE.

On the basis of fifteen directorships and one non-voting member, the compensation of the members of the Board of Directors complies with the following rules:

	Compensation	
Governing body	Fixed portion (prorated to the term of office)	Variable portion
Board of Directors		
Chairman	N/A	N/A
Member	€8,000	€2,000/meeting *(capped at seven meetings)*
Audit Committee		
Chairman	€17,000	€2,000/meeting *(capped at six meetings)*
Member	€3,000	€1,000/meeting *(capped at six meetings)*
Risk Committee		
Chairman	€17,000	€2,000/meeting *(capped at six meetings)*
Member	€3,000	€1,000/meeting *(capped at six meetings)*
Appointment Committee		
Chairman	€15,000	€2,000/meeting *(capped at three meetings)*
Member	€2,000	€1,000/meeting *(capped at three meetings)*
Compensation Committee		
Chairman	€15,000	€2,000/meeting *(capped at four meetings)*
Member	€2,000	€1,000/meeting *(capped at four meetings)*
CSR Committee		
Chairman	€12,000	€2,000/meeting *(capped at two meetings)*
Member	€2,000	€1,000/meeting *(capped at two* meetings)
Strategic Committee		
Chairman	N/A	€12,000/meeting *(capped at one meeting)*
Member	N/A	€2,000/meeting *(capped at one meeting)*

Total amount of compensation paid in 2020 to the persons referred to in Article L.511-71 of the French Monetary and Financial Code (12th resolution)

In accordance with the provisions of Article L.511-73 of the French Monetary and Financial Code, the purpose of resolution twelve is to consult with shareholders at the General Shareholders' Meeting about the overall budget for compensation paid to Natixis employees referred to in Article L.511-71 of the same Code during fiscal year 2020.

The definition of regulated categories of staff at Natixis is primarily based on the principles set out in Directive 2013/36/EU, known as CRD IV, and the French Ministerial Order of November 3, 2014, and is determined according to criteria set by the European Banking Authority (EBA) in its regulatory technical standard published on December 16, 2013, and approved by the European Commission in Commission Delegated Regulation (EU) No. 604/2014 of March 4, 2014.

Total compensation paid to the above-mentioned Natixis employees during the fiscal year ended December 31, 2020, came to €180 million (excluding employer social security charges). Since variable compensation is paid out in tranches for several years after it is awarded, this amount is not the same as the amount of compensation awarded for fiscal year 2020. This amount includes:

- fixed compensation paid in 2020;
- variable compensation paid in 2020 for the year 2019;
- or paid in 2020 and awarded in previous fiscal years (2017, 2018 and 2019);
- as well as the free shares and performance shares awarded in 2016, 2017 and 2018, and delivered in 2020.

Ratification of the co-option of two directors (13th and 14th resolutions)

In the thirteenth and fourteenth resolutions, shareholders are asked to ratify the co-option of the following persons as Directors of your Company:

- Catherine Leblanc whose co-option took place at the Board of Directors meeting of June 23, 2020, to replace Bernard Dupouy, 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 year ended December 31, 2022; and
- Philippe Hourdain whose co-option took place at the Board of Directors meeting of June 23, 2020, to replace Thierry Cahn, who resigned, for the remainder of his term of office, i.e. until the end of the General Shareholders' Meeting called in 2022 to approve the financial statements for the year ended December 31, 2021.

Catherine Leblanc, 66 years, is Chairwoman of the Board of Directors of Banque Populaire Grand Ouest (see the fact sheet on Catherine Leblanc in chapter 2 "Corporate Governance" section 2.1.4 of the Natixis 2020 Universal Registration Document) and provides the Board of Directors with her expertise in the following areas: Banking, Finance, Corporate Management, Corporate Strategy, Human Resources and Governance/Legal.

Philippe Hourdain, 65 years, is Chairman of the Board of Directors of Banque Populaire du Nord (see the fact sheet on Philippe Hourdain in chapter 2 "Corporate Governance" section 2.1.4 of the Natixis 2020 Universal Registration Document) and provides the Board of Directors with his expertise in the following areas: CSR/Sustainable development, Banking, Corporate Strategy, Digital/Technology and Governance/Legal.

Renewal of the term of office of a director (15th resolution)

In the fifteenth resolution, shareholders are asked to renew the term of office of Nicolas de Tavernost, which will expire at the end of this Shareholders' Meeting, for a period of four (4) years ending at the end of the General Shareholders' Meeting called in 2025 to approve the financial statements for the fiscal year ended on December 31, 2024.

Nicolas de Tavernost is Chairman of the Management Board of Groupe M6 (see the fact sheet on Nicolas de Tavernost in chapter 2 "Corporate governance" section 2.1.4 of the Natixis 2020 Universal Registration Document).

The Board of Directors, on the proposal of the Appointments Committee, proposed the renewal of the term of office of Nicolas de Tavernost, who, since July 31, 2013, has provided his expertise in the following areas: CSR/Sustainable Development, Finance, Corporate Management, Corporate Strategy, Human Resources and International.

Appointment of three directors, following their resignation to promote the staggering of directorships (16th to 18th resolutions)

It should be noted that Natixis initiated a process of restaggering the terms of office at the Natixis General Shareholders' Meeting of May 23, 2018 in order to comply with recommendation no. 14.2 of the AFEP-MEDEF Corporate Governance Code, which provides for the organization of a staggering of terms of office "in order to avoid a block renewal and to favor a harmonious renewal of the directors".

In line with this process and in order to avoid a block renewal of directors in 2023, three directors (among the seven whose terms of office expire at the end of the Annual General Meeting in 2023), i.e. Christophe Pinault, Diane de Saint-Victor and Catherine Leblanc (i) resigned as Directors of the Company with effect from the date of the Board of Directors meeting held on May 28, 2021 preceding the Annual General Shareholders' Meeting held on the same day and (ii) agreed to reapply, during the same general meeting, for the office of Director.

Consequently, the 16th to 18th resolutions propose that the shareholders re-appoint:

- Christophe Pinault, Chairman of the Management Board of Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire (see the fact sheet on Christophe Pinault in Chapter 2 "Corporate Governance" section 2.1.4 of the Natixis 2020 Universal Registration Document), who has provided the Board of Directors with his expertise since May 28, 2019 in the following areas: Insurance, Payments, Asset and Wealth Management, CSR/Sustainability, Banking, Finance, Corporate Management, Risks/Regulatory Monitoring, Corporate Strategy, and Internal Control/Audit;
- Diane de Saint Victor, independent director (see the fact sheet on Diane de Saint Victor in Chapter 2 "Corporate Governance" section 2.1.4 of the Natixis 2020 Universal Registration Document), who has provided the Board of Directors with her expertise since April 4, 2019 in matters relating to the following areas: CSR/Sustainable development, Banking, Company management, Corporate strategy, Internal Control/Audit, Human resources, International and Governance/Legal;
- Catherine Leblanc, Chairwoman of the Board of Directors of Banque Populaire Grand Ouest (see the fact sheet on Catherine Leblanc in Chapter 2 "Corporate Governance" section 2.1.4 of the Natixis 2020 Universal Registration Document), who has provided the Board of Directors with her expertise since June 23, 2020 in the following areas: Banking, Finance, Company management, Corporate Strategy, Human Resources, and Governance/Legal;

as Directors, following their resignation to facilitate the staggering of the terms of office of directors, for a period of four (4) years ending at the end of the General Shareholders' Meeting called in 2025 to approve the financial statements for the year ended December 31, 2024.

Subject to the approval of resolutions 16 to 18 and at the end of the General Shareholders' Meeting of May 28, 2021, the staggering of the terms of office of the directors would be as follows:

2022 AGM	Dominique Duband, Philippe Hourdain, Anne Lalou, Bernard Oppetit
2023 AGM	Laurent Mignon, BPCE (represented by Catherine Halberstadt), Daniel de Beaurepaire, Catherine Pariset, and Henri Proglio (non-voting member)
2024 AGM	Alain Condaminas, Nicole Etchegoïnberry, Sylvie Garcelon
2025 AGM	Christophe Pinault, Diane de Saint Victor, Catherine Leblanc, Nicolas de Tavernost

Natixis would thus be in compliance with the recommendations of the Afep-Medef Corporate Governance Code on this subject.

Subject to the approval of resolutions 13 to 18, the composition of the Board of Directors would still include fifteen directors, one third of whom are independent directors, in compliance with the Afep-Medef Code of Corporate Governance. It would be composed of seven women and eight men, i.e. a proportion of female directors of 47%.

Authorization for the Company to buy back its own shares (19th resolution)

At December 31, 2020, Natixis held 4,014,663 of its own shares, i.e. 0.127% of its share capital, mainly intended for the promotion of Natixis shares on the financial markets under the liquidity contract.

Information on the use made of the previous share buyback authorization is provided in Chapter 7 "Capital and shareholding", section 7.1.1.2 of the 2020 Universal Registration Document.

Shareholders are asked to renew for a period of 18 months, the authorization to buy back shares granted to the Board of Directors, it being recalled that the maximum share price may not exceed ten (10) euros per share (price unchanged since the Annual General Meeting of May 19, 2015).

Thus, the Board of Directors would be authorized to set up a treasury share buyback program up to a **limit of 10% of the total number of shares comprising the Company's share capital,** or 5% of the total number of shares comprising the Company's share capital acquired with a view to being held and subsequently tendered in connection with a merger, spin-off or asset transfer. Besides, the Company cannot under any circumstance own at any given time more than 10% of the shares comprising its share capital.

These share purchases would be for the purposes of:

- managing the liquidity contract;
- allocating or transferring shares to employees in respect of their contribution of the Company profits, Employee Savings schemes or share buyback programs and to award free shares or any other form of share allocation to members of staff;
- canceling shares;
- tendering shares upon exercising rights attached to securities granting rights to capital;
- tendering shares (for exchange, payment or another reason) in connection with acquisitions, mergers, spin-offs or asset transfers;

This program is also intended to enable the Company to implement any market practices that might be permitted by the AMF and, more generally, to conduct any other transaction that complies with the regulations in effect. In such a scenario, the Company will notify its shareholders by means of a press release.

The maximum share price cannot exceed ten (10) euros per share.

These shares may be bought, sold or transferred at any time (except in the event of a takeover bid of the Company's shares) by any means (including block trades or the use of derivatives) in accordance with the regulations in effect (*see the summary table on the financial resolutions submitted to the shareholders in Appendix 1).*

Resolutions requiring the approval of the Extraordinary General Shareholders' Meeting (20 th to 29 th resolutions)

Reduction of the share capital by cancellation of treasury shares held by the Company (20th resolution)

In the twentieth resolution, the General Shareholders' Meeting is asked to renew the authorization granted to the Board of Directors for a period of 26 months to cancel, by way of a reduction in the share capital, all or part of the shares held by Natixis directly or acquired pursuant to the authorization granted by the Ordinary General Meeting, up to a limit of 10% of the share capital per period of 24 months. This authorization will invalidate any previous authorization of the same nature, up to the amount of unused amounts *(see hereafter the summary table on the financial resolutions presented to the General Meeting*).

Renewal of financial authorizations and delegations (21st to 27th resolutions)

The Board of Directors has financial authorizations and delegations granted to it in 2019 and which expire during the fiscal year 2021.

The General Shareholders' Meeting is, therefore, asked to renew these financial authorizations and delegations, which are all intended to give your Company the necessary flexibility to manage its financial structure (subject to certain limits/ceilings set out below), in particular by allowing the Board of Directors to increase the share capital, according to various methods and for various reasons set out below and in the summary table below.

The draft resolutions propose the renewal of the financial delegations previously authorized by the General Shareholders' Meeting of May 28, 2019.

The purpose of these authorizations and financial delegations is to allow your Board of Directors, within a period of 26 months from your General Shareholders' Meeting, to have flexibility in the choice of possible issues and to adapt, when the time comes with flexibility, the nature of the financial instruments to be issued according to the state and the possibilities of the French or international financial markets.

Thus, the twenty-first resolution aims to confer on the Board of Directors the authority to decide on the increase (immediate or future) of the share capital, with maintenance of the preferential subscription right*.

The twenty-second, twenty-third, twenty-fourth and twenty-seventh resolutions aim to confer on the Board of Directors the authority to decide to increase the share capital (immediately or in the future) - in accordance with various methods - with cancellation of preferential subscription rights.

These capital increases may be carried out either by issuing shares or by issuing securities that give access to the share capital or debt securities.

Consequently, these resolutions make it possible to carry out issues, with preferential subscription rights on the one hand (twenty-first resolution), and/or with cancellation of preferential subscription rights on the other hand (twenty-second, twenty-third, twenty-fourth and twenty-seventh resolutions), subject to compliance with the following limits:

- **global cap**: the nominal amount of all capital increases likely to be carried out immediately or in the future with the maintenance and/or cancellation of preferential subscription rights (21st to 27th resolutions) may not exceed €1.5 billion, i.e. approximately 30% of the existing capital to date; and
- **under ceiling**: the nominal amount of capital increases likely to be carried out immediately or in the future with cancellation of preferential subscription rights (22nd to 24th resolutions) may not exceed €500 million, i.e. 10% of the existing share capital.

Your Board of Directors proposes that you grant, for some of these resolutions, the option to cancel this preferential subscription right. Depending on market conditions, the nature of the investors concerned by the issue and the type of securities issued, it may be preferable, or even necessary, to waive the preferential subscription right, in order to place the securities in the best possible conditions, particularly when the speed of transactions is an essential condition for their success, or when the issues are carried out on foreign financial markets. Such a cancellation may make it possible to obtain a larger pool of capital due to more favorable issue conditions. Lastly, the law sometimes provides for this cancellation: specifically, the vote of the delegation authorizing your Board of Directors to issue shares reserved for members of savings plans (27th resolution) would entail, by law, the express waiver by the shareholders of their preferential subscription rights in favor of the beneficiaries of these issues.

In the event of an issue with cancellation of preferential subscription rights by way of public offers (other than those referred to in Article L.411-2 of the French Commercial Code), your Board of Directors may establish a priority right*, if applicable, with over-subscription privileges*.

In the context of certain specific transactions, the Board of Directors may (*see hereafter the summary table on the financial resolutions presented to the General Meeting*):

- decide to increase the share capital without preferential subscription rights, by means of public offers referred to in item 1 of Article L.411-2 of the French Monetary and Financial Code: **twenty-third resolution**. This resolution would delegate to the Board of Directors, the ability to carry out transactions through private placements* for the benefit of qualified investors or a limited circle of investors, up to the maximum legal limit of 20% of the share capital per year;
- decide to increase the share capital without preferential subscription rights in order to remunerate the contributions in kind granted to the Company up to a limit of 10% of the share capital at the time of issue: **twenty-fourth resolution**. The purpose of this resolution is to delegate to the Board of Directors the power to carry out external growth transactions financed by shares or securities giving access to the share capital issued by the Company as compensation for contributions in kind to the Company relating to shares or securities giving access to the share capital;
- decide to increase the share capital by incorporating premiums, reserves, profits or other: **twenty-fifth resolution**. The purpose of this resolution is to enable the Board of Directors to carry out, on one or more occasions, capital increases by incorporation of premiums, reserves, profits or other items, for which the capitalization will be legally and statutorily possible. This is an accounting mechanism that makes it possible to increase the Company's share capital without contributing funds. This resolution is the responsibility of the Extraordinary General Shareholders' Meeting which, by way of derogation, rules in accordance with the quorum and majority conditions of an Ordinary General Shareholders' Meeting;
- decide to increase the number of shares to be issued within the legal limits in the event of a capital increase with or without preferential subscription rights: this is the purpose of the **twenty-sixth resolution**;
- decide on a capital increase without preferential subscription rights reserved for members of a savings plan and up to a nominal value of fifty (50) million euros: this is the purpose of the **twenty-seventh resolution**. The purpose of implementing capital increases reserved for members of a savings plan would be to strengthen employee profit-sharing and closely involve employees in the development.

For each of these delegations (other than that covered by the 27th resolution), it would be stipulated that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of the delegation of authority as from the filing by a third party of a takeover bid for the shares of the Company and until the end of the offer period.

If the Board of Directors were to use a delegation of authority granted by your General Shareholders' Meeting, it would prepare, where applicable and in accordance with the law and regulations, at the time of its decision, an additional report describing the final terms and conditions of the transaction and would indicate its impact on the position of the holders of equity securities or securities giving access to the capital, in particular as regards their share of equity. This report and, where applicable, that of the Statutory Auditors, would be made available to the holders of equity securities or securities giving access to the share capital and then brought to their attention at the closest General Shareholders' Meeting.

These delegations of authority supersede, if applicable, any unused portion of any delegations with the same purpose and which may have been granted previously.

A summary table hereafter presents for each of these delegations, their terms, the applicable ceilings and the possible uses.

Ratification of the amendment of the bylaws (28th resolution)

In the twenty-eighth resolution, the shareholders are asked to ratify the decision taken by the Board of Directors, at its meeting of February 11, 2021, to amend Article 25 "Voting rights" of the Company's bylaws in order to update its wording with regard to Order no. 2020-1142 of September 16, 2020, creating a chapter on companies whose securities are admitted to trading on a regulated market or on a multilateral trading facility, within the French Commercial Code.

Authorization for formalities (29th resolution)

Finally, resolution twenty-nine concerns the granting of the powers required to complete the legal formalities and disclosures relating to this Combined General Shareholders' Meeting.

The Board of Directors has recommended voting in favor of adopting all the draft resolutions submitted to this Combined General Shareholders' Meeting.

* *Terms followed by an asterisk are defined in the glossary below.*

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Appendix 1: Summary table on the financial resolutions submitted to the General Shareholders' Meeting by your Board of Directors

No.	Purpose	Duration	Reasons for possible uses of the delegated power	Specific cap	Price or procedures for determining the price	Other information for comments
19	Authorization to trade in shares of the Company	18 months	Possible objectives for share buybacks by your Company: ■ Implementing Company stock option plans or similar plans ■ Awarding or transferring shares to employees ■ Awarding bonus shares to employees or corporate officers ■ Generally, honoring obligations related to stock option programs or other share allocations to employees or corporate officers of the issuer or a related company ■ Tendering shares upon exercising rights attached to securities granting rights to capital ■ Canceling all or a portion of the shares bought back ■ Tendering shares in connection with acquisitions, mergers, spin-offs or asset transfers ■ Market making for Natixis stock on the secondary market or ensuring the liquidity of Natixis stock through an investment services provider in connection with a liquidity contract ■ Any other goal authorized or that may be authorized by law or regulations in effect	■ Your Company may at no time hold a number of shares representing more than 10% of its share capital adjusted by transactions affecting it subsequent to this General Shareholders' Meeting ■ The number of shares acquired with a view to holding them or subsequently tendering them in connection with a merger, spin-off or asset transfer may not exceed 5% of the share capital ■ For liquidity contracts, the 10% ceiling is calculated net of the number of shares resold during the authorization period ■ Overall amount allocated to the buyback program: approximately €3.1 billion	■ Maximum purchase price of €10 per share (adjustable particularly in the case of a reverse share split)	■ Unusable authorization during public share offers ■ The Board of Directors will ensure that these buybacks are executed in accordance with prudential requirements, such as those established by regulation
20	Cancellation of treasury shares	26 months	Can be used to reduce your Company's share capital	■ No cancellation of more than 10% of the share capital per 24-month period		
21	Issue of shares and/or securities giving access to the Company's share capital* and/or securities giving entitlement to the allocation of debt securities **with maintained** of PSR*	26 months	■ May be used by your Board of Directors to decide on these issues, on one or more occasions.	■ Global cap: one and a half billion (1.5 billion) euros ■ Ceiling: one and a half billion (1.5 billion) euros to be deducted from the Global cap* ■ Caps provided excluding any additional amount issued to maintain the rights of holders of ecurities giving access to the Company's share capital*	■ Price set by your Board	■ Possibility of introducing a subscription right with over-subscription privileges* ■ Possibility of issuing (i) securities giving access to equity securities to be issued by a Subsidiary* and/or (ii) shares giving access to equity securities existing or giving entitlement to the allocation of debt securities, from a third-party company ■ Unusable authorization during public share offers

