Natixis Structured Issuance S.A.

Société Anonyme

INTERIM FINANCIAL STATEMENTS

For the period ended 30 June 2023

And Report of the réviseur d'entreprises agréé

51, avenue J.F. Kennedy
L-1855 Luxembourg
R.C.S. Luxembourg B 182619

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The interim financial statements on pages 7 to 33 were approved and authorised for issue by the Board of Directors on 8 September 2023 and were signed on its behalf by Sylvain Garriga

Management Report

Report of 2023 Activities

The principal activity of Natixis Structured Issuance S.A. (the "Company" or "NSI") is the issue of debt financial instruments. The Company is a wholly owned, indirect subsidiary of NATIXIS S.A. (''NATIXIS''). The purpose of the Company is to be an issuing vehicle for its parent company, for structured bonds, EMTN, warrants, certificates and other financial instruments (linked to indices, futures, dividends, warrants, funds, equity, commodity, credit, currency, inflation, rates, preference shares, and hybrid).

The following programmes were approved by the CSSF (Commission de Surveillance du Secteur Financier, the Luxembourg regulator) and are still active as updated from time to time:

- ✓ On 21 April 2023, the CSSF granted its approval for the 2023 update of the EUR 30,000,000,000 Debt Issuance Programme, its base prospectus is dated 21 April 2023;
- ✓ On 20 April 2023, the CSSF granted its approval for the most recent supplement relating to the Warrant Programme with the base prospectus dated 24 Novembre 2022.

It is to be noted that issuance programmes have been launched and authorised by regulators outside Luxembourg (e.g. France, UK).

The following programmes were approved by the AMF (Autorité des Marchés Financiers, the French regulator) and are still active as updated from time to time:

- ✓ On 9 June 2023, the AMF granted its visa for the update of the 2023 update of the French Law Programme d'émission d'Obligation for 30,000,000,000 EUR, its base prospectus is dated 9 June 2023 and the most recent supplement to this Programme is dated 10 August 2023.

The following programmes were approved by the FCA (Financial Conduct Authority, the UK regulator) and are still active as updated from time to time:

- ✓ On 25 July 2023, the FCA granted its approval for the 2023 update of the £1,000,000,000 UK Debt Issuance Programme, its base prospectus is dated 25 July 2023.

Since inception, NSI's activities were in a scaled-up trend with an aggregate outstanding nominal value of the notes, bonds, certificates and derivatives as of 30 June 2023 at 6,018 million euros equivalent:

30 June 2023	Outstanding Ccy	Outstanding €
Not warrants	**55,398,045,863**	**6,004,368,931**
AUD	477,500	291,257
CHF	62,865,000	64,392,945
EUR	4,603,573,500	4,603,573,500
GBP	147,772,544	172,185,725
JPY	48,366,596,800	306,646,289
NOK	390,000	33,354
NZD	1,860,000	1,044,518
RUB	1,019,550,000	10,440,970
SEK	164,980,000	13,998,466
USD	900,650,519	825,489,683
ZAR	129,330,000	6,272,224

30 June 2023	Outstanding Ccy	Outstanding €
Warrants	**60,186,235**	**13,856,002**
CHF	217,500	222,786
EUR	6,159,061	6,159,061
NOK	9,768,250	835,408
SEK	40,552,355	3,440,846
USD	3,489,069	3,197,901
Total		**6,018,224,933**

It is to be noted that the amounts above and in the next paragraphs below cannot be reconciled with the balance of borrowings on the statement of financial position, due to the fact that these amounts are nominal amounts while the balances present in the statement of financial position reflect the fair value of underling positions.

As of 30 June 2023, the outstanding nominal debts and warrants of Natixis Structured Issuance S.A. per issuance programme:

- Notes under its English law Debt Issuance Programme in an aggregate nominal amount of EUR 1,597,855,777 and under its UK Debt Issuance Programme in an aggregate nominal amount of EUR 19,386,745;
- Obligations under its French Law Bonds Programme in an aggregate nominal amount of EUR 4,100,564,717;
- Certificates under its German Language Certificate Programme in an aggregate nominal amount of EUR 683,418;
- Warrants under its Warrant Programme in an aggregate premium amount of EUR 13,856,002.

At the end of June 2023, NSI's activities have reached steady state. The outstanding nominal debts and warrants reached 6,018 million equivalent euros as at 30 June 2023.

Internal control

The Board of Directors is responsible for managing the Company and carefully managing potential risks to the Company. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

The Company has assessed the provisions of the Anti-tax avoidance directive I and II (ATAD) and its potential impact on the Company's financial position, performance, and operations. The Company has determined that ATAD's requirements are not expected to have a material impact on its financial statements, including the determination of taxable income, tax expense, or deferred tax assets and liabilities.

Risk management

The market risk is fully hedged with Natixis SA: the structure of any financial product and all the corresponding flows are perfectly matched between the Company and Natixis S.A., except for a small interest margin and an upfront fee which are used to cover the managing and operating costs of the vehicle.

The credit risk is limited to Natixis S.A., the only counterparty and guarantor of the Company. Operational risk is managed and reduced by the Directors.

Although the pandemic situation is over the Company has implemented the following measures and estimates of the impact over the following areas:

- Going concern assumption: Management has assessed the relevant information after the reporting period and are of the opinion that no material uncertainty exist that cast significant doubt on the Company's ability to continue as going concern.
- In response to Russia's invasion of Ukraine in February 2022, many countries (including the US, UK and EU) have introduced financial sanctions against a large number of entities and individuals with Russian origin.

Some of the sanctioned entities were counterparts of Natixis Structured Issuance.

Natixis Structured Issuance decided to follow a legal analysis that concluded that no provisions were needed in relation to Natixis Structured Issuance's payment obligations impacted by the sanctions imposed on Russian counterparties.

Taking into account the management of environmental, social and governance (ESG) risks in the financing and investment businesses is part of a global approach involving the business lines, corporate social responsibility (CSR) and control functions.

This approach includes, in particular, the development and implementation of CSR policies in the most sensitive sectors, the definition of excluded sectors of activity, assessing and monitoring the ESG risks of operations and counterparties using various tools and processes. Additional information is detailed in the Universal Registration Document and Financial Report published by BPCE, the largest body of the undertakings, of which the Company forms part as a subsidiary undertaking, available at: https://natixis.groupebpce.com/wp-content/uploads/2023/04/NATIXIS_URD2022_EN_PDFi.pdf

The Board of Directors is responsible for ensuring compliance with the directive 2014/95/EU 'Non-Financial Reporting Directive' (NFRD).

Declaration of the persons responsible for the interim financial statements for the period ended 30 June 2023

Pursuant to Article 4 of the amended law of 11 January 2008 on transparency requirements concerning information on issuers whose securities are admitted to trading on a regulated market, we declare that these interim financial statements have been prepared in accordance with the applicable accounting standards and to the best of our knowledge, these interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, of the financial performance and cash-flows of the Company, and a description of the principal risks and uncertainties faced by the Company. To the best of our knowledge, the Management Report faithfully presents the Company's evolution, results and situation.

Acquisitions of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the period ended 30 June 2023, the Company has not purchased any of its own shares.

Allocation of free shares

During the period ended 30 June 2023, the Company has no free shares.

Branches

The Company does not have any branches or participations.

Research and development activities

The Company has not had any activity in research and development.

Audit committee requirement

Pursuant to Article 52 of the Law of 23 July 2016 concerning the audit profession, the Company is classified as public-interest entity and required to establish an audit committee. However, in accordance with Article 52 (5), the Company is exempted to have an audit committee. Taking into consideration the activity of the Company, the board is in the opinion that an audit committee is not required.

Luxembourg, 8 September 2023

Luigi Maula

Director

mazars

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To the Shareholder of
NATIXIS STRUCTURED ISSUANCE S.A.
Société Anonyme

R.C.S. Luxembourg B 182.619

51, avenue J-F Kennedy
L-1855 LUXEMBOURG

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying interim financial statements of **Natixis Structured Issuance S.A.** (the "Company"), comprising the statement of financial position as at 30 June 2023 and the statement of comprehensive income (comprising the statement of profit or loss and the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows for the period from 1 January 2023 to 30 June 2023 and the notes to the interim financial statements including a summary of significant accounting policies. Board of Directors is responsible for the preparation and fair presentation of this interim financial statements in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial position of the Company as at as at 30 June 2023, its financial performance and its cashflows for the period from 1 January 2023 to 30 June 2023 in accordance with IFRS, as adopted by the European Union.