* *See defition in the glossary.*

No.	Purpose	Duration	Reasons for possible uses of the delegated power	Specific cap	Price or procedures for determining the price	Other information for comments
22	Issuance by way **of public offers (other than those referred to in Article L.411-2** of the French Monetary and Financial Code) of shares and/or securities giving access to the Company's share capital* or giving entitlement to the allocation of debt securities **with cancellation** of PSR*	26 months	▪ Possible use by your Board to decide on these issues and carry out issues without preferential subscription rights in favor of shareholders in France or abroad, through public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code. ▪ May be used to issue shares or securities giving access to the share capital* as compensation for shares of a company meeting the criteria set out in Article L.22-10-54 of the French Commercial Code as part of a public exchange offer initiated by your Company in France or abroad according to local rules, in which case your Board would be free to set the exchange ratio, as the price rules described below do not apply.	▪ Ceiling: five hundred (500) million euros ▪ Issue to be charged against the Global cap* ▪ Caps provided excluding any additional amount issued to maintain the rights of holders of securities giving access to the Company's share capital*	▪ Price set by your Board, at least equal to the Legal Minimum Price*	▪ Possibility of issuing shares after the issue of securities giving access to the Company's share capital by Subsidiaries* of your Company ▪ Possibility through a public offer of issuing (i) securities giving access to equity securities to be issued by a Subsidiary* and/or (ii) shares giving access to equity securities existing or giving entitlement to the allocation of debt securities, from a third-party company. ▪ Possibility of introducing, on the French market and if circumstances permit, a non-negotiable priority right*, which may include over-subscription rights*, for which the Board will set the exercise conditions. ▪ Unusable authorization during public share offers
23	Issuance by way of public offers referred to in Article L.411-2 of the French Monetary and Financial Code of shares and/or securities giving access to the Company's share capital* or giving entitlement to the allocation of debt securities **with cancellation** of PSR	26 months	▪ May be used by your Board to decide on these issues and to make offers through private placement*	▪ Ceiling: five hundred (500) million euros ▪ May not in any case exceed the legally set limit for this type of offer (to date, 20% of the share capital per year). ▪ Issue to be counted against the Global cap* and the ceiling of €500 million provided for by the resolution on issues by way of public offers (other than those referred to in Article L.411-2 of the French Monetary and financial Code) of shares and/or securities giving access to the Company's share capital or giving entitlement to the allocation of debt securities with waiver of PSR. ▪ Caps provided excluding any additional amount issued to maintain the rights of holders of securities giving access to the Company's share capital*	▪ Price of the shares and securities giving access to the share capital* set in the same manner as for the 22nd resolution	▪ Possibility of issuing shares after the issue of securities giving access to the Company's share capital by Subsidiaries* of your Company ▪ Possibility through a public offer of issuing (i) securities giving access to equity securities to be issued by a Subsidiary* and/or (ii) shares giving access to equity securities existing or giving entitlement to the allocation of debt securities, from a third-party company. ▪ Unusable authorization during public share offers

* *See definition in the glossary.*

No.	Purpose	Duration	Reasons for possible uses of the delegated power	Specific cap	Price or procedures for determining the price	Other information for comments
24	Issue of shares or securities giving access to the share capital* as compensation for contributions in kind relating to shares in unlisted companies	26 months	▪ Can be used for potential external growth transactions	▪ 10% of the share capital adjusted according to transactions affecting it after the date of this meeting ▪ Included in the ceiling for the 22nd resolution and in the Global cap* ▪ Caps provided excluding any additional amount issued to maintain the rights of holders of securities giving access to the Company's share capital*	▪ Your Board of Directors will approve the Contribution Auditors' report on the value of the contributions.	▪ As provided by law, delegation not applicable to remunerate a contribution under a public exchange offer initiated by your Company (see 21st resolution) ▪ Unusable authorization during public share offers
25	Incorporation of premiums, reserves, profits or other	26 months	▪ Can be used to incorporate reserves, profits or other into the capital, allowing the capital to be increased without any "new money" having to be contributed	▪ Global cap: one and a half billion (1.5 billion) euros ▪ Issue to be charged against the Global cap*	▪ Determination by your Board of the amount of the sums to be incorporated and the number of new equity securities and/or new nominal amount of existing equity securities	▪ Unusable authorization duringpublic share offers
26	Increase in the number of shares to be issued in the event of a capital increase with or without PSR*	26 months	▪ Can be used to reopen a capital increase at the same price as the transaction initially planned in the event of oversubscription (so-called *"greenshoe"* clause)	▪ For each issue, ceiling equal to the limit provided for under regulations in force on the issue date (currently, 15% of the initial issue). ▪ Included in the cap of the initial issue and charged against the Global Cap*	▪ Price identical to that of the initial transaction	
27	Issue of shares or securities giving access to the share capital reserved for members of savings plans with cancellation of preferential subscription rights (PSR)*	26 months	▪ Can be used to develop employee shareholding, in France or abroad	▪ Ceiling fifty (50) million euros ▪ Issue to be charged against the Global cap*	▪ Price set by your Board of Directors equal to the average of the prices listed for the twenty trading days preceding the date of the decision setting the date of the opening of the subscription, less the maximum discount provided for by law.	

* *See defition in the glossary.*

Appendix 2: glossary

Independent Director	In accordance with the Afep-Medef code and the internal rules of the Board of Directors (available online on Natixis' website: *www.natixis.com*), an independent director is a person who has no ties with the management, Company or Group of a nature liable to compromise their freedom of judgment or create a conflict of interest with the management, Company or Group. Accordingly, an independent member of the Board of Directors cannot: ▪ in the last five years, be or have been: ▪ an employee or executive corporate officer of the Company, ▪ an employee, executive corporate officer or director of a company consolidated under Natixis, ▪ an employee, executive corporate officer or director of BPCE or of a company consolidated by BPCE; ▪ an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which a designated employee of the Company or an executive corporate officer of the Company (currently or within the last five years) holds a directorship; ▪ a customer, supplier, investment or corporate banker: ▪ that is material for the Company or its Group, ▪ or for which the Company or its Group represents a significant portion of such person's business; ▪ have close family ties with a corporate officer; ▪ have been a Statutory Auditor of the Company within the last five years; ▪ have been a member of the Company's Board of Directors for more than 12 years. Independent director status is lost once a Board member has served for 12 years; ▪ receive variable compensation in cash or in shares, or any performance-linked compensation from the Company.
Related party agreement	Pursuant to Articles L.225-38 et seq. of the French Commercial Code, certain agreements are subject to prior authorization by the Board of Directors. The Statutory Auditors prepare a special report on these agreements which is presented to the General Shareholders' Meeting for its approval ("Related Party Agreements Procedure"). These agreements are those concluded, either directly or through an intermediary, between the Company and the following persons: ▪ its Chief Executive Officer; ▪ one of its Deputy Chief Executive Officers; ▪ one of its directors, one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a corporate shareholder, the Company that controls it within the meaning of Article L.233-3 of the French Commercial Code. Agreements in which any of the above-mentioned persons is indirectly involved are also subject to the Related Party Agreements Procedure. Finally, agreements between companies with common officers are also subject to the Related Party Agreements Procedure. The prior approval of the Board of Directors is justified by an explanation of the agreement's value for the Company, in particular by specifying the financial conditions attached.
Priority right	In exchange for the cancellation of the PSR*, your Board of Directors may introduce a priority right, if necessary with over-subscription privileges*. When provided, this right allows shareholders, like the PSR*, to subscribe to the proposed issue in proportion to the number of old shares they hold. However, unlike the preferential subscription right*, this priority right is exercisable during a priority period, currently set at least three trading days shorter than the period provided for the preferential subscription right*, and is not negotiable. This priority period cannot be offered for all issues: in the same way as for the PSR*, it may be preferable, or even necessary, not to propose this priority period, in order to place the securities under the best possible conditions. in particular when the speed of transactions is an essential condition for their success, or when the issues are carried out on foreign financial markets.
Preferential subscription rights or PSR	PSR is the acronym for "preferential subscription right". The "preferential subscription right" is the right for each shareholder to subscribe, for a period of at least five trading days from the start of the subscription period, a number of new shares in proportion to their shareholding in the share capital. This right is detachable and negotiable for the duration of the subscription period.
Subsidiaries	Companies in which your Company owns, directly or indirectly, more than 50% of the share capital.
Global cap	General cap for capital increases carried out pursuant to the 21st to 27th resolutions, equal to one and a half billion euros (1.5 billion)
Private placement (Article 411-2 (1) of the French Monetary and Financial Code)	These are issues by way of public offers referred to in Article L.411-2 (1) of the French Monetary and Financial Code. These offers to the public are intended exclusively for a restricted circle of investors acting on their own behalf or for qualified investors. The objective is to optimize access to capital for the Company and to benefit from the best market conditions, this method of financing being faster and simpler than a capital increase by public offering.
Minimum Legal Price	Minimum issue price stipulated by law on the date of issue, i.e. currently: ▪ For shares: weighted average of the prices of the last three trading sessions preceding the start of the public offering, less a maximum discount of 10%, if necessary, after adjusting this average to take account of the difference between the vesting dates. ▪ For securities giving access to the share capital*: price set so that, for any share issued under securities giving access to the share capital*, the total amount received by the Company in respect of these securities giving access to the share capital* is at least equal to the price of the share capital* regulatory minimum per share as determined in the previous point (as it was on the date of issue of the securities giving access to the share capital*).

Over-subscription privileges (subscription right with)	In certain cases, your Board of Directors may institute a subscription right with over-subscription privileges for the benefit of the shareholders. If it were instituted, in the event that subscriptions on an irreducible basis (i.e., by exercise of preferential subscription rights) were insufficient, the unsubscribed equity securities would be allocated to the shareholders who subscribed with over-subscription privileges to a number of shares greater to the number to which they could subscribe on a preferential basis, in proportion to the subscription rights they have and in any case within the limit of their requests.
Securities giving access to the share capital	Characteristics of the securities likely to be issued on the basis of the 21st to 27th resolutions: The 21nd to 27th resolutions presented to this General Shareholders' Meeting would enable your Board of Directors to decide on the issue of securities giving access to the Company's share capital, either by issuing new shares such as bonds convertible or redeemable for shares, or bonds with warrants, share subscription, either by delivering existing shares such as OCEANE bonds (bonds convertible into shares to be issued or exchangeable into existing shares); these securities could either take the form of debt securities as in the aforementioned examples, or equity securities, for example, with equity warrants. However, in accordance with the law, no equity securities that are convertible or convertible into debt securities may be issued. Conditions for the issuing of shares to which the securities giving access to share capital issued entitle the holder and dates on which these rights may be exercised: Securities giving access to share capital in the form of debt securities (for example, bonds convertible into or redeemable for shares, or bonds with share warrants attached) may entitle holders to shares at any time, during set periods, or at established dates. The shares may be provided by way of conversion (for example, of convertible bonds into shares), redemption (for example, bonds redeemable in shares), exchange (for example, bonds exchangeable for shares), or the presentation of a warrant (for example, bonds with share warrants attached) or by any other way, during the issue period, regardless of whether the holders of securities issued in this way have waived their preferential subscription rights. In accordance with the law, when your General Shareholders' Meeting delegates the authority to issue securities giving access to shares to be issued, the preferential subscription rights to the shares to which the securities issued entitle them are waived. For example, if your General Shareholders' Meeting adopted the 21st resolution, you would by law waive your preferential subscription right in respect of the shares that your Company would issue, if applicable, to redeem any bonds redeemable in shares.

8.2.3 Draft resolutions to the Combined General Shareholders' Meeting of May 28, 2021

Ordinary resolutions

First Resolution: Approval of the 2020 parent company financial statements

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary business, having reviewed the management report and the report of the Statutory Auditors on the parent company financial statements for the fiscal year ended on December 31, 2020, hereby approves said parent company financial statements as presented, including the balance sheet, income statement and notes to the financial statements, as well as the transactions reflected in these financial statements or summarized in these reports.

Second Resolution: Approval of the 2020 consolidated financial statements

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, having reviewed the management report and the report of the Statutory Auditors on the consolidated financial statements for the fiscal year ended on December 31, 2020, hereby approves said consolidated financial statements as presented, including the balance sheet, income statement and notes to the financial statements, as well as the transactions reflected in these financial statements or summarized in these reports.

Third Resolution: Appropriation of earnings for the 2020 fiscal year and setting of the dividend

The General Shareholders' Meeting, deliberating on the quorum and majority requirements for ordinary meetings, and having reviewed the management report, hereby:

- notes that the parent company financial statements finalized as of December 31, 2020, and approved by the shareholders at this meeting show earnings for the 2020 fiscal year of €142,691,880.31;
- notes that, after taking into account retained earnings of €3,250,193,296.65, and since the legal reserve is full (totaling more than 10% of the share capital) distributable earnings amounted to €3,392,885,176.96;
- resolves to appropriate the distributable earnings as follows:

(i) payment to shareholders, as a dividend, of €0.06 per share; and

(ii) allocation of the remaining distributable earnings to "Retained earnings."

Based on the share capital as of December 31, 2020, on the assumption that no treasury stock existed on that date and without taking into account any shares with immediate dividend rights created after December 31, 2020, distributable earnings will be allocated as follows:

Dividend	**€189,357,090.12**
Retained earnings	€3,203,528,086.84

It should be noted that dividends are not payable on shares owned by the Company. In the event that, during the payment of these dividends, the Company comes to own some of its own shares, the amounts corresponding to unpaid dividends that would have been payable on these shares will be recognized as retained earnings.

The General Shareholders' Meeting fully empowers the Board of Directors to determine the total amount of the dividend and consequently the amount of the remaining distributable earnings allocated to retained earnings, based on the number of treasury shares held on the dividend payment date.

For individual beneficiaries who are tax residents of France and hold shares outside of an equity savings plan, these dividends are subject to income tax:

- at a single flat-rate withholding tax (PFU) of 12.8%, the tax base of which is the gross amount of dividends (Article 200 A of the French General Tax Code); or
- at the express and irrevocable option of the beneficiary when declaring their income, at the progressive income tax scale following the application of an allowance of 40% of the gross amount of dividends (Article 158-3-2 of the French General Tax Code).

Regardless of the tax treatment of dividends for income tax purposes (flat tax on capital income [PFU] or progressive income tax scale), the paying establishment located in France must collect:

- a mandatory non-definitive flat-rate withholding tax (PFO) at a rate of 12.8% (Article 117 quater of the French General Tax Code) as an initial income tax payment, unless individual beneficiaries who are tax residents of France have applied for an exemption under the conditions set out in Article 242 quater of the French General Tax Code;
- social security charges of 17.2%.

When the progressive income tax scale is applied to dividends, the portion of social withholding tax corresponding to CSG (contribution sociale généralisée — general social security tax) is deductible from taxable income at a rate of 6.8%.

All the Company's shares are eligible for this tax treatment.

The ex-dividend date is June 2, 2021, with dividends payable as of June 4, 2021.

In accordance with legal provisions, the shareholders hereby note that for the three fiscal years prior to fiscal year 2020, the following dividends were distributed:

Fiscal year	Number of shares on which a dividend was paid	Dividend per share *(in euros)*	**Total** *(in euros)*
2017	3,137,360,238	0.37	1,160,823,288.06
2018	3,150,288,592	0.78	2,457,225,101.76
2019	0	0	0

Fourth resolution: Special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority required for ordinary meetings, having reviewed the special report of the Statutory Auditors on agreements subject to the provisions of Articles L.225-38 et seq. of the French Commercial Code, approves this report in all its provisions, as well as the new agreements to which it refers, authorized by the Board of Directors and entered into during the financial year ended on December 31, 2020.

Fifth resolution: Approval of the information referred to in Section I of Article L.22-10-9 of the French Commercial Code, pursuant to Article L.22-10-34 I of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby approves, pursuant to Article L.22-10-34 I of the French Commercial Code, the disclosures referred to in Section I of Article L.22-10-9 of the French Commercial Code, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the 2020 Natixis Universal Registration Document.

Sixth resolution: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during fiscal year 2020 or granted in respect of the same fiscal year to Laurent Mignon, Chairman of the Board of Directors, pursuant to Article L.22-10-34 II of the French Commercial Code

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and non-recurring items constituting the total compensation and benefits of any paid during fiscal year 2020 or granted in respect of the same fiscal year to Laurent Mignon, Chairman of the Board of Directors, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the 2020 Natixis Universal Registration Document.

Seventh resolution: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the period from January 1 to August 3, 2020 or awarded for the same period to François Riahi, Chief Executive Officer, pursuant to Article L.22-10-34 II of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and non-recurring items constituting the compensation and benefits of any paid during January 1 and August 3 of 2020 or granted in respect of the same fiscal year to François Riahi, Chief Executive Officer, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the 2020 Natixis Universal Registration Document.

Eighth resolution: Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the period from August 3 to December 31, 2020 or allocated for the same period to Nicolas Namias, Chief Executive Officer, in application of Article L.22-10-34 II of the French Commercial Code

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and non-recurring items constituting the total compensation and benefits of any paid during August 3 to December 31, 2020 or granted in respect of the same fiscal year to Nicolas Namias, Chief Executive Officer of the Board of Directors, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the 2020 Natixis Universal Registration Document.

Ninth resolution: Approval of the compensation policy for the Chairman of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, pursuant to Article L.22-10-8 of the French Commercial Code, hereby approves the compensation policy for the Chairman of the Board of Directors, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the Natixis Universal Registration Document.

Tenth resolution: Approval of the compensation policy for the Chief Executive Officer, pursuant to Article L.22-10-8 of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, pursuant to Article L.22-10-8 of the French Commercial Code, hereby approves the compensation policy for the Chief Executive Officer, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the Natixis Universal Registration Document.

Eleventh resolution: Approval of the compensation policy for the members of the Board of Directors, pursuant to Article L.22-10-8 of the French Commercial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, pursuant to Article L.22-10-8 of the French Commercial Code, hereby approves the compensation policy for the members of the Board of Directors, as set out in the corporate governance report presented in Chapter 2, Section 2.3 and Chapter 8, Section 8.2.2 of the Natixis Universal Registration Document.

Twelfth resolution: Total compensation paid in 2020 to the persons covered by Article L.511-71 of the French Monetary and Financial Code.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, consulted pursuant to Article L.511-73 of the French Monetary and Financial Code, hereby approves the overall budget for compensation of any kind in the amount of €180 million, paid during the fiscal year ended December 31, 2020, to employees referred to in Article L.511-71 of the same Code.

Thirteenth resolution: Ratification of the co-option of Catherine Leblanc as a Director

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary business, hereby ratifies the co-opting by the Board of Directors at its meeting on June 23, 2020, of Catherine Leblanc as a Director to replace Bernard Dupouy, who resigned, for the remainder of her term of office, i.e. until the adjournment of the 2023 General Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2022.

Fourteenth resolution: Ratification of the co-option of Philippe Hourdain as a Director

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby ratifies the co-opting by the Board of Directors at its meeting on June 23, 2020, of Philippe Hourdain as a Director to replace Thierry Cahn, who resigned, for the remainder of her term of office, i.e. until the adjournment of the 2022 General Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2021.

Fifteenth resolution: Renewal of the term of office of Nicolas de Tavernost

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, hereby resolves to reappoint Nicolas de Tavernost as a Director, for a period of four (4) years ending with the adjournment of the 2025 General Shareholders' Meeting held to approve the financial statements for the fiscal year ending December 31, 2024.

Sixteenth resolution: Appointment of Christophe Pinault as a Director, following his resignation to promote the staggering of the terms of office of the Directors

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for ordinary meetings, having reviewed the report of the Board of Directors, resolves to reappoint Christophe Pinault as a director, following his resignation in order to favor the staggering of Directors' terms of office, for a period of four (4) years ending at the close of the General Shareholders' Meeting called in 2025 to approve the financial statements for the financial year ended December 31, 2024.

Christophe Pinault indicated that he accepted this new mandate and that he did not hold any office and was not subject to any measure likely to prevent him from exercising it.

Seventeenth resolution: Appointment of Diane de Saint Victor as a Director, following her resignation to promote the staggering of the terms of office of the Directors

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for ordinary meetings, having reviewed the report of the Board of Directors, resolves to reappoint Diane de Saint Victor as a Director, following her resignation to favor her the staggering of the terms of office of Directors, for a period of four (4) years ending at the end of the General Meeting called to approve in 2025 the financial statements for the financial year ended December 31, 2024.

Diane de Saint Victor has indicated that she accepted this new mandate and that she did not exercise any function, and was not subject to any measure, likely to prevent her from exercising it.

Eighteenth resolution: Appointment of Catherine Leblanc as a Director, following her resignation to promote the staggering of the terms of office of the Directors

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, having reviewed the Board of Directors' report, resolves to reappoint Catherine Leblanc as a Director, following her resignation to support the staggering of Directors' terms of office, for a period of four (4) years ending at the close of the General Shareholders' Meeting called in 2025 to approve the financial statements for the financial year ended December 31, 2024.

Catherine Leblanc indicated that she accepted this new mandate and that she did not hold any office, and was not subject to any measure, likely to prevent her from exercising it.

Nineteenth resolution: Authorization to be given to the Board of Directors for the Company to buy back its own shares

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary meetings, having reviewed the report of the Board of Directors, hereby authorizes the Board of Directors, which may further delegate said authority, pursuant to the provisions of Articles L.22-10-62 et seq. and L.225-210 et seq. of the French Commercial Code, to buy back the Company's shares or to arrange for them to be bought back and:

1) resolves that these shares may be purchased to:

- market making for Natixis stock in the secondary market or ensuring the liquidity of Natixis stock;
- award of free shares in accordance with the provisions of Articles L.225-197-1 et seq. and L.22-10-59 Et seq. of the French Commercial Code; or
- award or transfer shares to employees in connection with their share of Company profits or implement any Company or group employee savings plan (or similar plan) under the conditions provided for by law, in particular Articles L.3332-1 et seq. of the French Labor Code; or
- implement any Company stock option plan in accordance with the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code or any similar plan; or
- in general, honor obligations related to stock option programs or other share awards to employees or corporate officers of the issuer or a related company based on the provisions of Articles L.225-180 and L.225-197-2 of the French Commercial Code; or
- cancel all or a portion of the shares bought back accordingly; or
- tender shares in connection with the exercise of rights attached to securities convertible into the Company's shares, by way of redemption, ordinary conversion, exchange, presentation of a warrant or any other manner; or
- tender shares (for exchange, payment or another reason) in connection with acquisitions, mergers, spin-offs or asset transfers.

This program is also intended to enable the Company to implement any market practices that might be permitted by the French Financial Markets Authority and, more generally, to conduct any other transaction that complies with the regulations in effect. In such a scenario, the Company will notify its shareholders by means of a press release.

2) resolves that Company share purchases may relate to a number of shares such that:

- the number of shares that the Company buys during the buyback program may not, at any time, exceed 10% of the shares comprising the Company's share capital, this percentage being applied to a capital amount adjusted in accordance with transactions impacting it subsequent to this General Shareholders' Meeting. It is specified that (i) the number of shares acquired with a view to being held and subsequently tendered in connection with a merger, spin-off or asset transfer may not exceed 5% of its share capital; and (ii) when shares are bought back to promote liquidity under the conditions set out by the General Regulations of the French Financial Markets Authority, the number of shares taken into account to calculate the 10% limit provided for by the first paragraph corresponds to the number of shares purchased, net of the number of shares resold during the authorization period,
- the number of shares that the Company holds at any time whatsoever may not exceed 10% of the shares comprising the Company's share capital on the date in question, pursuant to Article L.225-210 of the French Commercial Code;

3) resolves that the acquisition, sale or transfer of the shares may take place at any time, except in public offer periods, within the limits authorized by current legal and regulatory provisions, by any means, on regulated markets, multilateral trading platforms, with systematic internalizers or over the counter, including by means of the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be realized by this means), by a tender or exchange offer, or by using options or other forward financial instruments, or by the tendering of shares subsequent to the issue of securities giving access to the Company's capital by means of conversion, exchange or redemption, by exercising a warrant or by any other means, either directly or indirectly via an investment services provider.

The maximum purchase price under this resolution will be ten (10) euros per share (or the equivalent value of this amount on the same date in any other currency). This maximum price applies only to purchases decided from the date of this meeting and not to forward transactions entered into by virtue of an authorization given at a previous General Shareholders' Meeting and providing for purchases of shares subsequent to the date of this meeting. The shareholders delegate to the Board of Directors, in the event of a change in the par value of the share, capital increases by capitalization of reserves, bonus share awards, stock splits or reverse stock splits, distribution of reserves or of any other assets, redemption of capital, or any other transaction affecting the share capital, the power to adjust the maximum purchase price indicated above to take into account the impact of these transactions on the share value;

4) resolves that the aggregate amount allocated to the share buyback program authorized above may not exceed €3,155,951,502;

5) fully empowers the Board of Directors, which may further delegate said powers, to decide upon and implement this authorization, to specify its final terms and conditions if necessary and to determine its procedures, in order to carry out the buyback program and, in particular, to place any stock market order, enter into any agreement, allocate or reallocate the shares acquired to meet the objectives sought in accordance with the applicable legal and regulatory provisions, establish the terms and conditions according to which the rights of holders of securities or options will be protected, if appropriate, in accordance with legal, regulatory or contractual provisions, make any filings with the French Financial Markets Authority, and any other competent authorities, and complete all other formalities and, in general, do whatever is necessary.

The Board of Directors will ensure that these buybacks are executed in accordance with prudential requirements, such as those established by regulation.

This authorization is granted for a period of eighteen (18) months from this meeting. It voids from this day, as applicable, any unused part of any authorization previously delegated to the Board of Directors for the purpose of trading in the Company's shares, particularly that given by the shareholders in resolution sixteen of the Combined General Shareholders' Meeting of May 20, 2020.

Extraordinary resolutions

Twentieth resolution: Delegation to be given to the Board of Directors to reduce the share capital by canceling treasury shares

The General Shareholders' Meeting, ruling under the conditions of quorum and majority required for Extraordinary Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors to reduce the share capital in one or more minutes. several times, in the proportions and at the times that it decides, by canceling any quantity of treasury shares that it decides within the limits authorized by the law, in accordance with the provisions of Articles L.22-10-62 and of the French Commercial Code and L.225-213 of the same Code.

The maximum number of shares that may be canceled by the Company under this authorization, during a period of twenty-four months, is ten percent (10%) of the shares comprising the Company's share capital, at any time, whether, it being noted that this limit applies to an amount of the Company's share capital which will, if necessary, be adjusted to take into account transactions affecting the share capital subsequent to this General Shareholders' Meeting.

The General Meeting grants full powers to the Board of Directors to carry out any cancellation and capital reduction operation(s) that may be carried out under this authorization, amend the bylaws accordingly and carry out all formalities.

This authorization is granted for a period of twenty-six (26) months from the date of this meeting.

As of this date, it supersedes, if applicable, any portion not yet used, any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in the 26th resolution.

Twenty-first resolution: Delegation of authority to be given to the Board of Directors to decide on an increase in the share capital, through the issue of shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities, while maintaining preferential subscription rights

The General Shareholders' Meeting, ruling under the quorum and majority conditions for Extraordinary Meetings, having reviewed the report of the Board of Directors, and in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code, and in particular L.225-129-2 of said Code, and with the provisions of Articles L.228-91 et seq. of the said Code:

1) Delegates to the Board of Directors, with the option of subdelegation under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, in France or abroad, in the proportion and at the times determined at its discretion, either in euros or in any other currency or monetary unit established by reference to several currencies, through the issue of (i) shares, (ii) shares giving access to other shares, existing or to be issued, or giving entitlement to the allocation of debt securities of the Company and/or (iii) securities giving access to shares to be issued by the Company, issued for consideration or free of charge, governed by Articles L.228-91 et seq. of the French Commercial Code, it being specified that the subscription of shares and other securities may be made either in cash, or by offsetting receivables, or by capitalizing reserves, profits or premiums;

2) Delegates to the Board of Directors, with the option of subdelegation under the conditions laid down by law, its authority to decide on the issuance (i) of securities giving access to equity securities to be issued by a company in which the Company owns, directly or indirectly, more than half of the share capital and/or (ii) shares of a third-party company giving access to existing equity securities or giving entitlement to the allocation of debt securities;

3) Decides to set the following limits for the amounts of capital increases authorized in the event of use by the Board of Directors of this delegation of authority:
   - the maximum nominal amount of capital increases that may be carried out immediately or in the future under this delegation is set at one and a half billion (€1.5 billion),
   - the overall maximum nominal amount of capital increases that may be carried out immediately or in the future under this delegation and those granted pursuant to the 22nd, 23rd, 24th, 25th, 26th and 27th resolutions submitted to this meeting is set at one and a half billion (€1.5 billion),
   - to these caps will be added, where applicable, the nominal amount of shares to be issued in addition, in the event of new financial transactions, to preserve the rights of holders of securities giving access to the share capital,

4) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

5) If the Board of Directors uses this delegation:
   - resolves that the issue(s) will be reserved by preference for shareholders who may subscribe on an irreducible basis in proportion to the number of shares then owned by them,
   - acknowledges that the Board of Directors has the right to institute a subscription right with over-subscription privileges,
   - acknowledges that this delegation of authority automatically entails, in favor of the holders of the securities issued giving access to the shares to be issued by the Company, a waiver by the shareholders of their preferential subscription rights to the shares to which these securities will grant. rights immediately or in the future,
   - acknowledges that if the security issued is a security that is not a capital security giving access to equity securities to be issued by a company in which the Company directly or indirectly owns more than half of the share capital, the shareholders of the Company hold The Company have no subscription rights to the securities thus issued,
   - notes that, in accordance with Article L.225-134 of the French Commercial Code, if the statutory subscriptions and, where applicable, over-subscription privileges have not absorbed the entire capital increase, the Board of Directors may use one of the following options under the conditions provided for by law and in the order it determines:
     - limit the capital increase to the amount of the subscriptions provided that this amounts to at least three-quarters of the increase decided,
     - freely distribute all or part of the shares or, in the case of securities giving access to the share capital, the aforementioned securities whose issue has been decided but not subscribed,

  - offer to the public all or part of the shares or, in the case of securities giving access to the share capital, unsubscribed securities, on the French market or abroad,
- resolves that the issues of Company share subscription warrants may also be carried out by free allocation to the owners of the old shares, it being specified that the Board of Directors will have the option to decide that the allocation rights forming fractional shares shall not be granted. not tradable and the corresponding securities will be sold;

6) Decides that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of this delegation of authority as from the filing by a third party of a public offer for the Company's securities until the end of the offer period;

7) Decides that the Board of Directors shall have full powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:
   - decide on the capital increase and determine the securities to be issued,
   - determine the amount of the capital increase, the issue price and any issue premium charged,
   - determine the dates and terms of the capital increase, the nature, number and characteristics of the securities to be created; also decide, in the case of bonds or other debt securities, whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 French Commercial Code), set their interest rate (in particular interest at a fixed or variable rate or zero coupon or indexed) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, providing for their duration (fixed or indefinite), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue (including the granting of guarantees or sureties) and amortization (including repayment by delivery of Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or provide for the option for the Company to issue securities in the receivable (whether or not equivalent) in payment of interest, the payment of which would have been suspended by the Company, or take the form of complex obligations as defined by the stock market authorities (for example, because of their terms of repayment or payment, compensation or other rights such as indexation, option options); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
   - determine the payment method for shares or securities giving access to shares to be issued immediately or in the future,
   - set, where applicable, the terms and conditions for exercising the rights (where applicable, conversion, exchange or redemption rights, including by delivery of Company assets such as securities already issued by the Company), attached to the shares or securities giving access to the share capital to be issued and, in particular, to set the date, even retroactive, from which the new shares will bear rights, as well as all other conditions and procedures for carrying out the capital increase,
   - set the conditions under which the Company may, where applicable, purchase or trade in securities issued immediately or in the future, at any time or during set periods in order to cancel them or not, in accordance with legal provisions;
   - provide for the option of suspending the exercise of the rights attached to these securities in accordance with legal and regulatory provisions,
   - at its sole initiative, charge the costs of the capital increase to the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve,
   - determine and make any adjustments to take into account the impact of transactions on the Company's share capital, particularly in the event of a change in the nominal value of the share, a capital increase through the incorporation of reserves, the award of free shares, the division or consolidation of securities, dividend payments, reserves or premiums or any other assets, the amortization of capital, or any other transaction affecting equity or capital (including in particular in the event of a takeover bid and/or in the event of a change of control), and set any other terms and conditions to ensure, where applicable, the preservation of the rights of the holders of securities giving access to the share capital (including by way of cash adjustments),
   - record the completion of each capital increase and make the corresponding amendments to the bylaws,
   - in general, enter into any agreement, in particular for the successful completion of the planned issues, take all measures and carry out all formalities necessary for the issue, listing and financial service of the securities issued under this delegation of authority. as well as the exercise of the rights attached thereto;

8) Decides that this delegation of authority supersedes, from this date, any portion not yet used, any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in the 27th resolution.

Twenty-second resolution: Delegation of authority to be given to the Board of Directors to decide to increase the share capital by issue, by public offerings other than those referred to in Article L.411-2 of the French Commercial Code, shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities, with cancellation of preferential subscription rights

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for Extraordinary Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129 et seq. and L.22-10-49 et seq. of the French Commercial Code, in particular Articles L.225-129-2, L.225-135, L.225-136, L.22-10-51, L.22-10-52 and L.22-10-54 of the said Code, and with the provisions of Articles L.228-91 et seq. of the said Code:

1) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide to increase the share capital, in one or more installments, in the proportion and at the times it sees fit, in accordance with the law in France or abroad, by means of takeover bids other than those referred to in Article L.411-2 of the French Commercial Code, either in euros or in any other currency or monetary unit established by reference to several currencies, by issuing (i) shares, (ii) shares giving access to other shares, existing or to be issued, or giving entitlement to the allocation of debt securities of the Company and/or (iii) securities giving access to shares to be issued by the Company, issued for payment or free of charge, governed by Articles L.228-91 et seq. of the French Commercial Code, it being specified that shares and other securities may be

subscribed either in cash or by offsetting receivables, or by incorporation of reserves, profits or premiums. These securities may in particular be issued in order to remunerate securities contributed to the Company as part of a takeover bid carried out in France or abroad according to local rules (for example an Anglo-Saxon reverse merger) on securities meeting the conditions set out in Article L.22-10-54 of the French Commercial Code;

2) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide on the issue of shares to be issued by the Company following the issue, by companies including the Company. directly or indirectly holds more than half of the share capital in securities giving access to shares to be issued by the Company.

   This authorization entails, for holders of securities which may be issued by the companies within the Company's group, the waiver by shareholders of their preferential subscription right to subscribe any Company shares;

3) Delegates to the Board of Directors, with the option of subdelegation under the conditions laid down by law, its authority to decide on the issuance (i) of securities giving access to equity securities to be issued by a company in which the Company owns, directly or indirectly, more than half of the share capital and/or (ii) shares of a third-party company giving access to existing equity securities or giving entitlement to the allocation of debt securities;

4) Decides to set the following limits for the amounts of capital increases authorized in the event of use by the Board of Directors of this delegation:

   - the maximum nominal amount of capital increases that may be carried out immediately or in the future under this delegation is set at five hundred million (500 million) euros, it being specified that the maximum amount of capital increases carried out or likely to be realized in the future under this delegation will be deducted from the amount of the overall cap provided for in paragraph 3 of the 21st resolution submitted to this meeting or, as the case may be, on the amount of the overall cap that may be provided for by a resolution of the same nature that could succeed said resolution during the period of validity of this delegation,
   - the overall maximum nominal amount of capital increases that may be carried out immediately or in the future under this delegation and those granted under the 23rd and 24th resolutions and submitted to this meeting is set at five hundred million (€500 million),
   - to these ceilings will be added, where applicable, the nominal amount of shares to be issued, in the event of new financial transactions, to preserve the rights of the holders of securities giving access to the share capital;

5) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

6) Resolves to waive shareholders' preferential subscription rights to the shares and securities covered by this resolution, leaving it to the Board of Directors pursuant to Article L.22-10-51 of the French Commercial Code for a period and in accordance with the terms and conditions that it shall lay down in accordance with the applicable legal and regulatory provisions and for all or part of an issue carried out, a subscription priority period that does not give rise to a subscription period, to the creation of negotiable rights, which must be exercised in proportion to the number of shares held by each shareholder and may be supplemented by a subscription on a reducible basis, it being specified that securities not subscribed in this way may be the subject of public investment in France or abroad;

7) Acknowledges that if the subscriptions, including, where applicable, those of the shareholders, have not absorbed the entire issue, the Board may limit the amount of the transaction to the amount of subscriptions received under the condition that it reaches, at least, three-quarters of the decided issue;

8) Acknowledges that this delegation automatically entails, in favor of the holders of the securities issued giving access to the shares to be issued by the Company, the waiver by the shareholders of their preferential subscription rights to the shares to which these securities entitle them,

9) Decides that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of this delegation of authority as from the filing by a third party of a public offer for the Company's securities until the end of the offer period;

10) Notes that in accordance with Article L.22-10-52 of the French Commercial Code:

   - the price of directly issued shares shall be at least equal to the minimum provided for by the regulatory provisions applicable on the issue date (i.e. the average weighted share price for the last three trading days prior to the start of the public offering as defined in Regulation (EU) 2017/1129 of June 14, 2017, less 10%) after this average has been adjusted in the case of a difference between entitlement dates, where applicable,
   - the issue price of the securities giving access to shares to be issued by the Company and the number of shares to which conversion, redemption or more generally transformation of each security giving access to shares to be issued by the Company could give entitlement shall be such that the amount received immediately by the Company, plus, where applicable, the amount it is likely to receive subsequently for each share issued as a result of the issue of these securities shall be at least equal to the minimum subscription price as defined in the previous paragraph;

11) Decides that the Board of Directors shall have full powers, with the option of subdelegation under the conditions set by law, to implement this delegation of authority, in particular to:

   - decide on the capital increase and determine the securities to be issued,
   - determine the amount of the capital increase, the issue price and any issue premium charged,

- determine the dates and terms of the capital increase, the nature, number and characteristics of the securities to be created; also decide, in the case of bonds or other debt securities, whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 French Commercial Code), set their interest rate (in particular interest at a fixed or variable rate or zero coupon or indexed) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, providing for their duration (fixed or indefinite), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue (including the granting of guarantees or sureties) and amortization (including repayment by delivery of Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or provide for the option for the Company to issue securities in the receivable (whether or not equivalent) in payment of interest, the payment of which would have been suspended by the Company, or take the form of complex obligations as defined by the stock market authorities (for example, because of their terms of repayment or payment), compensation or other rights such as indexation, option options); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
- determine the payment method for shares or securities giving access to shares to be issued immediately or in the future,
- where applicable, set the conditions for exercising the rights (where applicable conversion, exchange and redemption rights, including through remittance of Company assets such as treasury stock or securities already issued by the Company) attached to the shares or securities that confer a right to the share capital to be issued and, in particular, to determine the date, even retroactively, from which the new shares will begin earning dividends and any other conditions relating to the capital increase,
- set the conditions under which the Company may, where applicable, purchase or trade in securities issued immediately or in the future, at any time or during set periods in order to cancel them or not, in accordance with legal provisions;
- provide for the option of suspending the exercise of the rights attached to these securities issued in accordance with legal and regulatory provisions,
- in the event of the issuance of securities for the purpose of remunerating securities tendered as part of a public offer with an exchange component (OPE), drawing up the list of securities tendered to the exchange, setting the terms and conditions. of the issue, the exchange ratio as well as, where applicable, the amount of the cash balance to be paid without the pricing terms of paragraph 10 of this resolution being applied and determining the terms and conditions of the issue as part of a public exchange offer, an alternative purchase or exchange offer, or a single offer proposing the purchase or exchange of the securities in question for a settlement in securities and in cash, either through a public tender offer (OPA) or exchange offer on a principal basis, together with a public tender offer or a subsidiary takeover bid, or any other form of public offer in accordance with the law. and the regulations applicable to said public offer,
- at its sole initiative, charge the costs of capital increases to the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve,
- make any adjustments to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the nominal value of the share, a capital increase by capitalization of reserves, or award of free shares. shares, division or consolidation of securities, distribution of reserves or any other assets, amortization of capital, or any other transaction involving equity or capital (including by way of public offering and /or in the event of a change of control), and set the terms and conditions under which the rights of holders of securities giving access to shares will be ensured, where applicable,
- record the completion of each capital increase and make the corresponding amendments to the bylaws,
- generally enter into any and all underwriting or other agreements, take any and all measures and perform any and all formalities related to the issue, listing and servicing of the securities issued under this authorization and the exercising of related rights;

12) Decides that this delegation of authority supersedes, from this date, any unused portion of any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in its 28th resolution.

Twenty-third resolution: Delegation of authority to be given to the Board of Directors to decide on an increase in the share capital by issuing shares to the public referred to in Item 1 of Article L.411-2 of the French Monetary and Financial Code, of shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities, with cancellation of preferential subscription rights

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for Extraordinary Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129 et seq. and L.22-10-49 et seq. of the French Commercial Code, in particular Articles L.225-129-2, L.225-135, L.225-136, L.22-10-51, and L.22-10-52 of the said Code, and the provisions of Articles L.228-91 et seq. of the said Code:

1) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide to increase the share capital, in one or more installments, in the proportion and at the times it sees fit, in accordance with the law in France or abroad, through public offers referred to in Article L.411-2 of the French Monetary and Financial Code, either in euros or in any other currency or monetary unit established by reference to several currencies, through the issue of (i) shares, (ii) shares giving access to other shares, existing or to be issued, or giving entitlement to the allocation of debt securities of the Company and/or (iii) securities giving access to shares to be issued by the Company, issued for consideration or free of charge, governed by Articles L.228-91 et seq. of the French Commercial Code, it being specified that shares and other securities may be subscribed either in cash, by offsetting receivables, or by incorporation of reserves, profits or premiums;

2) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide on the issue of shares to be issued following the issue of securities giving access to shares to be issued by the Company by companies in which the Company directly or indirectly holds more than half of the share capital or by companies that directly or indirectly own more than half of its share capital.