Luxembourg, 8 September 2023

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

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Konstantinos Iatridis
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Konstantinos IATRIDIS
Réviseur d'entreprises agréé

Natixis Structured Issuance S.A.

Société anonyme

Statement of profit or loss and other comprehensive income

For the period ended 30 June 2023

(in EUR)	Notes	Financial period from 1 January 2023 to 30 June 2023	Financial period from 1 January 2022 to 30 June 2022 Restated*
Interest and similar income		108,434,928	106,797,746
Interest and similar expenses		(107,665,166)	(105,486,313)
Net finance income	12	**769,762**	**1,311,433**
Net foreign exchange gain		447,358	294,720
Administrative expenses	13	(294,159)	(609,403)
Other expenses	14	(73,312)	(241,746)
Profit before tax		**849,649**	**755,004**
Income tax expense	9	(246,050)	(133,836)
Profit for the period		**603,599**	**621,168**
Total comprehensive income for the period		**603,599**	**621,168**

** See note 2.18 for details about restatement for different interpretation of IFRS 9*

The interim financial statements on pages 7 to 33 were approved and authorised for issue by the Board of Directors on 8 September 2023 and were signed on its behalf by Sylvain Garriga

Natixis Structured Issuance S.A.
Société anonyme
Statement of financial position
For the period ended 30 June 2023

(in EUR)	Notes	30 June 2023	30 June 2022 Restated*	31 December 2022
ASSETS				
Non-current assets				
Loans to related parties	4	5,026,634,272	3,401,934,332	3,671,275,674
Derivative financial assets	4	6,775,797	8,468,702	8,170,057
Total non-current assets		**5,033,410,069**	**3,410,403,034**	**3,679,445,731**
Current assets				
Loans to related parties	4	569,270,664	543,949,255	501,109,985
Derivative financial assets	4	2,959,554	15,067,963	10,702,724
Other receivables	5	10,110,370	2,129,667	1,404,954
Cash and cash equivalents	6	5,165,152	19,378,646	14,016,163
Total current assets		**587,505,740**	**580,525,531**	**527,233,826**
TOTAL ASSETS		**5,620,915,809**	**3,990,928,565**	**4,206,679,557**
EQUITY AND LIABILITIES				
Equity				
Share capital	7	2,200,000	2,200,000	2,200,000
Legal reserves	7	220,000	220,000	220,000
Net wealth tax reserve	7	275,988	335,525	335,525
Retained earnings		6,871,752	5,868,200	6,208,616
Equity attributable to owners of the Company		**9,567,740**	**8,623,725**	**8,964,141**
Total Equity		**9,567,740**	**8,623,725**	**8,964,141**
Borrowings	8	5,022,173,555	3,393,335,391	3,671,847,743
Derivative financial liabilities	8	4,506,523	8,991,098	8,143,851
Total non-current liabilities		**5,026,680,078**	**3,402,326,489**	**3,679,991,594**
Borrowings	8	569,232,617	547,026,259	494,354,483
Derivative financial liabilities	8	5,275,705	15,067,963	10,668,395
Current tax liabilities	9	625,099	227,123	394,264
Deferred income	10	4,853,928	6,121,308	6,362,988
Trade and other payables	11	4,680,642	11,535,698	5,943,692
Total current liabilities		**584,667,991**	**579,978,351**	**517,723,822**
TOTAL EQUITY AND LIABILITIES		**5,620,915,809**	**3,990,928,565**	**4,206,679,557**

** See note 2.18 for details about restatement for different interpretation of IFRS 9*

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Natixis Structured Issuance S.A.
Société anonyme
Statement of cash flows
For the period ended 30 June 2023