   This authorization entails, for holders of securities which may be issued by the companies within the Company's group, the waiver by shareholders of their preferential subscription right to subscribe any Company shares;

3) Delegates to the Board of Directors, with the option of subdelegation under the conditions laid down by law, its authority to decide on the issuance (i) of securities giving access to equity securities to be issued by a company in which the Company owns, directly or indirectly, more than half of the share capital and/or (ii) of shares giving access to existing equity securities or giving entitlement to the allocation of debt securities of a third-party company;

4) Decides to set the following limits for the amounts of capital increases authorized in the event of use by the Board of Directors of this delegation:
   - the maximum nominal amount of capital increases that may be carried out immediately or in the future under this delegation is set at five hundred million (€500 million),
   - in any event, the share issues carried out under this delegation will not exceed the limits provided for by the regulations applicable on the date of issue (to date, 20% share capital per year),
   - it is specified that the maximum amount of capital increases carried out or likely to be carried out in the future under this delegation will be deducted from (i) the amount of the overall cap provided for in paragraph 3 of the 21st resolution submitted to this meeting or, where applicable, on the amount of the overall ceiling that may be provided for by a resolution of the same nature that may succeed said resolution during the period of validity of this delegation and (ii) on the ceiling provided for in the paragraph 4 of the 22nd resolution submitted to this meeting or, as the case may be, the amount of the ceiling that may be provided for by a resolution of the same nature that could succeed said resolution during the period of validity of this delegation,
   - to these ceilings will be added, where applicable, the nominal amount of shares to be issued, in the event of new financial transactions, in order to preserve the rights of holders of securities giving access to the share capital;

5) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

6) Resolves to cancel shareholders' preferential subscription rights to the shares and securities covered by this resolution;

7) Acknowledges that if subscriptions have not absorbed the entire issue, the Board may limit the amount of the transaction to the amount of subscriptions received provided that this amount reaches, at least, the maximum amount of the issue, three-quarters of the issue decided;

8) Acknowledges that this delegation automatically entails, in favor of the holders of the securities issued giving access to the shares to be issued by the Company, the waiver by the shareholders of their preferential subscription rights to the shares to which these securities entitle them;

9) Decides that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of this delegation of authority as from the filing by a third party of a public offer for the Company's securities. until the end of the offer period;

10) Notes that in accordance with Article L.22-10-52 of the French Commercial Code:
   - the price of directly issued shares shall be at least equal to the minimum provided for by the regulatory provisions applicable on the issue date (i.e. the average weighted share price for the last three trading days prior to the start of the public offering as defined in Regulation (EU) 2017/1129 of June 14, 2017, less 10%) after this average has been adjusted in the case of a difference between entitlement dates, where applicable,
   - the issue price of the securities giving access to shares to be issued by the Company and the number of shares to which conversion, redemption or more generally transformation of each security giving access to shares to be issued by the Company could give entitlement shall be such that the amount received immediately by the Company, plus, where applicable, the amount it is likely to receive subsequently for each share issued as a result of the issue of these securities shall be at least equal to the minimum subscription price as defined in the previous paragraph;

11) Decides that the Board of Directors, with the option of subdelegation under the conditions set by law, shall have full powers to implement this delegation of authority, in particular to:
   - decide on the capital increase and determine the securities to be issued,
   - determine the amount of the capital increase, the issue price and any issue premium charged,
   - determine the dates and terms of the capital increase, the nature and characteristics of the securities to be created; also decide, in the case of bonds or other debt securities, whether or not they are subordinated (and, where applicable, their rank of subordination, in accordance with the provisions of Article L.228-97 of the Code), set their interest rate (in particular interest at a fixed or variable rate or at a zero coupon or indexed) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, providing for their duration (fixed or undetermined), the possibility of reducing or increasing the nominal value of the securities and the other terms of issue (including the granting of guarantees or sureties) and amortization (including redemption by delivery). Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription of bonds or other debt securities, or provide for the option for the Company to issue securities in the receivable (whether or not equivalent) in payment of interest, the payment of which would have been suspended by the Company, or take the form of complex obligations as defined by the stock market authorities (for example, because of their terms of repayment or payment), compensation or other rights such as indexation, option options); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,

- determine the payment method for shares or securities giving access to shares to be issued immediately or in the future,
- where applicable, set the conditions for exercising the rights (where applicable conversion, exchange and redemption rights, including through remittance of Company assets such as treasury stock or securities already issued by the Company) attached to the shares or securities that confer a right to the share capital to be issued and, in particular, to determine the date, even retroactively, from which the new shares will begin earning dividends and any other conditions relating to the capital increase,
- set the conditions under which the Company may, where applicable, purchase or trade in securities issued immediately or in the future, at any time or during set periods in order to cancel them or not, in accordance with legal provisions;
- provide for the option of suspending the exercise of the rights attached to these securities issued in accordance with legal and regulatory provisions,
- at its sole initiative, charge the costs of capital increases to the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve,
- make any adjustments to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the nominal value of the share, a capital increase by capitalization of reserves, or free allocation of shares. shares or equity securities, division or consolidation of securities, distribution of reserves or any other assets, amortization of capital, or any other transaction affecting equity or capital (including by way of public offering and/or in the event of a change of control), and set the terms and conditions under which the rights of holders of securities giving access to the share capital will be ensured, if applicable,
- record the completion of each capital increase and make the corresponding amendments to the bylaws,
- generally enter into any and all underwriting or other agreements, take any and all measures and perform any and all formalities related to the issue, listing and servicing of the securities issued under this authorization and the exercising of related rights;

12) Notes that this delegation of authority does not invalidate the 22nd resolution of this meeting relating to public offers other than those referred to in Item 1 of Article L.411-2 of the French Commercial Code, whose validity and term are not affected by this delegation;

13) Decides that this delegation of authority supersedes, from this date, any unused portion of any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in its 29th resolution.

Twenty-fourth resolution: Delegation of authority to be given to the Board of Directors to issue shares and/or securities giving access to the share capital or giving entitlement to the allocation of debt securities in return for contributions in kind relating to equity securities or securities giving access to the Company's share capital, with cancellation of preferential subscription rights

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for Extraordinary Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.22-10-53 and L.225-147 of the French Commercial Code:

1) Authorizes the Board of Directors, under the conditions set by law, to carry out a capital increase in one or more installments, up to a limit of 10% of the share capital at the time of issue, this percentage applying to capital adjusted according to transactions affecting it subsequent to this General Shareholders' Meeting, to pay for contributions in kind granted to the Company and consisting of equity securities or securities giving access to the capital, where the provisions of Article L.22-10-54 of the French Commercial Code do not apply, through the issue, in one or more installments, of (i) shares, (ii) shares giving access to other shares, existing or to be issued, or giving entitlement to the allocation of debt securities of the Company and/or (iii) securities giving access to shares to be issued by the Company, it being specified that the maximum nominal amount of capital increases realized or likely to be realized in the future pursuant to this resolution shall be deducted from the nominal cap of the capital increases authorized by this meeting in paragraph 4 of 22nd resolution and the amount of the global cap provided for in paragraph 3 of the 21st resolution or, as the case may be, the amount of the caps provided for by resolutions of the same nature that may succeed said resolutions during the period of validity of this delegation;

2) Decides that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of this delegation of authority as from the filing by a third party of a public offer for the Company's securities. until the end of the offer period;

3) Decides that the Board of Directors shall have full powers, under the conditions set by law, to implement this resolution, in particular to:
   - decide on the capital increase in consideration for the contributions and determine the securities to be issued,
   - approve the list of securities contributed, approve the valuation of the contributions, set the conditions for the issue of the securities remunerating the contributions, as well as, where applicable, the amount of the balance to be paid, approve the granting of special benefits, and reduce, if the contributors so agree, the valuation of the contributions or the compensation of special benefits,
   - determine the characteristics of the securities remunerating the contributions and determine the terms and conditions under which the rights of holders of securities giving access to the share capital will be ensured, if applicable,
   - at its sole initiative, charge the costs of capital increases to the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve,

- record the completion of each capital increase and make the corresponding amendments to the bylaws,
- in general, take all measures and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights attached thereto;

4) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

5) Decides, as necessary, to cancel, in favor of the holders of equity securities or securities subject to contributions in kind, the preferential subscription rights of shareholders to the shares and securities thus issued;

6) Decides that this delegation of authority supersedes, from this date, any portion not yet used, any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in its 30th resolution.

Twenty-fifth resolution: Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by capitalizing reserves, profits, issue premiums, or other

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority for ordinary meetings, having reviewed the report of the Board of Directors and in accordance with the provisions of Articles L.225-130 and L.22-10-50 of the French Commercial Code:

1) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide to increase the share capital in one or more installments in the proportion and at the times it sees fit through the incorporation of reserves, profits, premiums or other line items that may be capitalized in accordance with the law and the Company bylaws, through the issue of new equity securities or an increase in the par value of existing equity securities or through a combination of these two methods. The nominal amount of capital increases likely to be carried out in this respect immediately or in the future may not exceed one and a half billion (€1.5 billion), it being specified that the maximum nominal amount of capital increases carried out or likely to be realized in the future under this resolution will be deducted from the amount of the overall cap provided for in paragraph 3 of the 21st resolution submitted to this meeting or, as the case may be, the amount of the overall ceiling that may be provided for by a resolution of the same nature that could succeed said resolution during the period of validity of this delegation;

2) If the Board of Directors uses this delegation of authority, delegates to it all powers, with the option of subdelegation under the conditions set by law, to implement this delegation, to the effect in particular of:
   - set the amount and nature of the sums to be incorporated into the share capital, set the number of new equity securities to be issued and/or the amount by which the par value of existing equity securities will be increased, set the date, even retroactive, as from which the nominal value of the existing equity securities will be increased. the new equity securities will carry dividend rights or that to which the increase in the nominal value of the existing equity securities will have effect,
   - decide, in the event of distribution of free equity securities, that the fractional rights will not be negotiable and that the corresponding equity securities will be sold; the sums resulting from the sale will be allocated to the rights holders under the conditions provided for by law and regulations,
   - make any adjustments to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the nominal value of the share, a capital increase by incorporation of reserves, or award of free shares. shares or equity securities, division or consolidation of securities, distribution of reserves or any other assets, amortization of capital, or any other transaction affecting equity or capital (including by way of public offering and/or in the event of a change of control), and set the terms and conditions under which the rights of holders of securities giving access to the share capital will be ensured, if applicable,
   - record the completion of each capital increase and make the corresponding amendments to the bylaws,
   - in general, enter into any agreement, take all measures and carry out all formalities necessary for the issuance, listing and financial servicing of the securities issued under this delegation and for the exercise of the rights therein. are attached;

3) Decides that the Board of Directors may not, without prior authorization by the General Shareholders' Meeting, make use of this delegation of authority as from the filing by a third party of a public offer for the Company's securities until the end of the offer period;

4) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

5) Decides that this delegation of authority supersedes, from this date, any portion not yet used, any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in its 31st resolution.

Twenty-sixth resolution: Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights.

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority conditions for Extraordinary Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of Article L.225-135-1 of the French Commercial Code:

1) Delegates to the Board of Directors its authority, with the option of subdelegation under the conditions set by law, to decide to increase the number of shares to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that used for the initial issue, within the time limits and within the limits stipulated by the regulations applicable on the date of the issue (to date, within thirty days of the closing date of the subscription and within the limit of 15% of the initial issue), in particular with a view to granting an over-allocation option in accordance with market practices;

2) Decide that the nominal amount of the capital increases decided by this resolution will be deducted from the amount of the cap or caps applicable to the initial issue;

3) Sets at twenty-six (26) months, as from the date of this meeting, the period of validity of the delegation of authority covered by this resolution;

Twenty-seventh resolution: Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by issuing shares or securities giving access to the share capital, reserved for members of savings plans with cancellation of preferential subscription rights in favor of the latter

The General Shareholders' Meeting, deliberating in accordance with the conditions of quorum and majority for Extraordinary Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 I and II, L.225-138-1, L.228-91 and L.228-92 of the French Commercial Code, and of Articles L.3332-18 to L.3332-24 of the French Labor Code:

1) Delegates to the Board of Directors, with the option of subdelegation under the conditions set by law, its authority to decide to increase the share capital, in one or more installments, for a maximum nominal amount of fifty (50) million euros, through the issue of shares or securities giving access to the share capital, reserved for members of one or more employee savings schemes set up within a company or group of companies, whether French or foreign, falling within the scope of consolidation or combination of the Company's financial statements pursuant to Article L.3344-1 of the French Labor Code; it being specified that (i) this resolution may be used for the purpose of implementing leverage formulas and (ii) the maximum nominal amount of capital increases carried out or likely to be carried out in the future under this delegation will be deducted from the global cap provided for in paragraph 3 of the 21st resolution submitted to this Shareholders' Meeting or, as the case may be, on the amount of the overall cap that may be provided for by a resolution of the same nature that may succeed said resolution during the period of validity of this delegation and is set without taking into account the par value of the shares to be issued to preserve, in accordance with the law and, where applicable, the contractual provisions providing for other cases of adjustment, the rights of the holders of securities giving access to the share capital;

2) Sets at twenty-six (26) months, from the date of this meeting, the period of validity of the issuance delegation covered by this delegation;

3) Decides that the issue price of the new shares will be equal to the average of the prices quoted during the twenty trading sessions preceding the day of the decision setting the opening date of the subscription, less the maximum discount provided for by law on the date of the decision of the Board of Directors, it being specified that the Board of Directors may reduce this discount if it deems it appropriate, in particular in the event of an offer to members of a company savings plan of securities on the international market and/or abroad in particular in order to meet the requirements of applicable local laws;

4) Authorizes the Board of Directors to allocate, free of charge, to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital to be subscribed in cash, shares or securities giving access to the share capital to be issued or already issued, as a substitute for all or part of the discount and/or the matching contribution, it being understood that the benefit resulting from this allocation may not exceed the legal or regulatory limits applicable under Articles L.3332-11 and L.3332-21 of the French Labor Code;

5) Decides to waive, in favor of the beneficiaries indicated above, the shareholders' preferential subscription rights to shares and securities giving access to the share capital covered by this delegation, said shareholders also waiving, in the event of an award of free shares to the beneficiaries indicated below, any right to such shares or securities giving access to share capital, including the portion of reserves, profits or premiums incorporated into share capital to the extent of such award on the basis of this resolution;

6) Authorizes the Board of Directors, under the conditions of this delegation, to sell shares to members of a company or group savings plan (or similar plan) as provided for by Article L.3332-24 of the French Labor Code, it being specified that the sale of shares carried out at a discount in favor of the members of one or more employee savings schemes referred to in this resolution will be deducted up to the nominal amount of the shares thus sold up to the caps referred to in paragraph 1 above;

7) Decides that the Board of Directors shall have full powers to implement this delegation, with the option of subdelegation under the conditions set by law, within the limits and under the conditions specified above, in particular:

- to draw up, under the legal conditions, the list of companies whose beneficiaries indicated above may subscribe to the shares or securities giving access to the capital thus issued and, where applicable, benefit from the shares or securities giving access to the capital allocated free of charge,
- to decide that subscriptions may be made directly by the beneficiaries, members of a company or group savings plan (or similar plan), or through company mutual funds or other structures or entities. permitted by applicable legal or regulatory provisions,
- determine the conditions, in particular regarding length of service, to be met by the beneficiaries of the capital increases,
- set the opening and closing dates for subscriptions,
- to set the amounts of the issues that will be carried out pursuant to this authorization and to determine in particular the issue prices, dates, deadlines, terms and conditions of subscription, payment, delivery and enjoyment of the securities (even retroactive) the reduction rules applicable in the event of over-subscription as well as the other terms and conditions of the issues, within the legal or regulatory limits in force,
- in the event of an award of free shares or securities giving access to the share capital, to set the nature, characteristics and number of shares or securities giving access to the share capital to be issued, and the number to be allocated to each beneficiary, and to set the dates, deadlines, terms and conditions for the allocation of these shares or securities giving access to the share capital within the legal and regulatory limits in force and in particular to choose either to replace all or part of the allocation of these shares or securities. securities giving access to the share capital at the discount referred to above, either to deduct the equivalent value of these shares or securities from the total amount of the matching contribution, or to combine these two possibilities,
- in the event of the issue of new shares, to deduct, where applicable, from the reserves, profits or issue premiums, the sums necessary for the payment of said shares,

- to record the completion of capital increases up to the amount of shares that will actually be subscribed,
- if applicable, charge the costs of the capital increases to the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital resulting from these capital increases,
- to enter into any agreements, to carry out directly or indirectly through an agent all transactions and formalities, including carrying out formalities following capital increases and the corresponding amendments to the bylaws,
- in general, to enter into any agreement, in particular for the successful completion of the proposed issues, to take all measures and decisions and carry out all formalities necessary for the issuance, listing and financial service of the securities issued in pursuant to this delegation of authority and to the exercise of the rights attached thereto or subsequent to the capital increases carried out;

8) Decides that this delegation of authority supersedes, from this date, any portion not yet used, any previous delegation having the same purpose, and in particular that granted by the Combined General Shareholders' Meeting of May 28, 2019 in its 33rd resolution.

Twenty-eighth resolution: Ratification of the amendment to Article 25 of the bylaws in order to comply with the new legislative provisions

The General Meeting, deliberating in accordance with the quorum and majority conditions for Extraordinary Meetings, having reviewed the Board of Directors' report, ratifies the decision taken by the Board of Directors at its meeting of February 11, 2021, to amend the Board of Directors' meeting. Article 25 "Voting rights" of the Company's bylaws in order to update its wording with regard to Ordinance No. 2020-1142 of September 16, 2020 (which Ordinance created, within the French Commercial Code, a chapter relating to companies whose securities are admitted to trading on a regulated market that has modified the codification of the applicable texts).

Twenty-ninth resolution: Powers for formalities

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary and extraordinary meetings, hereby confers all powers to the bearer of an original, a copy, or an extract of the minutes of its deliberations to carry out any and all filings and formalities required by law.

8.2.4 Statutory Auditors' special report on related-party agreements

General Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2020

To the Shareholders,

NATIXIS

30 avenue Pierre Mendès-France

75013 Paris

In our capacity as your Company's Statutory Auditors, we hereby submit our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the key features, terms and conditions as well as the reasons justifying the relevance for the Company of the contractual agreements that have been indicated to us or that we may have identified in the performance of our assignment. It is not our role to comment whether they are beneficial, or to ascertain the existence of any other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (Code de commerce), to assess the benefits resulting from these agreements prior to their approval.

In addition, we are required to inform you, in accordance with Article R.225-31 of the French Commercial Code, of the execution during the past fiscal year of the agreements already approved by the General Shareholders' Meeting.

We performed the procedures we considered necessary to comply with the professional code of the Compagnie Nationale des Commissaires aux Comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

Agreements submitted for the approval of the General Shareholders' Meeting

Agreements authorized and entered into during the past fiscal year

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the past fiscal year that were approved by the Board of Directors.

1. Partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, La Banque Postale Asset Management, in the presence of Natixis, BPCE and La Banque Postale.

On June 23, 2020, the Board of Directors authorized the signature of a partnership agreement between Natixis Investment Managers, Ostrum Asset Management, Topco, La Banque Postale Asset Management (LBPAM), in the presence of Natixis, BPCE and La Banque Postale (LBP).

The purpose of this agreement is to formalize a partnership aimed at creating a leading European player in asset management by combining, within Ostrum Asset Management, the activities and expertise of euro rate and credit management, as well as the insurance management of Ostrum Asset Management and La Banque Postale Asset Management.

The agreement aims to combine, within Ostrum Asset Management, the core euro rate management activities and expertise, as well as the insurance management of Ostrum Asset Management and LBPAM.

Following the merger, Ostrum Asset Management will also have a technological and operational platform capable of meeting the needs of Ostrum Asset Management as well as providing services to certain affiliates of Natixis Investment Managers and LBP and to any third-party customers. This platform will have the following objectives:

- to offer insurance management at a competitive price and a service to the best market standards;
- to offer its large clients core euro rate management with the highest standards of operational efficiency to operate at a lower cost;
- to grow and welcome other customers outside the LBP and BPCE groups;
- to be fully compliant with the principles of socially responsible investment.

The proposed merger comes within this framework (it being specified that the activities of LBPAM and Ostrum Asset Management that are not intended to be pooled will have been transferred beforehand by these two entities). Following the merger, Ostrum Asset Management would be owned at 55% by Natixis Investment Managers (a subsidiary of Natixis) and at 45% by Topco (subsidiary of La Banque Postale).

The parties have agreed that following the merger, Ostrum Asset Management will retain the name of "Ostrum Asset Management."

This partnership agreement was signed on June 28, 2020 for a completion date to be no later than October 31, 2020 and must be submitted for approval to the General Shareholders' Meeting of May 28, 2021.

Corporate officers concerned on the day of the transaction: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis, Catherine Halberstadt, Member of the Management Board of BPCE and Permanent Representative of BPCE at Natixis, BPCE also being a Director of Natixis Investment Managers and Ostrum Asset Management, Alain Condaminas, Director of Natixis and Director of Ostrum Asset Management, Christophe Pinault, Director of Natixis and Director of Natixis Investment Managers, François Riahi, Chief Executive Officer of Natixis and member of the Management Board of BPCE.

This agreement had no financial impact in 2020.

2. Outsourcing service contract between Natixis and BPCE-IT/ALBIAN-IT

On December 17, 2020, the Board of Directors authorized the conclusion of the outsourcing service contract between Natixis on the one hand, and BPCE-IT/ALBIANT-IT on the other.

The purpose of this agreement is to combine the Infrastructure, Production and Security activities of Natixis (IPS) and BPCE-IT in order to optimize and improve the quality of IT production services provided to Natixis. The consolidation of the IT infrastructure, security and application production activities of Natixis S.A.'s Retail Banking sector within BPCE-IT aims to transfer the management of IT infrastructure, security and applicative production activities for Retail Banking from the Infrastructure, Production & Security division, known as the IPS division to BPCE-IT. This department brings together a set of employees and resources dedicated to the continuation of this activity. In order to guarantee the proper functioning of the entity, all of these resources are transferred to BPCE-IT. This operation entails the automatic transfer of employment contracts under the conditions provided for in Article L.1224-1 of the French Labor Code for employees reporting to the IPS division of Natixis S.A., as well as the recovery of certain contracts with service providers of the "IPS division." This merger and all of these transactions would be effective as from January 1, 2021.

This agreement was signed on December 18, 2020 and must be submitted for approval to the General Shareholders' Meeting of May 28, 2021.

On the day of the transaction, the companies Natixis, BPCE-IT and ALBIANT-IT have a common executive officer, Nicole Etchegoïnberry.

This agreement had no financial impact in 2020.

Agreements already approved by the General Shareholders' Meeting

Agreements approved in previous years that were still being executed in the past fiscal year

In accordance with Article R.225-30 of the French Commercial Code, we were notified that the following agreements, already approved by the General Shareholders' Meeting in previous years, were still being executed in the past fiscal year.

1. New partnership agreements entered into by CNP Assurances, BPCE, Natixis S.A. and BPCE Vie

At its meeting of December 19, 2019, the Board of Directors authorized the following new partnership agreements between CNP Assurances, BPCE, Natixis S.A. and BPCE Vie:

a) Agreement modifying the new partnership agreements entered into by CNP Assurances, BPCE, Natixis and BPCE Vie: this agreement modifies the Memorandum of Understanding reached in 2015 and several of the new partnerships enacted to implement it. As stated previously, this agreement, which entered into force on January 1, 2020, provides for the extension of the initial expiration date of the existing agreements (currently December 31, 2022) to December 31, 2030 with the possibility of renewing these agreements upon each expiration for successive three-year periods until 2052, and a change to the coinsurance breakdown for collective payment protection insurance, to be shared equally (50/50) between CNP Assurances and Groupe BPCE effective January 1, 2020;

b) Amendment to the Tranche 1 new business reinsurance treaty, entered into by BPCE Vie and CNP Assurances in the presence of Natixis and pertaining to the quota share reinsurance of euro-denominated guarantees issued by BPCE Vie through BPCE Vie life insurance and accumulation contracts for retirement savings, distributed by entities within the Retirement Savings scope, except for the contracts identified in Article R.342-9 of the French Insurance Code (Code des assurances).

These agreements were approved by the May 20, 2020 General Shareholders' Meeting.

Corporate officers concerned on the applicable date: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Catherine Halberstadt, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Bernard Dupouy, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

These agreements had no financial impact in 2020.

2. Negotiation Agreement relating to Natixis selling the Securities & Financial Guarantees (CECG), Leasing (Natixis Lease), Factoring (Natixis Factor), Consumer Finance (Natixis Financement) and Securities Services (EuroTitres Department) businesses of its Specialized Financial Services division to BPCE.

At its September 12, 2018 meeting, the Board of Directors authorized the signing of a Negotiation Agreement relating to the sale by Natixis of the Guarantees and Sureties, Leasing, Factoring, Consumer Finance, and Securities Services businesses of its Specialized Financial Services division to BPCE.

The signing of the Negotiation Agreement, which indicates a total sale price of €2.7 billion, is in the interests of the Company, given the Project's strategic benefit to Natixis. This is because the transaction will enable Natixis to accelerate the development of its asset-light model. Natixis would invest up to €2.5 billion over the duration of its New Dimension strategic plan, mainly in Asset Management, compared to the initial forecast of €1 billion.

This agreement was approved by the May 28, 2019 General Shareholders' Meeting.

Corporate officers concerned on the applicable date: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Catherine Halberstadt, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Bernard Dupouy, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Stéphanie Paix, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

Corporate officers interested at the applicable date: Alain Denizot, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Philippe Sueur, a member of the Steering and Supervisory Board of Caisse d'Epargne Ile-de-France and a member of the Board of Directors of Natixis; and Sylvie Garcelon, Chief Executive Officer of Casden Banque Populaire and a member of the Board of Directors of Natixis.

This agreement had no financial impact in 2020.

3. Sale by Natixis of the Guarantees and Sureties (CECG), Leasing (Natixis Lease), Factoring (Natixis Factor), Consumer Finance (Natixis Financement) and Securities Services (EuroTitres Department) businesses of its Specialized Financial Services division to BPCE ("Project Smith")

On February 12, 2019, the Board of Directors approved the conditions of Project Smith and authorized the signature of the following agreements:

- the agreement relating to the sale by Natixis to BPCE of all shares held by Natixis in CECG, Natixis Lease, Natixis Factor and Natixis Financement (the "Disposal Agreement");
- the agreement relating to the sale by Natixis to BPCE of the EuroTitres goodwill (the "EuroTitres Agreement");

The signing of the Disposal Agreement and the EuroTitres Agreement, which indicates a sale price of €2.7 billion, is in the interests of the Company, given Project Smith's strategic benefit to Natixis and the fair price. Project Smith has enabled Natixis to improve its strategic growth capacity and achieve, ahead of schedule, its 2020 target CET1 ratio of 11%. It also provides the Company with more strategic flexibility so it can accelerate the implementation of its asset-light model while consolidating its distinctive, high added-value expertise, which is light on capital and low on cost of risk.

These agreements were approved by the May 28, 2019 General Shareholders' Meeting.

Corporate officers concerned on the applicable date: Laurent Mignon, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Catherine Halberstadt, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Bernard Dupouy, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

Corporate officers interested to the transaction: Alain Condaminas, Chief Executive Officer of Banque Populaire Occitane and a member of the Board of Directors of Natixis; Christophe Pinault, Chairman of the Management Board of Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire and a member of the Board of Directors of Natixis; Sylvie Garcelon, Chief Executive Officer of Casden Banque Populaire and a member of the Board of Directors of Natixis; Philippe Sueur, a member of the Steering and Supervisory Board of Caisse d'Epargne Ile-de-France and a member of the Board of Directors of Natixis; and Nicole Etchegoïnberry, Chairwoman of the Management Board of Caisse d'Epargne Loire-Centre and a member of the Board of Directors of Natixis.

These agreements had no financial impact in 2020.

4. Compensation agreement between Natixis and Banque Palatine and amendment to the agreement

On February 10, 2016, the Board of Directors authorized the signing of a compensation agreement between Natixis and Banque Palatine designed to offset particular additional costs sustained by Banque Palatine in connection with the transfer of the investment services provided to its clients to Natixis EuroTitres and Caceis, and previously provided by a service provider outside Groupe BPCE. This agreement allows Natixis EuroTitres and Caceis to benefit from additional activity related to services rendered to Banque Palatine clients under the pricing conditions applicable to the services of Groupe BPCE entities.

This agreement was approved by the May 24, 2016 General Shareholders' Meeting.

Corporate officers concerned on the day the compensation agreement was signed:

- *BPCE, a Banque Palatine and Natixis director, as represented by Daniel Karyotis on the Natixis Board of Directors.*
- *Michel Grass, Banque Palatine and Natixis director.*

The expenses recognized by Natixis in respect of this agreement amounted to €345,000.00 for fiscal year 2020.

On February 9, 2017, the Board of Directors authorized the signing of an amendment to the compensation agreement between Natixis and Banque Palatine originally signed on February 10, 2016, designed to offset particular additional costs sustained by Banque Palatine in connection with the transfer of the investment services provided to its clients to Natixis EuroTitres and Caceis, and previously provided by a service provider outside Groupe BPCE.

This amendment changed the amount of Natixis' compensation in order to take into account an additional cost that was not anticipated by the parties when the agreement was signed. The Board of Directors of Natixis considered that the agreement allows Natixis (EuroTitres department) to benefit from additional activity related to services rendered to Banque Palatine clients under the pricing conditions applicable to the services of Groupe BPCE entities.

This amendment was rejected by the May 23, 2017 General Shareholders' Meeting.

Corporate officers concerned on the day the amendment to the compensation agreement was signed:

- *BPCE, a Banque Palatine and Natixis director, as represented by Marguerite Bérard-Andrieu on the Natixis Board of Directors.*
- *Sylvie Garcelon, a Banque Palatine and Natixis director.*

This amendment to the Banque Palatine compensation agreement had no financial impact in 2020.

5. Memorandum of Understanding and agreements relating to the new partnership agreements between the CNP and BPCE groups

At its meeting of August 6, 2013, the Board of Directors gave François Pérol a mandate to set up an insurance division at Natixis, and to enter into negotiations with CNP Assurances in order for the life insurance business generated by the Group to be brought in-house at Natixis Assurances.

The negotiations conducted with CNP between October 2013 and July 2014 resulted in the determination of the fundamental principles for the future partnership between BPCE, Natixis, and CNP, which were authorized by the Board of Directors on July 31, 2014.

The discussions with CNP continued, and initially resulted in a master memorandum of agreement between CNP Assurances, BPCE, and Natixis, which was authorized by the Board of Directors on November 4, 2014, and then in a Memorandum of Understanding, as well as in various specific agreements referred to in that protocol ("the New Partnership Agreements"), which were authorized by the Board of Directors on February 18, 2015, and where the main provisions are as follows:

Memorandum of Understanding between CNP Assurances, BPCE and Natixis

The aim of this agreement is to:

- acknowledge the non-renewal of the Current Agreements;
- determine, organize, and manage the contractual package formed by the New Partnership Agreements, for which the Memorandum of Understanding is the umbrella agreement;
- determine the term of the New Partnership Agreements, namely seven years as from January 1, 2016. At the end of this seven-year period, BPCE will be able to either extend the new partnership agreements for a period of three years as from January 1, 2023, or to purchase CNP's insurance deposit inventory. BPCE will have the option of acquiring the existing portfolio as of December 31, 2020 and CNP the option, in 2020 and 2022, of notifying BPCE of its desire to initiate discussions with a view to such sale;
- determine and organize the operation of the Partnership Monitoring Committee (and of any potential sub-committees set up by the latter); and
- more broadly, organize and manage the relations between the Parties under the Renewed Partnership.

Corporate officers concerned on the applicable date: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances; Laurent Mignon, Chief Executive Officer of Natixis and a member of the Management Board of BPCE; Daniel Karyotis, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Catherine Halberstadt, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Pierre Valentin, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

Agreements entered into by CNP Assurances, BPCE, Natixis, and ABP Vie (a subsidiary of Natixis Assurances):

- quota share reinsurance treaty entered into by CNP Assurances and ABP Vie in the presence of Natixis, with a view to ABP Vie, a Natixis Assurances subsidiary, reinsuring 10% of CNP Assurances' life insurance and accumulation product inventory, distributed by the Caisses d'Epargne network until December 31, 2015, and during the interim period determined in the Protocol.
- new business (Tranche 1) reinsurance treaty entered into by ABP Vie and CNP Assurances in the presence of Natixis: quota share reinsurance by CNP Assurances of 40% of all ABP Vie's life insurance and accumulation products distributed by the Caisses d'Epargne network as from January 1, 2016.
- new business (Tranche 2) reinsurance treaty entered into by ABP Vie and CNP Assurances in the presence of BPCE and Natixis: quota share reinsurance by CNP Assurances of 90% of new business involving ex-CNP customers.
- Tranche 2 reinsurance matching agreement entered into by ABP Vie, CNP Assurances and BPCE in the presence of Natixis, the aim of which is to determine the procedures for handling events:
  - the provision by BPCE to CNP Assurances of the list of customers covered, in accordance with the frequencies and procedures provided for in said agreement, as from the recognition of a market shock (interest-rate shock or behavioral shock); and
  - the implementation of the tests required to ensure that the determination and information exchange mechanisms provided for in said agreement can operate properly.
- EuroCroissance matching agreement entered into by CNP Assurances, BPCE, and ABP Vie in the presence of Natixis, the aim of which is to determine the procedures for the management of events (procedures similar to those in the Tranche 2 reinsurance matching agreement).

These agreements are part of Natixis and Groupe BPCE's strategic plan and in particular the "Assurément #2016" project.

Corporate officers concerned on the applicable date: François Pérol, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis and a member of the Board of Directors of CNP Assurances; Laurent Mignon, Chief Executive Officer of Natixis and a member of the Management Board of BPCE; Daniel Karyotis, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Catherine Halberstadt, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Didier Patault, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Pierre Valentin, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

These agreements were approved by the May 19, 2015 General Shareholders' Meeting.

These agreements had no financial impact in 2020.

6. The "3a2" debt issuance program in the United States implemented by BPCE and amendment to the agreement relating to the guarantee granted to BPCE bondholders by the Natixis New York Branch Office on April 9, 2013

On February 17, 2013, the Board of Directors approved the guarantee given to BPCE by the Natixis NY Branch Office. This guarantee was granted in Natixis' corporate interest, in the event that BPCE re-lends all or part of the USD resources raised from Natixis.

This agreement, signed on April 9, 2013, was approved by the May 21, 2013 General Shareholders' Meeting.

Moreover, on February 19, 2014, the Board of Directors authorized the amendment to this agreement, the purpose of which is to alter the sub-ceilings provided for in Article 4 of the agreement, namely: raising the total maximum nominal amount of the bonds that can be issued by BPCE under Program 3 (a)(2) each year from USD 4 billion to USD 6 billion, and raising the total maximum nominal amount of the proceeds from the bond issues under Program 3 (a)(2) that cannot be re-loaned to Natixis within 90 days of their settlement & delivery from USD 2 billion to USD 3 billion. Furthermore, BPCE may loan securities to Natixis for shorter maturities than those of the bonds, depending on Natixis' needs.

This amendment was approved at the Ordinary General Shareholders' Meeting of May 20, 2014.

Corporate officers concerned on the applicable date:

- *François Pérol, Chairman of the BPCE Management Board and Chairman of the Board of Directors of Natixis;*
- *Stève Gentili, a member of the BPCE Supervisory Board and Natixis director;*

- *Didier Patault, a member of the BPCE Supervisory Board and Natixis director;*
- *Philippe Sueur, Vice-Chairman of the Steering and Supervisory Board of Caisse d'Epargne Ile-de-France and Natixis director;*
- *Thierry Cahn, a member of the BPCE Supervisory Board and Natixis director;*
- *Alain Condaminas, a member of the BPCE Supervisory Board and Natixis director;*
- *Catherine Halberstadt, a member of the BPCE Supervisory Board and Natixis director;*
- *Pierre Valentin, a member of the BPCE Supervisory Board and Natixis director;*
- *Stéphanie Paix, Chairwoman of the Management Board of Caisse d'Epargne Rhône-Alpes and Natixis director;*
- *BPCE, as represented by Daniel Karyotis, Chief Financial Officer and a member of the Management Board of BPCE and BPCE's Permanent Representative on the Board of Directors of Natixis.*

The income recognized by the Natixis New York branch in respect of this agreement amounted to USD 466,730.00 for the fiscal year ended December 31, 2020.

7. Invoicing agreement pertaining to Natixis' affiliation to BPCE

On February 22, 2012, the Board of Directors authorized a new invoicing agreement pertaining to Natixis' affiliation to BPCE, in replacement of the existing affiliation agreement.

This new invoicing agreement is aimed at providing a better reflection of the proportion of BPCE's governance functions that relate to affiliated entities. It provides for annual invoicing based on the actual cost of the tasks performed by BPCE.

Term of the agreement: the agreement will enter into effect for the parties as long as Natixis is affiliated with BPCE, as defined by the provisions of Article L.511-31 of the French Monetary and Financial Code.

This agreement was approved by the May 29, 2012 General Shareholders' Meeting.

Corporate officers concerned on the applicable date:

- *François Pérol, Chairman of the BPCE Management Board and Chairman of the Board of Directors of Natixis;*
- *Stève Gentili, a member of the BPCE Supervisory Board and Natixis director;*
- *Didier Patault, a member of the BPCE Supervisory Board and Natixis director;*
- *Bernard Jeannin, a member of the BPCE Supervisory Board and Natixis director;*
- *Olivier Klein, a member of the BPCE Management Board and Natixis director;*
- *Jean Criton, a member of the BPCE Supervisory Board and Natixis director;*
- *Philippe Queuille, a member of the BPCE Management Board and Natixis director;*
- *Philippe Sueur, Vice-Chairman of the Steering and Supervisory Board of Caisse d'Epargne Ile-de-France and Natixis director;*
- *BPCE, as represented by Nicolas Duhamel, Chief Financial Officer and a member of the BPCE Management Board and BPCE's permanent representative on the Natixis Board of Directors.*

The expenses recognized by Natixis in respect of this agreement amounted to €32,644,552.00 for the fiscal year ended December 31, 2020.

8. Agreement providing for the distribution of Natixis products and services to the regional banks acquired from HSBC by the Banque Populaire Group

On December 18, 2008, the Supervisory Board approved an agreement providing for the distribution of Natixis products and services to the regional banks acquired from HSBC by the Banque Populaire Group, pursuant to which Natixis was to be the exclusive supplier to these banks for the businesses concerned by the agreement as from 2009. The agreement also stipulated that the conditions established between Natixis and the Banque Populaire Group should apply to these banks.

This agreement was approved by the April 30, 2009 General Shareholders' Meeting.

This agreement had no financial impact in 2020.

9. "Click'n Trade" service and partnership agreement between IXIS CIB, CNCE and Banque Palatine

On June 6, 2007, the Supervisory Board approved a service agreement between IXIS CIB, CNCE and Banque Palatine pertaining to CNCE's transfer to Banque Palatine of the operating and technical management of the "Click'n Trade" website, with CNCE retaining ownership of the website, and remaining the forward and cash currency transactions counterparty for IXIS CIB.

Term of the agreement: indefinite

The expenses recognized by Natixis in respect of this agreement amounted to €61,944.00 for the fiscal year ended December 31, 2020.

10. Letters of joint and several commitment and guarantee terminated or expired

IXIS CIB (previously known as CDC Marchés and then as CDC IXIS Capital Markets) entered into a number of letters of joint and several commitment and guarantee between 1996 and 2004 with its various successive shareholders, namely the Caisse des Dépôts (CDC), CDC Finance-CDC IXIS (to which CNCE became the successor in interest following the merger dated December 31, 2004) and CNCE.

Similarly, IXIS CIB has entered into joint commitment letters and guarantees with its American subsidiaries, namely Natixis Municipal Products Inc. (formerly CDC Municipal Products Inc.), Natixis Derivatives Inc. (formerly CDC Derivatives Inc.), Natixis Financial Products Inc. (formerly CDC Financial Products Inc.), Natixis Funding Corp. (formerly CDC IXIS Funding Corp.) and Natixis Commercial Paper Corp. (formerly CDC IXIS Commercial Paper Corp.).

All of these letters of joint and several guarantee and commitment had expired or been terminated at the date of this report but continue to apply retrospectively to all the guaranteed transactions entered into prior to the date on which the underlying joint and several guarantees were terminated or expired, until these transactions have been fully unwound.

In the case of joint and several guarantees entered into with CDC Finance-CDC IXIS, the IXIS CIB creditors for transactions secured under these guarantees that were entered into before the expiry of the respective guarantees may, in accordance with the letter from the Chief Executive Officer of CDC dated October 12, 2004, enforce their rights directly against CDC until the maturity of the guaranteed transactions, as if this commitment had been taken out directly by CDC on behalf of the IXIS CIB creditors.

The conditions governing the payment and calculation of the fees payable by IXIS CIB in respect of the guarantees were defined in an agreement with CDC Finance-CDC IXIS and CNCE.

The expenses recognized by Natixis in respect of these agreements came to €305,857.00 for the fiscal year ended December 31, 2020.

11. Agreements made in favor of François Riahi upon his appointment as Chief Executive Officer

The Board of Directors of Natixis decided on May 2, 2018 that François Riahi will receive:

- Mandatory pension plans as all staff do. With respect to the "Article 82" life insurance policy (in reference to the French General Tax Code) put in place by BPCE, the premiums shall be paid by François Riahi;
- Personal protection and health insurance affording protection similar to that of Natixis employees with respect to health and personal protection coverage.

These agreements were approved by the May 23, 2018 General Shareholders' Meeting.

On December 17, 2020, the Board of Directors noted that there is no longer any need to monitor the aforementioned agreements that have lapsed due to the termination of the term of office of Chief Executive Officer of François Riahi. on August 3, 2020.

Corporate officers concerned on the applicable date: François Pérol, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Laurent Mignon, Chief Executive Officer of Natixis and a member of the Management Board of BPCE; Catherine Halberstadt, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Stéphanie Paix, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

These agreements had no financial impact in 2020.

12. Enrollment of Natixis in the insurance policy taken out by BPCE with Arial CNP Assurances

On August 1, 2017, the Board of Directors authorized the signature of an enrollment rider to the group insurance policy under Article 82 of the French General Tax Code, taken out by BPCE with Arial CNP Assurances for executive officers of Groupe BPCE who do not benefit from the "Pension plan for Groupe BPCE company directors" or the "Natixis pension guarantee" plan. This rider was signed on October 17, 2017.

This rider indirectly affects Laurent Mignon as Chief Executive Officer.

On December 17, 2020, the Board of Directors duly noted that following the termination of Natixis' subscription to the insurance policy taken out by BPCE with Arial CNP Assurances on October 20, 2020, this agreement, authorized by the Board of Directors of August 1, 2017, therefore lapsed.

Corporate officers concerned on the applicable date: François Pérol, Chairman of the Management Board of BPCE and Chairman of the Board of Directors of Natixis; Laurent Mignon, Chief Executive Officer of Natixis and a member of the Management Board of BPCE; Marguerite Bérard-Andrieu, a member of the Management Board of BPCE and permanent representative of BPCE at Natixis; Alain Condaminas, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Thierry Cahn, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; Françoise Lemalle, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis; and Stéphanie Paix, a member of the Supervisory Board of BPCE and a member of the Board of Directors of Natixis.

This agreement had no financial impact in 2020.

13. Authorization of an underwriting agreement

On June 25, 2014, the Board of Directors authorized the sale of 79,989,067 Coface shares, with the option of increasing this number to a maximum of 91,987,426 shares sold if the greenshoe option was fully exercised, as part of a retail public offering in France and a global offering for institutional investors both in and outside France and decided on the definitive sale price of said shares.