(in EUR)	Notes	Financial period from 1 January 2023 to 30 June 2023	Financial period from 1 January 2022 to 30 June 2022 Restated*
Cash flows from operating activities			
(Loss)/profit for the period		603,599	621,168
Adjustments for:			-
Income tax expense recognised in profit or loss	9	246,050	133,836
Net forex exchange profit	12	(447,358)	(294,720)
Interest and similar expense recognised in profit or loss	12	107,665,166	105,486,313
Interest and similar income recognised in profit or loss	12	(108,434,928)	(106,797,746)
		(367,471)	(851,149)
Movements in working capital:			
Decrease/(Increase) in other receivables		(8,705,416)	7,033,735
Increase/(decrease) in trade and other payables		(1,263,050)	418,576
(Decrease) in deferred income		(1,509,060)	(2,661,962)
Cash generated/(used) in operations		(11,844,997)	3,939,200
Income taxes paid		(15,215)	(107,593)
Net cash generated/(used) in operating activities		(11,860,212)	3,831,607
Cash flows from investing activities			
(Payments for) / Proceeds on sale of derivative financial assets		14,982,730	1,939,242
(Payments for) / Proceeds on sale of loans to related parties		(1,080,553,510)	(220,590,426)
Interest received		108,699,900	103,981,358
Net cash (used)/generated by investing activities		(956,870,880)	(114,669,826)
Cash flows from financing activities			
Proceeds from borrowings		1,081,973,207	227,646,145
Repayments from derivative financial liabilities and interest paid		(122,093,126)	(103,812,732)
Net cash generated/(used) by financing activities		**959,880,081**	**123,833,413**
Net increase/(decrease) in cash and cash equivalents		**(8,851,011)**	**12,995,194**
Cash and cash equivalents at the beginning of the period		**14,016,163**	**6,383,452**
Net cash and cash equivalents at the end of the period		**5,165,152**	**19,378,646**

** See note 2.18 for details about restatement for different interpretation of IFRS 9*

Natixis Structured Issuance S.A.

Société anonyme

Statement of changes in equity
For the period ended 30 June 2023

	Attributable to the owners of the Company				
(in EUR)	**Share capital**	**Legal reserve**	**Non-distributable Net Wealth Tax reserve**	**Retained earnings**	**Total**
Balance as at 1 January 2022 Restated*	**2,200,000**	**220,000**	**358,715**	**5,223,842**	**8,002,557**
Profit for the period	-	-	-	621,168	621,168
Other comprehensive income					
Transfer of reserves	-	-	(23,190)	23,190	-
Total comprehensive income/(loss)			(23,190)	644,358	621,168
Balance as at 30 June 2022 Restated*	**2,200,000**	**220,000**	**335,525**	**5,868,200**	**8,623,725**
Balance as at 1 January 2023	**2,200,000**	**220,000**	**335,525**	**6,208,616**	**8,964,141**
Profit for the period	-	-	-	603,599	603,599
Other comprehensive income	-	-	-	-	-
Transfer of reserves	-	-	(59,537)	59,537	-
Total comprehensive (loss)/ income	-	-	(59,537)	663,136	603,599
Balance as at 30 June 2023	**2,200,000**	**220,000**	**275,988**	**6,871,752**	**9,567,740**

** See note 2.18 for details about restatements for different interpretation of IFRS 9*

NOTE 1 – GENERAL

Natixis Structured Issuance S.A., *société anonyme* (the "**Company**"), having its registered office at 51, avenue J.F. Kennedy, L-1855 Luxembourg, R.C.S. Luxembourg B 182619 was incorporated on 29 November 2013 under the Luxembourg Commercial Companies Act (the law of August 10, 1915 as subsequently amended) for an unlimited period.

The Company's corporate purpose is to (i) obtain funding by the issue of bonds, notes, derivative financial instruments, certificates or other financial instruments of any term or duration and in any currency, including under one or more issue programmes or by means of standalone issuances, or any other indebtedness, or by any other means, (ii) enter into, execute and deliver and perform any swaps (including any credit support annexes), futures, forwards, foreign exchange agreements, derivatives, options, repurchase agreements, securities lending transactions and transactions having similar effect in connection with or ancillary to the activities mentioned above and (iii) enter into loan agreements as lender with a view to complying with any payment or other obligation the Company has under any of the financial instruments issued by it or any agreement entered into within the context of its activities.

The Company may borrow in any form. It may enter into any type of loan agreement. The Company may also give guarantees and grant security in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further pledge, transfer, encumber or otherwise create security over some or all its assets.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate purpose shall include any transaction or agreement which is entered by the Company, provided it is not inconsistent with the foregoing enumerated objects and to the extent permitted under applicable law.

In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The Company is included in the consolidated accounts of Natixis S.A., a *société anonyme*, incorporated under the French law, having its registered office at 7 promenade Germaine Sablon, 75201 Paris Cedex 13 – France,, RCS Paris 542 044 524 ("**Natixis S.A**.") forming the intermediary body of undertakings included in the body of undertakings referred in the below-mentioned paragraph of which the Company forms part as a subsidiary undertaking. The consolidated accounts are available at the registered office of Natixis S.A.