The global offering was underwritten by a group of financial institutions:

- led by Natixis and JP Morgan Securities Ltd as global coordinators ("Global Coordinators");
- including BNP Paribas, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc (the "Joint Lead Managers and Joint Book-Runners" together with the Global Coordinators), as well as Banco Santander S.A., Crédit Agricole Corporate and Investment Bank, Commerzbank Aktiengesellschaft, ING Bank N.V. and Banca IMI S.p.A. (the "Co-Lead Managers," and the "Underwriters," together with the Joint Lead Managers and Joint Book-Runners). (the "Co-Lead Partners," and together with the Lead Partners and Associate Bookkeepers, the "Guarantors").

On June 25, 2014, the Board of Directors approved the draft agreement, authorized the signing of the underwriting agreement on this basis, and granted all powers to the Chief Executive Officer for the purpose of making any alterations to said draft that do not materially alter its content, and of signing the underwriting agreement in the name and on behalf of Natixis.

On December 17, 2020, the Board of Directors noted that the Coface Underwriting Agreement signed on June 25, 2014 had lapsed given the expiry of the legal requirements on commercial matters (five years).

As a result, the agreement was fulfilled. It no longer includes any obligation on one or other party and is therefore no longer an ongoing contract likely to constitute a regulated agreement. This agreement has therefore lapsed.

Corporate officers concerned on the applicable date:

- *François Pérol, Chairman of the BPCE Management Board and Chairman of the Board of Directors of Natixis*
- *Laurent Mignon, Chief Executive Officer of Natixis and Chairman of the Board of Directors of Coface*
- *BPCE, a Natixis and Coface director, as represented by Daniel Karyotis, Chief Financial Officer and a member of the Management Board of BPCE, BPCE's Permanent Representative on the Board of Directors of Natixis.*

This agreement had no financial impact in 2020.

Neuilly-sur-Seine and Paris-La Défense, March 9, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Emmanuel Benoist	Charlotte Vandeputte

9

LEGAL AND GENERAL INFORMATION

9.1 Legal notices and practical information relating to Natixis

Corporate name: NATIXIS

Trading name: NATIXIS

The Company did not change its name or means of identification during the year.

Address: 30 avenue Pierre Mendès-France, 75013 Paris, France

Registration No. (first page of the bylaws): 542 044 524 RCS PARIS, FRANCE

Legal form: Public limited company with a Board of Directors

Registration date: 30/07/1954

Duration of the Company: until 09/11/2093

Corporate purpose (Article 2 of the bylaws): The corporate purpose, in France and elsewhere, comprises:

- the conduct of all banking business and related businesses as per the banking law;
- the provision of all investment services as defined in the French Monetary and Financial Code;
- the performance of the specific assignments entrusted by the French State in the economic and financial area, in the framework of special agreements;
- the performance of all brokerage business;
- the acquisition of interests in companies, groups or associations with a direct or indirect connection with the activities referred to above; as well as;
- the execution of all private and commercial transactions.

LEI: KX1WK48MPD4Y2NCUIZ63

Website: www.natixis.com

Parent company: BPCE

The information on the Natixis website is not part of Natixis' universal registration document, unless it is specifically incorporated by reference.

9.2 Natixis Bylaws

The following bylaws include:

- the amendment of Article 25 approved by the Board of Directors on February 11, 2021 in order to comply with Order no. 2020-1142 of September 16, 2020 creating a new chapter within the French Commercial Code relating to listed companies and requiring a change in codification. This amendment will be submitted for ratification by the Extraordinary General Shareholders' Meeting of May 28, 2021;
- the update of the share capital on March 1, 2021.

Natixis

A joint stock company (société anonyme) with a Board of Directors and share capital of €5,052,644,851.20.

Registered office: 30, avenue Pierre Mendès-France – 75013 Paris, France Paris Trade and Companies Register No. 542 044 524.

Chapter I: Form of the Company – Name – Registered office – Term – Corporate purpose

Article 1 – Legal form – Name, registered office and term

Natixis is a joint stock company (société anonyme) with a Board of Directors. It is governed by the regulations pertaining to commercial companies, by the provisions of the French Monetary and Financial Code (Code monétaire et financier) and by these bylaws.

The name of the Company is "Natixis". The Company's registered office is in Paris (13th district), at 30 avenue Pierre Mendès-France.

The term of the Company, created on November 20, 1919, was increased to ninety-nine years beginning on November 9, 1994, unless it is extended or dissolved early.

Article 2 – Corporate purpose

The corporate purpose, in France and elsewhere, comprises:

- the conduct of all banking business and related businesses as per the banking law;
- the provision of all investment services as defined in the French Monetary and Financial Code;
- the performance of the specific assignments entrusted by the French State in the economic and financial area, in the framework of special agreements;
- the performance of all brokerage business;
- the acquisition of interests in companies, groups or associations with a direct or indirect connection with the activities referred to above; and
- the execution of all private and commercial transactions.

Chapter II: Share capital – Shares – Payments

Article 3 – Share capital

The share capital is set at €5,052,644,851.20 divided into 3,157,903,032 fully paid-up shares at €1.60 each.

Article 4 – Form and transfer of shares

Shares in the Company may either be registered shares or identifiable bearer shares, at the shareholder's discretion.

They are registered in share accounts and are transferred according to the terms provided for by law and regulations.

Article 5 – Identification of the shareholders

The Company may, under the conditions stipulated by the legislative and regulatory provisions in force, request any organization or authorized intermediary to communicate all information regarding the holders of securities conferring immediately or in the future voting rights in its Shareholders' Meetings, namely their identity, nationality, address, how many securities they own and the restrictions to which these securities may be subject.

Any individual or legal entity owning directly or indirectly, alone or jointly, a fraction of 1% of the voting rights (on the basis of all the voting rights attached to the shares, including those deprived of voting rights), or any multiple of this percentage, shall notify the Company by registered letter with acknowledgement of receipt of the number of votes they possess. This notice must be made within a period of 15 days following each acquisition or sale of this fraction.

In the event of non-compliance with the notification requirement provided for in the previous paragraph and upon request, recorded in the minutes of the meeting from a shareholder representing at least 1% of the voting rights, the shares exceeding the fraction which should have been declared will lose their voting rights for a period of two years following the notification compliance date.

Article 6 – Indivisibility of shares

The shares are indivisible from the Company's perspective.

Joint owners are required to be represented to the Company by a single person chosen among them or by a sole proxy.

Article 7 – Rights and obligations attached to the shares

Except for the rights which may be granted to preferred shares, if any were created, each share entitles its owner to a share in the ownership of the Company's assets which is proportional to the number of shares issued.

Shareholders shall be liable for losses only to the extent of their contributions to the Company's share capital.

The rights and obligations attached to a share follow it. Ownership of a share implies, by the operation of law, acceptance of the Company's bylaws and of the resolutions voted by the General Shareholders' Meeting.

Article 8 – Modification of the capital

The share capital may be increased, amortized or reduced by all procedures and according to all means authorized by law and regulations.

The new shares subscribed will be paid-up according to the decisions voted by the General Shareholders' Meeting or the Board of Directors. Failure to pay up the shares is sanctioned under the conditions stipulated by the regulations in force.

Chapter III: Administration and control of the Company

Section I: Board of Directors

Article 9 – Structure of the Board of Directors

The Company is managed by a Board of Directors, consisting of at least three (3) and no more than eighteen (18) directors, subject to the departures stipulated by law in the event of a merger.

The directors are appointed by the Ordinary General Shareholders' Meeting; however, the Board has the right, in the event of the vacancy of one or more seats, due to death or resignation, to appoint replacements temporarily, each for the period remaining in their predecessor's term, subject to ratification by the next General Shareholders' Meeting.

When it has been established, in accordance with the regulations in force, that the percentage of the capital owned by employee shareholders exceeds the threshold established by law, a director is appointed by the Ordinary General Shareholders' Meeting from among the candidates designated for this purpose by the Supervisory Board of the employee mutual fund(s). The director appointed in this capacity is not taken into account in calculating the maximum number of directors referred to in the first paragraph of this Article.

The director appointed in this capacity sits on the Board of Directors and is entitled to vote. He or she is subject to the same rights and obligations as the Company's other directors.

The number of directors who are over the age of 70 shall not exceed one-third of the number of directors in office. When this percentage is exceeded, the oldest of the directors leaves office at the end of the next Ordinary General Shareholders' Meeting.

Throughout his term, each director shall own at least one hundred and forty (140) Company shares.

Directors are appointed for a term of four (4) years. They may be re-elected. A director's duties end at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements of the past fiscal year, held the year during which his/her term expires.

Article 10 – Chairman of the Board of Directors

The Board of Directors elects a Chairman who must be an individual, selected from among its members. The Chairman is elected for the duration of his term as director and may be re-elected.

It determines the Chairman's compensation.

The Board of Directors may, on the proposal of the Chairman, elect one or more Vice-Chairmen from among its members.

The Chairman's duties end at the latest at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements of the past fiscal year during which the Chairman reached the age of sixty-five.

The Chairman is responsible for convening the Board of Directors.

He organizes and conducts its work, on which he reports to the General Shareholders' Meeting.

He sees to the smooth operation of the Company's bodies and makes sure in particular that the directors are able to perform their duties.

Article 11 – Meetings of the Board of Directors

11.1 The Board of Directors convenes as often as the Company's interests and legal and regulatory provisions so require, upon notice from its Chairman either at the registered office or at any other location indicated in the notice, which may be sent by email.

The Board may also be convened by the Chairman at the request of at least one-third of the directors, or at the request of the Chief Executive Officer, on the basis of a specific agenda. The Chairman is bound by the requests made in this manner.

Subject to an Emergency such as defined below, and the case referred to in Article 14 below, the Board of Directors must be convened with reasonable notice prior to the scheduled date of the meeting. Notices of meetings shall include the detailed agenda for the meeting.

Prior to the meeting, and with sufficient notice, the directors must be given the information they need to make an informed decision.

Board Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the oldest director or by one of the Vice-Chairmen, as the case may be.

The Board of Directors may appoint a Secretary, who may or may not be selected from among its members.

Decisions are made at a majority of the votes of the members present or represented. In the event of a tie, the vote of the Chairman of the meeting is the casting vote, except for the appointment of the Chairman of the Board of Directors.

The Board takes valid decisions only if at least one-half of its members are present or deemed present.

The Board of Directors establishes Internal Rules which may stipulate that, except for adopting decisions concerning the preparation of the annual financial statements and the management report as well as for preparing the consolidated financial statements and the Group's management report, the directors who participate in the Board Meeting by video-conference or by using telecommunication means, under the conditions permitted or required by law and the regulations in force, are deemed present for calculating the quorum and the majority.

Minutes of Board Meetings shall be prepared, and copies or extracts thereof shall be issued and certified in accordance with the law.

11.2 In the event of an emergency as defined below (the "Emergency"), the following accelerated procedure may be applied.

An Emergency is defined as an exceptional situation (i) subject to short notice, imposed by a third party under penalty of foreclosure, where non-compliance might incur damages for the Company or one of its main subsidiaries, or (ii) requiring a rapid response from the Company which is incompatible with the application of the usual notice periods for the Board of Directors.

In the event of an Emergency, the notice and convening periods of the Board of Directors are not subject to Article 11.1 above, provided that the Chairman of the Company's Board of Directors has:

- given prior notice to the directors providing the reason for the Emergency as per the foregoing definition; and
- provided all directors, along with the notice of said Board Meeting, with all the necessary information for their analysis.

Article 12 – Powers of the Board of Directors

12.1 The Board of Directors determines the orientations of the Company's activity and sees to the implementation thereof, in accordance with its corporate interest, taking into account the social and environmental issues associated with its activity. Within the limits of the corporate purpose and the powers expressly granted by law or these bylaws to General Shareholders' Meetings, the Board concerns itself with any matter relating to good business practice and governs the business of the Company through its deliberations. The Board of Directors performs the controls and checks it deems appropriate.

The Chairman or the Chief Executive Officer is required to provide each director with all the documents and information necessary for the performance of their duties.

On the proposal of its Chairman, the Board of Directors may decide to create Committees within the Board responsible for reviewing issues which the Board itself or its Chairman submits to them for their examination and opinion. It determines the structure and powers of these Committees, which conduct their activities under its responsibility.

12.2 In addition to the operations referred to by law and regulations in force, the Internal Rules of the Board of Directors will determine the decisions which will be subject to the prior approval of the Board of Directors.

12.3 The Board of Directors is qualified to decide or authorize the issuing of bonds and all other securities representing debt securities.

The Board of Directors may delegate to any person of its choosing the necessary powers to complete, within a period of one year, the issue of such securities and to draw up the procedures.

The designated persons report to the Board of Directors under the conditions determined by the latter.

Article 13 – Compensation of Board members

The General Shareholders' Meeting may grant the directors a fixed annual sum as compensation for their activities. The Board of Directors distributes this amount freely among its members.

The Board may also allocate special compensation to the directors in the cases and conditions provided by law.

Section II: Senior Management

Article 14 – Senior Management procedures

The Company's management is the responsibility of either the Chairman of the Board of Directors, or that of another individual appointed by the Board of Directors bearing the title of Chief Executive Officer.

The choice between these two methods for exercising Senior Management is made by the Board of Directors which may legitimately deliberate only if:

- the Agenda, containing this item, is sent out at least 15 days prior to the Board Meeting;
- at least two thirds of the directors are present or represented.

The shareholders and third parties are informed of this choice under the conditions defined by the legal and regulatory provisions in force.

When the Company's management is handled by the Chairman of the Board of Directors, the following provisions concerning the Chief Executive Officer will apply to the Chairman of the Board of Directors who will take on the title of Chairman and Chief Executive Officer.

Article 15 – Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on the Company's behalf. He exercises those powers within the limits of the corporate purpose and subject to the powers expressly reserved for Shareholders' Meetings and the Board of Directors by law and to the provisions and restrictions stipulated by the Internal Rules. He represents the Company in its relations with third parties.

The Board of Directors may appoint a Chief Executive Officer from among the directors or outside their ranks.

The Board of Directors determines the compensation and term in office of the Chief Executive Officer, which shall not exceed that of his term as director when he is a Board member.

The Chief Executive Officer may be dismissed by the Board of Directors at any time.

The Board of Directors may limit the powers of the Chief Executive Officer. However, the limitation of these powers is not enforceable against third parties.

The Chief Executive Officer may delegate a portion of his powers to any corporate officer of his choosing, with or without the option of substituting one for another.

Article 16 – Deputy Chief Executive Officers

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one to five individuals selected from among the directors or outside their ranks, in charge of assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

In conjunction with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred upon the Deputy Chief Executive Officers. They have the same powers with respect to third parties as the Chief Executive Officer.

When a Deputy Chief Executive Officer is a director, his/her term in office shall not exceed his/her term on the Board.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors on the proposal of the Chief Executive Officer.

The compensation of the Deputy Chief Executive Officer(s) is determined by the Board of Directors.

Article 17 – Liability of directors

Directors are liable vis-à-vis the Company or third parties, either for breaches of the legal or regulatory provisions governing joint stock companies, or for breaches of these bylaws, or for misconduct in their management, under the conditions and subject to the penalties stipulated by the laws in force.

Section III – Control

Article 18 – Non-voting members

The Ordinary General Shareholders' Meeting may appoint one or more non-voting members.

Non-voting members are appointed for a term of four (4) years. A non-voting member's duties end at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements of the past fiscal year, held in the year during which his/her term expires. Non-voting members may be re-elected and may be dismissed by the General Shareholders' Meeting.

Non-voting members receive the same information as the directors, and are convened to all meetings of the Board of Directors. They sit on the Board of Directors in an advisory capacity.

They may be appointed temporarily by the Board of Directors subject to the ratification by the next General Shareholders' Meeting.

They may receive compensation, the amount of which is determined by the Board of Directors.

Article 19 – Statutory Auditors

One or several primary Statutory Auditors and, if applicable, one or several substitute Statutory Auditors, are appointed by the General Shareholders' Meeting in accordance with the law. They are vested with the duties and powers conferred upon them by the laws in force.

Chapter IV: General Shareholders' Meetings

Common provisions

Article 20 – General Shareholders' Meetings

The shareholders' decisions are made in General Shareholders' Meetings, which are qualified as ordinary or extraordinary.

Article 21 – Notices

General Shareholders' Meetings are convened by the Board of Directors or, failing this, under the conditions of Article L.225-103 of the French Commercial Code. Notices are made under the conditions determined by the regulations in force.

Article 22 – Admission to General Shareholders' Meetings – Powers

Shareholders' Meetings include all the shareholders whose securities have no outstanding payments due.

In accordance with Article R.225-85 of the French Commercial Code, the right to take part in the General Shareholders' Meeting is subject to the registration of the shares in the accounts in the name of the shareholder or broker registered on his/her behalf on the second business day preceding the General Shareholders' Meeting at twelve midnight, Paris time (D-2), or in the accounts of registered shares kept by the Company, or in the accounts of bearer shares kept by the authorized brokers.

For holders of registered shares, such entry in the account by D-2 is sufficient to enable them to attend the meeting.

With respect to holders of bearer shares, proof of their status as a shareholder must be provided directly to the centralizing body of the meeting by the authorized intermediaries holding their bearer share accounts. The intermediaries do so by producing a certificate that must be attached to the voting form or admission card request in the name of the shareholder or the name of the registered intermediary acting on behalf of the shareholder. A certificate is also delivered to shareholders who wish to attend the meeting in person and who have not received an admission card by D-2, twelve midnight Paris time.

A shareholder may always be represented at General Shareholders' Meetings by a duly authorized proxy. This proxy may not represent another person.

Shareholders may vote by post or by proxy in accordance with the legal and regulatory provisions in force. In accordance with the decision of the Board of Directors, shareholders may participate in General Meetings by means of video-conferencing and may vote using all means of telecommunication and remote transmission, including the Internet, in accordance with the applicable regulations at the time of their use. This decision is communicated in the notice of meeting published in the BALO: *Bulletin des Annonces Légales Obligatoires* (Gazette of Mandatory Legal Notices). Those shareholders who use the electronic voting form offered on the website created by the meeting organizer, by the required deadline, are considered present or represented shareholders. The electronic form can be filled in and signed directly on the site by any means approved by the Board of Directors in accordance with the applicable legislative and regulatory provisions.

The proxy or vote cast before the meeting by this electronic method, as well as the receipt that is issued for it, will be considered irrevocable written documents that are enforceable in all cases, with the stipulation that in the event of the disposal of shares before the second business day preceding the meeting at zero hour, Paris time, the Company will, as a result, invalidate or change, depending on the case, the proxy or vote cast before that date and time.

Article 23 – Agenda

The agenda is drafted by the author of the notice.

One or more shareholders, representing at least the required portion of the share capital and acting on the conditions and within the deadlines determined by law, are entitled to request, by registered mail with acknowledgment of receipt, or by email, the entry of draft resolutions onto the meeting's agenda.

Article 24 – Conduct of General Shareholders' Meetings

Shareholders' Meetings are chaired by the Chairman of the Board of Directors, or in the event of his absence, by one of the Deputy Chief Executive Officers, or by a director appointed by the General Shareholders' Meeting.

Scrutineers' duties are performed by the two attending shareholders holding the highest number of shares who accept this position.

A register of attendance is kept in accordance with the regulations in force. General Shareholders' Meetings vote on the quorum and majority conditions stipulated by law.

The Board of Directors may, at the time of the notice, decide to publicly broadcast the entire meeting by video-conference or other forms of telecommunication. In this case, the decision is conveyed in the announcements and notices of the meetings.

Article 25 – Voting rights

As an exception to Article L.22-10-46 of the French Commercial Code, whereby a voting right equivalent to twice that attributed to other shares may be attributed to fully paid-up shares which have been registered in the name of the same shareholder for at least two years, each member of the meeting has a right to as many votes as they hold or are represented by shares.

Article 26 – Minutes

Decisions of the General Shareholders' Meeting are recorded in minutes entered into a special register and signed by the officers of the meeting.

Minutes are drafted and copies or extracts of proceedings are issued and certified in accordance with the regulations in force.

Following the Company's dissolution and during its liquidation, these copies or extracts are certified by one or more of the liquidators.

Article 27 – Right to information

All shareholders are entitled to receive, under the conditions and on the dates stipulated by law, the documents necessary to enable them to make an informed decision on the Company's management and control.

The nature of the documents and the terms and conditions for their dispatch or availability are determined by law and regulations.

Ordinary General Shareholders' Meetings

Article 28 – Date of the meeting

Shareholders are convened annually to an Ordinary General Shareholders' Meeting by the Board of Directors, prior to the end of the fifth month following the close of the fiscal year, on the date, at the time and at the location stated in the notice of the meeting.

Article 29 – Prerogatives

The Ordinary General Shareholders' Meeting, which must be held annually, hears the report on the Company's business drafted by the Board of Directors and presented by its Chairman, as well as the report by the Statutory Auditors and any other report stipulated in the regulations.

It discusses, approves, rejects or adjusts the financial statements and determines the profit to be distributed.

It appoints the directors, the non-voting members and the Statutory Auditors.

It votes on all proposals entered onto the agenda.

Extraordinary General Shareholders' Meetings

Article 30 – Prerogatives

The Extraordinary General Shareholders' Meeting may be convened at any time either by the Board of Directors or pursuant to any legal provision. It may amend any of the provisions of these bylaws. In particular, it can increase or reduce the share capital, extend the Company's duration or decide its early dissolution. However, it cannot change the Company's nationality or increase the shareholders' commitments.

Chapter V: Fiscal year – Parent company financial statements – Appropriation and distribution of earnings

Article 31 – Fiscal Year

The Company's fiscal year begins on January 1 and ends on December 31.

Article 32 – Inventory – Annual financial statements

Each quarter, a brief statement of the Company's assets and liabilities is prepared. This statement is at the disposal of the Statutory Auditors and is published according to the laws in force.

Furthermore, at the end of each fiscal year, an inventory is drafted of the Company's various assets and liabilities and accounting documents imposed by both the laws governing companies and by banking regulations.

All these documents are placed at the disposal of the Statutory Auditors according to legal and regulatory provisions.

Article 33 – Earnings for the fiscal year – Dividends

From the earnings of each fiscal year, minus any losses carried forward as the case may be, at least 5% is levied to create the legal reserve. This levy ceases to be mandatory when said reserve reaches a sum equal to one-tenth of the share capital. It must be resumed when this reserve falls below one-tenth.

The balance of the earnings constitutes, along with any retained earnings, the distributable profit of which the Ordinary General Shareholders' Meeting disposes freely in the framework of the laws in force, and which it can carry forward, or place on reserve, or distribute partially or entirely, on the proposal of the Board of Directors.

The Ordinary General Shareholders' Meeting may also decide to distribute sums levied from retained earnings or from the reserves at its disposal; in such case, the decision expressly references the reserve items from which the levies are made.

The Ordinary General Shareholders' Meeting may offer an option to the shareholders, for all or a part of the dividend distributed, between payment of the dividend in cash or in shares. In this second option, payment will take place through the allocation of Company shares in accordance with the applicable legal and regulatory provisions.

Under the legal conditions in force, the Board of Directors may decide to pay interim dividends in cash or in shares.

The annual dividends are paid at the dates established by the Board of Directors within a period of nine months following the close of the fiscal year.

Chapter VI: Dissolution – Liquidation

Article 34 – Equity below one-half of the share capital

If, due to losses recognized in the accounting documents, the Company's equity falls below one-half of the share capital, the Board of Directors is required, within four months following the approval of the financial statements having revealed these losses, to convene the Extraordinary General Shareholders' Meeting in order to decide whether it is fitting to dissolve the Company early.

Should the Board of Directors fail to convene the Extraordinary General Shareholders' Meeting, the Statutory Auditors may do so.

Article 35 – Dissolution – Liquidation

At the Company's expiry, or in the event of early dissolution, the General Shareholders' Meeting determines the liquidation method, on the proposal of the Board of Directors and subject to the legal requirements in force, and appoints one or more liquidators whose powers it determines.

Chapter VII: Disputes

Article 36 – Disputes

Any dispute arising among the shareholders concerning the performance of these bylaws shall be submitted to the courts having jurisdiction where the Company has its registered office.

9.3 Statement of responsibility for the universal registration document

I hereby certify that the information contained in this universal registration document is, to the best of my knowledge, true and accurate and contains no omission liable to impair its significance.

To the best of my knowledge, the financial statements were prepared in accordance with applicable accounting standards and provide a true image of the assets, the financial position and the income of the Company, and all businesses entering the scope of consolidation, and the management report presents a true picture of changes in the business, of the income and of the financial position of the Company and all the businesses included in the scope of consolidation as well as a description of all the main risks and uncertainties with which they are confronted.

Paris, March 9, 2021

Nicolas NAMIAS

Chief Executive Officer

9.4 Documents available to the public

Documents concerning Natixis (Articles of Association, bylaws, reports, Code of Conduct, mail and other documents, historical parent company and consolidated financial information, for each of the two fiscal years prior to the publication of this document) are partly included in this document and may be consulted at the Company's head office, preferably on appointment.

This universal registration document is available in the "Our investors & shareholders" section of the Company's institutional website, *www.natixis.com*.

Any person wishing to obtain additional information about Natixis can request documents free of charge and without obligation:

- by post: Natixis Communication financière – Relations investisseurs, Immeuble Arc-de-Seine, 30, avenue Pierre-Mendès-France 75013 Paris
- by telephone: +33 (0) 1 58 19 26 34 or +33 (0) 1 58 32 06 94
- by e-mail: *investorelations@natixis.com*

9.5 Cross-reference table of the universal registration document

Sections of Annex I of European Regulation No. 2017/1129

The following cross-reference table contains the sections provided for in Annex 1 (as referenced in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and European Council and repealing Commission Regulation (EC) No. 809/2004, and concerns the pages of this universal registration document containing information about each of said sections.

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Pursuant to Article 19 of Regulation (EU) 2017/1129, the pages of the documents referred to below are included for reference purposes:

- the parent company and consolidated financial statements for the year ended December 31, 2019, presented respectively on pages 392 to 425 and 233 to 383, in the relevant Statutory Auditors' reports, pages 426 to 430 and 384 to 391 respectively of the universal registration document filed with the AMF on March 6, 2020 under registration number D.20-0108.

  The information is available at the following link:

  https://www.natixis.com/natixis/en/2019-universal-registration-document-rpaz5_114884.html

- the parent company and consolidated financial statements for the year ended December 31, 2018, presented respectively on pages 403 to 441 and 241 to 394, the Statutory Auditors' reports thereon, respectively pages 442 to 446 and 395 to 402 of the Registration Document filed with the AMF on March 15, 2019 under number D.19-0154.

  The information is available at the following link:

  https://www.natixis.com/natixis/en/2018-registration-document-rep_95757.html

- the parent company and consolidated financial statements for the financial year ended December 31, 2017 appearing respectively on pages 344 to 381 and 194 to 337, the related Statutory Auditors' reports on pages 382 to 386 and 338 to 343 of the Registration Document No. D. 18-0172 filed with the AMF on March 23, 2018.

  The information is available at the following link:

  https://www.natixis.com/natixis/en/2017-registration-document-rep_95585.html

The universal registration document is available for consultation on the AMF website (https://www.amf-france.org/) and on the Natixis website *(www.natixis.com*).

9.6 Cross reference table for the annual financial report and the management report

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9.7 Cross-reference table for the registry office

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9.8 Glossary

Acronym/Term	Definition
ABCP	Asset-backed commercial paper, i.e. a marketable debt instrument backed by cash flows from a pool of underlying assets.
ABS	Asset-backed security, i.e. an instrument representing a pool of financial assets (excluding mortgage loans), its performance linked to that of the underlying asset or pool of assets.
ACPR	French prudential supervisory authority. French banking and insurance supervisory body for the banking and Insurance sector.
ADAM	Association for the Defence of Minority Shareholders (*Association de Défense des Actionnaires Minoritaires*)
ADIE	Association for the right to economic initiative (*Association pour le droit à l'initiative économique*)
Afep-Medef	French Association of Private Sector Companies - French Business Confederation (*Association Française des Entreprises Privées - Mouvement des Entreprises de France*).
AFS	Available-for-sale
AGIRC	*Association Générale des Institutions de Retraite des Cadres* (General Association for Managers' Pension Institutions).
A-IRB	Advanced Internal Ratings-Based Approach
ALM	Asset and liability management — Management of the financial risks borne by an institution's balance sheet (interest rate, currency, liquidity) and its refinancing policy in order to protect the bank's asset value and/or its future profitability.
ALM (Committee)	Asset and Liability Management Committee
AM	Asset Management
AMF	French Financial Markets Authority (*Autorité des Marchés Financiers*)
AML	Anti-money laundering
AML-CTF	Anti-money laundering and counter-terrorism financing
AQR	Asset quality review involves the supervisory assessment of risks, the actual review of the quality of assets and stress tests.
ARRCO	Association for the Employee Complementary Pension Scheme (*Association pour le Régime de Retraite Complémentaire des Salariés*).
AT1	Additional Tier 1 capital
AUM	Assets under management
Back office	An Administrative Department at a financial intermediary that performs support and post-trading functions.
Back testing	A method of comparing observed actual losses with expected losses of a model.
Bail-in	A mechanism designed to limit the use of public funds by a failing institution still in operation or in the process of liquidation. The bail-in mechanism grants power to the supervisory authorities to require certain creditors of a credit institution on the brink of failure to convert their debt into shares of the institution and/or to take a loss on their holdings. Under the European accord of June 26, 2015, in the event of capital inadequacy (due to losses), creditors holding subordinated debt, then senior creditors, then unsecured deposits by large corporates, then those of SMEs and finally those of individuals exceeding €100,000 will be bailed-in. However, secured deposits, covered bonds, employee compensation, liabilities related to the institution's vital activities and interbank liabilities with a maturity of less than 7 days should not be affected.
BALO	French Bulletin for Mandatory Legal Announcements (*Bulletin des Annonces Légales Obligatoires*).
Basel 1 (the Basel Accords)	A supervisory framework established in 1988 by the Basel Committee aiming to maintain the solvency and stability of the international banking system by establishing uniform minimum capital requirements for banks on the international level. It established a minimum capital adequacy ratio of 8% in relation to all the risks borne by a bank.
Basel 2 (the Basel Accords)	A supervisory framework aimed at better anticipating and limiting the risks borne by credit institutions. It focuses on banks' credit risk, market risk and operational risk. The terms drafted by the Basel Committee were adopted in Europe through a European Directive and have been applicable in France since January 1, 2008.
Basel 3 (the Basel Accords)	A new development in banking prudential standards, which incorporated the lessons of the financial crisis of 2007-2008. They complement the Basel II agreements by reinforcing the quality and quantity of minimum capital that institutions must hold. Basel 3 also establishes minimum requirements for liquidity risk management (quantitative ratios), defines measures aimed at limiting procyclicality in the financial system (capital buffers that vary according to the economic cycle) and reinforces requirements for financial institutions deemed to be systemically important.

Acronym/Term	Definition
BCBS	Basel Committee on Banking Supervision. Institution bringing together the governors of the central banks of the G20 countries in charge of strengthening the soundness of the global financial system as well as the effectiveness of prudential supervision and cooperation between banking regulators.
BCP	Business Continuity Plan
BFBP	Banque Fédérale des Banques Populaires.
Bond	A portion of a loan issued in the form of an exchangeable security. For a given issue, a bond grants the same debt claims on the issuer for the same nominal value, the issuer being a company, a public sector entity or a government.
Book	Portfolio
Bookrunner	Main runner or lead manager in the issuance of new equity, debt or securities instruments
Borrowing base lending	A means of asset financing whereby the lender is routinely informed of the value of the borrower's assets pledged as collateral.
Bps	Basis points
Broker	Broker
Brokerage	Brokerage
BRRD	Banking Recovery and Resolution Directive
CAGR	Compound annual growth rate. Mean annual growth rate over a specified period.
Capital adequacy ratio	Ratio of total capital (Tier 1 and 2) to risk-weighted assets (RWA).
CCAN	Natixis Shareholders' Consultative Committee (*Comité Consultatif des Actionnaires de Natixis*).
CCF	Credit Conversion Factor
CDO	Collateralized debt obligations, i.e. debt securities backed by a pool of assets which can be either bank loans (mortgages) or corporate bonds. Interest and principal payments may be subject to subordination (i.e. through the creation of tranches).
CDPC	Credit Derivatives Products Company, i.e. a business specializing in the sale of coverage against credit default through credit derivatives.
CDS	Credit default swap, i.e. insurance against credit risk in the form of a bilateral financial contract whereby the protection buyer periodically pays a premium to the protection seller, who in turn promises to compensate for any losses on a reference asset (a bond issued by a government, financial institution or company) upon the occurrence of a credit event (bankruptcy, default, deferred payment or restructuring).
CECEI	The former French Credit Institutions and Investment Firms Committee (*Comité des Établissements de Crédit et des Entreprises d'Investissement*), which has since been incorporated into the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervisory Authority).
CEO	Chief Executive Officer
CESU	*Chèque Emploi Service Universel* (universal service employment voucher).
CET1	Common Equity Tier 1
CFCC	Control Functions Coordination Committee
CFH	Cash flow hedge
CFO	Chief Financial Officer
CGM	Combined General Shareholders' Meeting
CGU	Cash-generating units
CHSCT	*Comité d'Hygiène, de Sécurité et des Conditions de Travail* (Committee for Hygiene, Safety and Working Conditions)
CIB	Corporate & Investment Banking
CIC	Cooperative investment certificates
CISO	Chief Information Security Officer
CLOs	Collateralized loan obligation, i.e. a credit derivative product backed by a homogeneous pool of corporate loans.
CMBS	Commercial Mortgage-Backed Securities
CMS	Constant maturity swap, i.e. a swap that allows the buyer to exchange a short-term interest rate for a longer-term interest rate.

Acronym/Term	Definition
CNCE	*Caisse Nationale des Caisses d'Epargne*
CNIL	*Commission Nationale de l'Informatique et des Libertés* (an independent administrative authority protecting privacy and personal data)
Code of Conduct	The Natixis Code of Conduct (Ethical Principles) reflects Natixis' DNA. It gathers all of our rules of conduct and good practices in different areas: respect for client interests, professional ethics and accountability in relationships with colleagues, shareholders, etc. and, more broadly, with society, and protection of the reputation of Natixis and Groupe BPCE. The Code of Conduct applies to all Natixis employees, entities and affiliates over the world, across all business lines. It also applies to our suppliers and all our business partners in their dealings with Natixis.
Collateral	A transferable asset or guarantee pledged to secure reimbursement on a loan in the event that the borrower fails to meet their payment obligations.
Combined ratio	Measure of an insurance company's profitability expressed in terms of the ratio of total costs (incurred losses + expenses) divided by total revenue.
COMEX	Executive Committee
Commodity	Raw material
Common Equity Tier 1 ratio	Ratio of Common Equity Tier 1 (CET1) capital to risk-weighted assets. The CET1 ratio is a solvency indicator used in the Basel 3 prudential accords.
Company-controlled stock	A company's ownership share of its own equity, held via its direct or indirect control of one or more other companies. Company-controlled stock does not bestow voting rights and is not included in the calculation of earnings per share.
Corporate	Finance company
Cost of risk in basis points	A measure calculated by dividing the net expense of commercial risk by outstanding loans at the beginning of the period.
Cost/income ratio	A ratio indicating the share of net banking income (NBI) used to cover operating expenses (the Company's operating costs). It is calculated by dividing operating costs by net revenues.
Coverage	Coverage in terms of client support.
Covered bond	A bond for which the reimbursement and payment of interest is backed by returns on a high-quality asset portfolio, often a portfolio of mortgage loans, which serves as collateral. The issuer often manages the payment of cash flows to investors (*obligations foncières* in France, *Pfandbriefe* in Germany). This product is mainly issued by financial institutions.
CP	Commercial paper. In the United States, commercial paper is a negotiable debt instrument issued by corporations on the money market.
CPI	Consumer Price Index
CPM	Credit Portfolio Management
CRD	Capital Requirements Directive (EU Directive)
CRD III	An EU Directive under which the proposals of the Basel Committee were transposed in July 2010 and enacted as of December 31, 2011. In July 2009, the Basel Committee published a new set of proposals known as Basel 2.5 on the topic of market risk. The aim was to better account for default and credit migration risk on assets in the trading book (both tranched and untranched assets) and to reduce the procyclicality of value at risk.
CRD IV	A European Directive that enacts the proposals of the Basel 3 framework into French law.
Credit and counterparty risk	The risk of loss from the inability of clients, issuers or other counterparties to honor their financial commitments. Credit risk includes counterparty risk related to market transactions and securitization.
Credit default swap (CDS)	A bilateral financial contract whereby the protection buyer periodically pays a premium to the protection seller, who in turn promises to compensate for any losses on a reference asset (a bond issued by a government, financial institution or company) upon the occurrence of a credit event (bankruptcy, default, deferred payment or restructuring). This is an insurance mechanism to protect against credit risk.
Credit derivative	A financial product whose underlying asset is a credit obligation or debt security (bond). The purpose of the credit derivative is to transfer credit risk without transferring the asset itself for hedging purposes. One of the most common forms of credit derivatives is the credit default swap (CDS).
CRM	Comprehensive Risk Measure
CRR	Capital Requirement Regulation (EU regulation)
CVA	Credit valuation adjustment, i.e. the expected loss related to counterparty's default risk. The CVA aims to account for the fact that the full market value of the transactions cannot be recovered. The method for determining the CVA is primarily based on the use of market inputs in connection with the practices of market professionals.
CVaR	Credit Value at Risk

Acronym/Term	Definition
Deal of the year	Operation of the year
Deleveraging	A reduction in banks' use of leverage, achievable by various means but primarily by a reduction in the size of the balance sheet (by selling assets or slowing down new lending) and/or an increase in equity (through recapitalization or retaining earnings). This financial adjustment process often has negative implications for the real economy, particularly due to the narrowing of the credit channel.
Derivative	A financial security or financial contract whose value changes based on the value of an underlying asset, which may be either financial (equities, bonds, currencies, etc.) or non-financial (commodities, agricultural products) in nature. This change may coincide with a multiplier effect (leverage effect). Derivatives can take the form of either securities (warrants, certificates, structured EMTNs, etc.) or contracts (forwards, options, swaps, etc.). Exchange-traded derivatives contracts are called futures.
District Court	The lower tier of the US federal judicial system.
Dodd-Frank Act	The Dodd-Frank Wall Street Reform and Consumer Protection Act, more commonly known as the Dodd-Frank Act, is the US law on financial regulation adopted in July 2010 in response to the financial crisis. Broad in scope, the text addresses a wide range of subjects: establishment of a financial stability council, treatment of systemic institutions, regulation of the riskiest financial activities, regulation of derivatives markets, strengthening of the supervision of rating agency practices … The US regulators (Securities and Exchange Commission, Commodity Futures Trading Commission, etc.) are currently working on the development of precise technical rules for these different topics.
DOJ	US Department of Justice.
DTA	Deferred Tax Assets
DTAs	Deferred tax assets, arising from temporary or timing differences between accounting expenses and tax liabilities.
DVA	Debit Valuation Adjustment (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 the entity's own credit quality on the valuation of these instruments.
EAD	Exposure at default, i.e. the value of exposure to the risk of the debtor defaulting within one year.
Earnings per share	The Company's net income (excluding returns on hybrid securities recognized as equity instruments) divided by the weighted average number of shares outstanding.
EBA	The European Banking Authority (EBA) was established by EU regulation on November 24, 2010. It took effect on January 1, 2011 in London, superseding the Committee of European Banking Supervisors (CEBS). This new body has an expanded mandate. It is in charge of harmonizing prudential standards, ensuring coordination among the various national supervisory authorities and performing the role of mediator. The goal is to establish a Europe-wide supervision mechanism without compromising the ability of the national authorities to conduct the day-to-day supervision of credit institutions.
ECAI	External Credit Assessment Institution, i.e. a credit rating agency that is registered or certified in accordance with EU regulation, or a central bank that issues credit ratings.
ECB	European Central Bank
EDTF	Enhanced Disclosure Task Force
EEA	European Economic Area
EGM	Extraordinary General Shareholders' Meeting
EIB	European Investment Bank
EL	Expected loss, i.e. the value of the loss likely to be incurred given the quality of the structure of the transaction and any measures taken to mitigate risk, such as collateral. It is calculated by multiplying exposure at risk (EAD) by Probability of Default (PD) and by Loss Given Default (LGD).
ELBE	Expected Loss Best Estimate (ELBE), i.e. the institution's best estimate of the expected loss for the defaulted exposure. This estimate takes into account current economic circumstances, exposure status and an estimate of the increase of the loss rate caused by possible additional unexpected losses during the recovery period.
EMEA	Europe, Middle East and Africa
Encumbered assets	Encumbered assets are those that are capitalized as a guarantee, security or credit enhancement for any transaction.
EPP	Employment preservation plan
Equity (tranche)	In a securitization arrangement, the equity tranche refers to the tranche that bears the first losses incurred from defaults within the underlying portfolio.
ESG	Environment, Social and Governance
ESR	Environmental and social (or societal) responsibility
ETF	Exchange-traded fund, i.e. a type of investment fund that tracks a stock market index or asset.

Acronym/Term	Definition
EU	European Union
EUR	Euro
Euribor	Euro Interbank Offered Rate, the benchmark interest rate on the euro zone's money market.
European Securities and Markets Authority (ESMA)	An independent European supervisory authority located in Paris. On January 1, 2011, it replaced the Committee of European Securities Regulators (CESR). It forms part of the European System of Financial Supervision. Its expanded mandate includes the supervision of rating agencies in Europe and the development of technical standards for EU regulations on the functioning of the financial markets (EMIR, MiFID, the "Prospectus" Directive).
Exposure at default (EAD)	A financial institution's exposure in the event of a counterparty's default. EAD covers on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents with the help of internal or regulatory conversion factors (drawdown assumption).
Fair value	The price that would be received to sell an asset or paid to transfer a liability in a standard arm's length transaction between market participants at the measurement date. Fair value is therefore based on the exit price.
Fair Value Adjustment on own senior debt	An "issuer credit risk" component calculated using a discounted cash-flow model, contract by contract, including parameters such as swaps curve, and revaluation spread (based on the BPCE reoffer curve).
FBF	French Banking Federation: A professional body that brings together all banking companies in France.
FCPR	Private Equity Investment Fund (*Fonds Commun de Placement à Risque*)
FED	Federal Reserve System, i.e. the US central bank.
FINREP	Financial Reporting
F-IRB	Foundation Internal Ratings-Based Approach
FSB	Financial Stability Board, whose mandate is to identify vulnerabilities in the global financial system and to implement principles for regulation and supervision in the interest of financial stability. Its members are central bank governors, finance ministers and supervisors from the G20 countries. Its primary objective is to coordinate international efforts by national financial authorities and international standard setters in the regulation and supervision of banks. Conceived at the G20 summit in London in April 2009, the FSB is the successor to the Financial Stability Forum, which was founded in 1999 under a G7 initiative.
FTE	Full-time equivalent
FTEC	Fixed-term employment contract
Fully-Loaded	Indicates full compliance with Basel 3 solvency requirements (mandatory from 2019)
FX	Foreign exchange
GAAP	Generally accepted accounting principles
GAPC	Workout portfolio management (*Gestion active des portefeuilles cantonnés*)
GBP	Pound sterling (British pound)
GDP	Gross Domestic Product
GEC	Global Energy & Commodities
GM	General Shareholders' Meeting
Green bonds	A green bond is an "environmental" bond issued by an approved entity (business, local authority or international organization) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.
GRI	Global Reporting Initiative: An organization consisting of stakeholders and partners (businesses, audit firms, human rights, environmental protection, and labor organizations, and government representatives) which has created a joint framework for the development of sustainability reporting.
Gross exposure	Exposure before the impact of provisions, adjustments and risk reduction techniques.
Gross sale	Revenue/Board of Directors
G-SIBs	Global systemically important banks
G-SIIs	Global systemically important institutions
GWWR	General Wrong Way Risk
Haircut	The percentage by which a security's market value is reduced to reflect its value in a stressed environment (counterparty risk or market stress). The size of the haircut reflects the perceived risk.
Hedge fund	Alternative management funds: A speculative investment fund that seeks to generate absolute return through a high degree of management flexibility.
Holding company	The Company that heads a corporate group

Acronym/Term	Definition
HQE	High Environmental Quality (*Haute qualité environnementale*)
HQLA	High-quality liquid assets
HR	Human Resource
HY	High Yield
IARD	Property and casualty insurance (*Incendie, Accidents et Risques Divers*).
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBOR	Interbank Offered Rate
ICAAP	Internal Capital Adequacy Assessment Process, a practice required under Pillar II of the Basel Accords to ensure that firms have sufficient capital to cover all their risks
IDFC	Infrastructure Development Finance Company
IFACI	French Institute of Internal Auditing and Control (*Institut Français de l'Audit et du Contrôle Internes*).
IFRIC 21	International Financial Reporting Interpretations Committee (IFRIC) — IFRIC 21, adopted by the European Union in June 2014, is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets."
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Incremental Risk Charge (IRC)	The capital requirement intended to cover issuers' credit migration and default risks for a period of one year for fixed income and loan instruments in the trading book (bonds and CDS). The IRC is a 99.9% value-at-risk measure; i.e. the greatest risk after the elimination of the 0.1% worst-case scenarios.
Insurance risk	Encompasses asset and liability risks (interest rate, valuation, counterparty and forex risk) as well as risks related to the pricing of mortality risk premiums and the risks associated with life and non-life insurance, including pandemics, accidents and natural disasters (such as earthquakes, hurricanes, industrial accidents, acts of terrorism and military conflict).
Investment grade	A long-term rating of a counterparty or underlying issue awarded by a rating agency, ranging from AAA/Aaa to BBB-/Baa3. A rating of BB+/Ba1 or below is considered non-investment grade.
IRB	Internal-ratings based, refers to the Internal Ratings-Based Approach, the measurement of credit risk on the basis of credit ratings as defined by EU regulations.
IRM	Incremental Risk Measure
IRRBB	Interest rate risk in the banking book. IRRBB designates the current or future risk to which the bank's capital and profits are exposed due to adverse interest rate fluctuations influencing positions in the banking book.
IS	Information system
ISDA	International Swaps and Derivatives Association
ISF	Wealth Tax (*Impôt Sur la Fortune*)
ISP	Investment service provider
IWMA	Independent wealth management advisor
JV	Joint Venture
L&R	Loans and receivables
LBO	Leveraged buyout
LCR	Liquidity coverage ratio
Leverage effect	The leverage effect accounts for the rate of return on equity based on the after-tax rate of return on invested capital (return on capital employed) and the cost of debt. By definition, it is equal to the difference between the rate of return on equity and the return on capital employed.
Leverage/leveraged financing	Financing through debt
LGD	Loss Given Default, a Basel 2 credit risk indicator corresponding to the loss in the event of default. It is expressed as a percentage (loss rate).
Libor	London Interbank Offered Rate
Liquidity	In a banking context, liquidity refers to a bank's ability to cover its short-term commitments. Liquidity also refers to the degree to which an asset can be quickly bought or sold on a market without a substantial reduction in value.

Acronym/Term	Definition
Liquidity coverage ratio (LCR)	A measure introduced to improve the short-term resilience of banks' liquidity risk profiles. The LCR requires banks to maintain a reserve of risk-free assets that can be converted easily into cash on the market in order to cover its cash outflows minus cash inflows over a 30-day stress period without the support of central banks.
Loss alert	A mechanism that warns of loss
Loss Given Default	See LGD
Loss ratio	Total losses paid to settle claims divided by premiums paid
LR	Leverage ratio
LTRO	Long Term Refinancing Operation. Long-term loans granted to banks by the ECB.
Market risk	The risk of a loss in value on financial instruments resulting from changes in market parameters, from the volatility of these parameters or from the correlations between these parameters. These parameters are exchange rates, interest rates and the prices of securities (equities, bonds), commodities, derivatives or any other assets, such as real estate assets.
Market stress test	Used in conjunction with internal VaR and SVaR models to assess market risk by calculating potential losses on portfolios in extreme market conditions.
Mark-to-market	A valuation method whereby a financial instrument is appraised at fair value based on its market price.
Mark-to-model	A valuation method whereby, in the absence of a market price, a financial instrument is appraised at fair value based on a financial model using observable and unobservable data.
MDA	Maximum Distributable Amount, a new provision for banks placing restrictions on their dividends, AT1 coupon and bonus payments (under a rule that tightens restrictions as banks deviate from their requirements), if the capital buffers are not met. As these buffers are on top of Pillars I and II, they apply immediately if the bank fails to comply with the combined requirements.
Mezzanine	A form of financing that is a hybrid of equities and debt. In ranking terms, mezzanine debt is subordinated to "senior debt" but still takes priority over equities.
Mid cap	Refers to mid-size market capitalization
Middle office	A department at a financial intermediary that generally performs risk control functions.
MiFID	Markets in Financial Instruments Directive (EU Directive)
MLA	Mandated lead arranger
Monoline	An insurance company that takes part in a credit enhancement operation, backing a debt security issue (e.g. in securitization transactions) with the aim of improving the issue's rating.
MREL	Minimum requirement for own funds and eligible liabilities — Ratio defined in the European Bank Recovery and Resolution Directive indicating the minimum requirement for own funds and eligible liabilities that have to be available to absorb losses in the event of resolution.
MRH	Multi-Risk Homeowners' insurance
MTN	Medium Term Note
MTP	Medium-term plan
Mutual fund	Collective investment fund
Natixis business line ROE	ROE for business lines is calculated based on normative capital to which are added goodwill and intangible assets for the business line. Capital is allocated to Natixis business lines on the basis of 10% of their Basel 3 average risk-weighted assets. Business lines receive interest on the normative capital allocated to them. By convention, the interest rate on normative capital is maintained at 3%.
Natixis leverage ratio	This ratio is calculated based on the rules set forth in the Delegated Act, without phase-in except for DTAs on tax-loss carryforwards and with the assumption of a roll-out for non-eligible subordinated notes under Basel 3 by eligible notes. Repo transactions with central counterparties are offset in accordance with IAS 32 rules without maturity or currency criteria. The ratio is presented after canceling transactions with affiliates, pending ECB authorization.
Natixis ROE	The result used for ROE calculations is net income (Group share), less DSN interest expenses on preferred shares after tax. Equity capital is the average equity attributable to equity holders of the parent as defined by IFRS, after payout of dividends, excluding average hybrid debt, and excluding unrealized or deferred gains and losses recognized in equity (OCI).
Natixis ROTE	Natixis ROTE is calculated by taking as the numerator net income (Group share) excluding DSN interest expenses on preferred shares after tax. Equity capital is average shareholders' equity group share as defined by IFRS, after payout of dividends, excluding average hybrid debt, average intangible assets and average goodwill.
NAV	Net asset value
NEF	A financial cooperative that offers savings and loan solutions targeting projects with a social, environmental and/or cultural purpose.

Acronym/Term	Definition
Net carrying amount	Calculated by taking equity attributable to equity holders of the parent, restated for hybrids and capital gains on reclassification of hybrids as equity instruments. Tangible net carrying amount is corrected for goodwill on associates, restated goodwill and restated intangible assets.
Net stable funding ratio (NSFR)	This ratio is intended to strengthen the longer-term resilience of banks through additional incentives meant to encourage banks to finance their operations using more structurally stable resources. This long-term structural liquidity ratio, applicable to a one-year period, was formulated to provide a viable structure for asset and liability maturities.
Netting agreement	A contract whereby two parties to a financial contract (forward financial instrument), securities loan or repurchase agreement agree to settle their reciprocal claims under these contracts through a single consolidated net payment, particularly in the event of default or contract termination. A master netting agreement extends this mechanism to different categories of transactions subject to different framework agreements through one all-encompassing contract.
New Deal	A strategic plan implemented by Natixis for the 2009-2012 period.
New Dimension	A strategic plan implemented by Natixis for the 2018-2020 period.
New Frontier	A strategic plan implemented by Natixis for the 2014-2017 period.
NGAM	Natixis Global Asset Management
NPE	Natixis Private Equity
NR	Net Revenues
NRE	French law on New Economic regulations (*Loi sur les nouvelles Réglementations Économiques*)
NSFR	Net Stable Funding Ratio
OCI	Other Comprehensive Income, contains the income and expense items (including reclassification adjustments) not included in net income/loss as required or authorized by the IFRS.
OECD	Organization for Economic Cooperation and Development
OFAC	US Office of Foreign Assets Control
OFR	Own Funds Requirement: the amount of capital that is required to be held, i.e. 8% of risk-weighted assets (RWA).
OGM	Ordinary General Shareholders' Meeting
Operational risks (including accounting and environmental risks)	The risk of losses or sanctions arising from the failure of internal systems or procedures, human error or external events.
ORSA	Own Risk and Solvency Assessment: As part of European efforts to reform the prudential regulation of the insurance industry, ORSA is an internal process undertaken by the institution to assess risk and solvency. It must show its ability to identify measure and manage factors that could have an impact on its solvency or financial situation.
OTC	Over-the-counter
P&L	Profit & Loss
P3CI	A loan covering CCIs (cooperative investment certificates).
PD	Probability of default, i.e. the likelihood that a counterparty of the bank will default within a one-year period.
PEC	Permanent employment contract
PEP	Politically exposed person
PERP	Retirement Savings Plan (*Plan d'Épargne Retraite Populaire*).
Personal guarantee	Represented by a surety, independent guarantee or letter of intent. In the context of a surety, the guarantor promises to repay the creditor a debtor's obligation in the event the debtor is unable to do so itself. An independent guarantee is a commitment through which the guarantor promises to pay an amount, upon first request or pursuant to agreed terms, in consideration of an obligation taken out by a third party. A letter of intent is an agreement to act or refrain from acting that is intended to support a debtor in meeting its commitment.
Phase-in	Refers to compliance with current solvency requirements, in accordance with the transitional period for the implementation of Basel 3.
Pillar I	Pillar I sets minimum requirements for capital. It aims to ensure that banking institutions hold sufficient capital to provide a minimum level of coverage for their credit risk, market risk and operational risk. The bank can use standardized or advanced methods to calculate its capital requirement.
Pillar II	Pillar II governs a prudential supervision process that complements and strengthens Pillar I. It includes: (i) the analysis by the bank of all its risks, including those already covered by Pillar I; (ii) the bank's estimate of its capital requirements to cover its risks; and (iii) the comparison by the banking supervisor of its own analysis of the bank's risk profile with that carried out by the latter, with a view to adapting, if necessary, its prudential action by capital exceeding the minimum requirements or any other appropriate technique.
Pillar III	Pillar III is concerned with establishing market discipline through a series of reporting requirements. These requirements — both qualitative and quantitative — are intended to improve financial transparency in the assessment of risk exposure, risk assessment procedures and capital adequacy.

Acronym/Term	Definition
Pricing	Pricing
Rating	An appraisal by a credit rating agency (Moody's, Fitch Ratings, Standard & Poor's) of the creditworthiness of an issuer (company, government or other public entity) or a transaction (bond issue, securitization, covered bond). The rating has a direct impact on the cost of raising capital.
Rating agency	An organization that specializes in assessing the creditworthiness of issuers of debt securities, i.e. their ability to honor their commitments (repayment of capital and interest within the contractual period).
RBC	Risk-based capital
Real security	Securities comprising tangible or intangible assets, movable or immovable assets, such as commodities, precious metals, cash, financial instruments or insurance policies.
Regulatory capital requirement	The amount of capital that banks are required to hold, i.e. 8% of risk-weighted assets (RWA).
Resecuritization	The securitization of an exposure that is already securitized where the risk associated with an underlying pool of exposures is tranched and at least one of the underlying exposures is a securitization position.
Risk appetite	The degree of risk, by type and by business, that the institution is prepared to take on in the pursuit of its strategic objectives. Risk appetite can be expressed through either quantitative or qualitative criteria.
Risk Appetite Framework (RAF)	Document describing the interface between the organization's key processes and the implementation of the governance that puts the RAS into action.
Risk Appetite Statement (RAS)	Document setting out, in qualitative and quantitative terms, the risks that the bank is prepared to take.
Risk weight (RW)	The percentage value by which a given exposure is multiplied, used in the calculation of the corresponding risk-weighted assets.
Risk-weighted assets (RWA)	Exposure value multiplied by its risk weight.
RMBS	Residential Mortgage-Backed Security, i.e. a debt security backed by a pool of assets consisting of residential mortgage loans.
ROE (Return On Equity)	Net income (excluding returns on hybrid securities recognized as equity instruments) divided by shareholders' equity (restated for hybrid securities), used to measure the profit generated on capital.
RTT	Compensatory time off in lieu of overtime pay (*Réduction du Temps de Travail*)
RW	Risk weight
RWA	Risk Weighted Assets, or risk-weighted EAD
S&P	Standard & Poor's
SA (Standardized Approach)	Approach used to measure credit risk as defined by EU regulations.
SCPI	Real estate investment trust (*Société Civile de Placement Immobilier*)
SEC	US Securities and Exchange Commission
Securitization	A transaction whereby credit risk on loan receivables is transferred to investors by an entity through the issuance of negotiable securities. This may involve the transfer of receivables (physical securitization) or the transfer of risks only (credit derivatives). Some securitization transactions are subordinated through the creation of tranches.
SEF	Structured Export Finance
SEPA	Single Euro Payments Area
SFEF	*Société de Financement de l'Économie Française* (SPV set up by the French government to refinance French banks during the financial crisis).
SFS	Specialized Financial Services
Share	An equity security issued by a corporation, representing a certificate of ownership and conferring on its possessor (the "shareholder") proportional rights in the distribution of any profits or net assets as well as a voting right at the General Shareholders' Meeting.
SIFA	*Société d'Investissement France Active*: The investment company through which France Active receives solidarity-based savings and invests them in the Social and Solidarity-Based Economy and socially innovative companies.
Small cap	Small market capitalization
SMC	Senior Management Committee
SME	Small and medium-sized enterprises
SMI	Small and medium-sized industries
Solvency	Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honor its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For an insurance company, solvency is covered by the Solvency II Directive (see Solvency II).

Acronym/Term	Definition
Solvency II	European Directive on insurance and reinsurance undertakings intended to ensure that they comply at all times with their commitments towards policyholders in view of the specific risks incurred by such businesses. It aims to achieve an economic and prospective assessment of solvency based on three pillars — quantitative requirements (Pillar I), qualitative requirements (Pillar II) and information for the public and the supervisor (Pillar III). Adopted in 2014, it was enacted into national law in 2015 and came into force on January 1, 2016.
Spread	The difference between the actuarial rate of return on a bond and the actuarial rate of return on a risk-free loan with the same duration.
SREP (Supervisory Review and Evaluation)	Methodology for assessing and measuring the risks for each bank. SREP gives the prudential authorities a set of harmonized tools to analyze a bank's risk profile from four different angles: business model, governance and risk management, risk to capital, and risk to liquidity and funding. The supervisor sends the bank the SREP decisions at the end of the process and sets key objectives. The bank must then "correct" them within a specific time-frame.
SRF	Single Resolution Fund
SRI	Socially Responsible Investment
SRM	Single Resolution Mechanism (SRM): An EU-level system to ensure an orderly resolution of non-viable banks with a minimal impact on taxpayers and the real economy. The SRM is one of the pillars of the European Banking Union and consists of an EU-level resolution authority (Single Resolution Board — SRB) and a common resolution fund financed by the banking sector (Single Resolution Fund — SRF).
SSM	Single Supervisory Mechanism
Stress test	A bank stress test simulates the behavior of a bank (or group of banks) under extreme but realistic economic scenarios (i.e. worsened prospects for growth, unemployment and inflation) to assess whether the bank's (or banks') capital reserves are sufficient to absorb such a shock.
Stressed value at risk (stressed VaR)	Like the VaR approach, stressed VaR is calculated based on a fixed econometric model over a continuous 12-month period under a representative crisis scenario relevant to the bank's portfolio, using a "historical simulation" with "one-day" shocks and a confidence interval of 99%. However, unlike VaR, which uses 260 daily fluctuation scenarios on a sliding one-year period, stressed VaR uses a one-year historical window corresponding to a period of significant financial tension.
Structural interest rate and exchange rate risk	The risk of losses or impairment on assets arising from changes in interest rates or exchange rates. Structural interest/exchange rate risks are associated with commercial activities and proprietary transactions.
Structured issue/structured product	A financial instrument combining a bond product and an instrument, such as an option, providing exposure to any asset type (equities, forex, fixed-income, commodities). Such instruments may be backed by a (total or partial) guarantee on the investment. In a different context, the term "structured product" or "structured issue" can also refer to securities resulting from securitization transactions, for which a ranking of bearers is established.
Subordinated notes	Debt securities that are ranked below senior debt in terms of repayment priority.
SVaR	Stressed Value at Risk
SVT	Government bond primary dealer (Spécialiste en Valeurs du Trésor).
Swap	An agreement between two counterparties to exchange different assets, or revenues from different assets, until a given date.
SWWR	Specific Wrong Way Risk
Systemically important financial institution (SIFI)	Systemically Important Financial Institution (SIFI): The Financial Stability Board (FSB) coordinates the comprehensive measures intended to reduce the moral hazard and risks posed by global systemically important financial institutions (G-SIFIs) to the global financial system. These institutions meet the criteria established by the Basel Committee as outlined in "Global systemically important banks: Assessment methodology and the additional loss absorbency requirement" and are identified in a list published in November 2011. The FSB updates this list in November of each year. To date there are 29 such institutions.
Tier 1	Tier 1 (T1) refers to the portion of a financial institution's prudential capital that is considered to be the most solid. It includes its capital stock and retained earnings allocated to reserves. The ratio of Tier 1 capital to risk-weighted assets is a solvency indicator used in the Basel 1, Basel 2 and Basel 3 prudential accords.
Tier 1 capital	Core capital including the financial institution's consolidated shareholders' equity minus regulatory deductions.
Tier 2 capital	Supplementary capital mainly consisting of subordinated securities minus regulatory deductions.
TLAC	Total Loss Absorbing Capacity
TMO	Average bond market rate (*Taux Moyen Obligataire*).
Total Capital Ratio	Ratio of overall capital (Tier 1 and Tier 2) to risk-weighted assets.
Trading	Trading

Acronym/Term	Definition
Transformation risk	The risk associated with assets that are financed by liabilities with different maturities. Because banks' traditional activity is to make longer-term use of liabilities with short maturities, they naturally tend to incur transformation risk, which in turn is a source of liquidity and interest rate risks. Positive term transformation occurs when assets have a longer maturity than liabilities. Negative term transformation occurs when assets are financed by liabilities with longer maturities.
Treasury stock	The equity share held by the Company, especially through the share buyback program. Treasury stock does not bestow voting rights and is not included in the calculation of earnings per share, except for securities held in association with a liquidity contract.
TRS	Total return swap, i.e. a transaction whereby two parties exchange the income generated and any change in value on two different assets over a given time period.
TSS	Deeply subordinated notes, i.e. perpetual bonds with no contractual redemption commitment that pay interest in perpetuity. In the event of liquidation, they are repaid after other creditors (subordinated loans). These securities pay annual interest contingent on the payment of a dividend or the achievement of a specific result.
TUP	Total transfer of assets and liabilities (*Transmission Universelle de Patrimoine*)
UK	United Kingdom
US	United States of America
USD	US dollar
Value at Risk (VaR)	A measure of market risk on a bank's trading book expressed as a monetary value. It allows the entity performing the calculation to appraise the maximum losses liable to be incurred on its trading book. A statistical variable, VaR is always assigned a confidence interval (generally 95% or 99%) and a specific time frame (in practice, one day or 10 days, as the trading positions involved are meant to be unwound within a few days).
Volatility	A measurement of the magnitude of an asset's price fluctuation and thus a measurement of its risk. Volatility corresponds to the standard deviation of the asset's immediate returns over a given period.
VSE	Very small enterprises
WWR	Wrong-way risk

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