Additionally, the Company is also included in the consolidated accounts of BPCE, société anonyme, incorporated under the French law, having its registered office 7 promenade Germaine Sablon, 75201 Paris Cedex 13 – France, RCS Paris 493 455 042 forming the largest body of the undertakings included in the body of undertakings referred in the above-mentioned paragraph of which the Company forms part as a subsidiary undertaking. The consolidated accounts are available at the registered office of BPCE.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The interim financial statements for the six months period ended 30 June 2023 have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations (International Financial Reporting Interpretation Committee) adopted in the European Union ("EU"), issued and effective or issued and early adopted as at 30 June 2023.

The Company has concluded that it operates as a single operating segment and, therefore, does not have reportable segments under the provisions of IFRS 8. Consequently, the Company has not disclosed segment information in these interim financial statements. Accordingly, the information presented herein represents the financial statements of the Company as a whole and does not reflect any segment-specific data.

2.2 Basis of preparation

These interim financial statements are for the six months ended from 1 January 2023 to 30 June 2023. They have been prepared in accordance with International Financial Reporting Standards ("IFRSs").The interim financial statements have been prepared on a going concern and on a historical cost basis except for the items that have been measured at fair value.

The interim financial statements present the statement of cash flows using the indirect method.

The interim financial statements are presented in Euro ("EUR") rounded to the nearest EUR except where otherwise indicated. The Company's reporting currency as well as functional currency is EUR.

The preparation of the interim financial statements requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the interim financial statements in the period in which the assumptions changed. The Board of Directors believed that the underlying assumptions might be appropriate and that the interim financial statements therefore present the financial position and results fairly.

It is the role of the Board of Directors to ensure that, to the best of their knowledge, the interim financial statements are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss and that the management report represents the information required under Article 3 (5) of the Transparency Law dated 11 January 2008, as amended from time to time.

2.2.1 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been issued by the IASB and are not yet effective. The Company has not adopted any of these standards or amendments before their effective date.

(i) New standards, amendments and interpretations effective in the current period
The amendments which are effective from 1 January 2023 that do not have material impact on the interim financial statements:

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IFRS 17 Insurance Contracts
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules*

*Not yet endorsed by European Financial Reporting Advisory Group.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(ii) *New standards, amendments and interpretations issued but not yet effective**

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements; Effective 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements; Effective 1 January 2024:
  - Classification of Liabilities as Current or Non-current Date;
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date;
  - Non-current Liabilities with covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback; Effective 1 January 2024

*Not yet endorsed by European Financial Reporting Advisory Group.

None of these is expected to have a material effect on the interim financial statements of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.3 Going concern

The Directors have considered the aforesaid and the Company's financial structure and have a reasonable expectation that the Company will be able to meet the mandatory repayment terms of its different commitments and has adequate resources to continue to operate for the foreseeable future. Accordingly, they have adopted the going concern basis of preparation for these financial statements.

There is an irrevocable and unconditional guarantee granted as of 23 January 2014 by Natixis S.A. (the Company's parent company) in favour of any holders of financial instruments issued by the Company. Financial instruments means any notes, bonds, certificates, derivative financial instruments or other securities or financial instruments issued on or after 23 January 2014, other than: (i) any subordinated securities or debts issued or entered into by the Company subject to a subordination provision which is intended for or which results in the assimilation of such securities or debts to own funds as defined by applicable banking regulation; and (ii) any financial instruments provided that it is expressly specified in the legal documentation attached to such financial instruments that these do not benefit from this guarantee. The irrevocable and unconditional guarantee granted as of 23 January 2014 by Natixis S.A. in favour of any holders of financial instruments issued by the Company may be terminated at any time by Natixis, S.A., although the guarantee shall remain in full force and effect with respect of any obligations arising from financial instruments issued before the effective date of the termination until such obligations have been performed in full. The irrevocable and unconditional guarantee granted as of 23 January 2014 by Natixis S.A. in favour of any holders of financial instruments issued by the Company meets the definition of a financial guarantee under IFRS 9 – "Financial Instruments: Recognition and Measurement". The related fee paid by the Company to Natixis S.A. is recognised on a pro rata temporis basis.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

The interim financial statements are presented in EURO (“EUR”), which is also the Company’s functional currency. Items included in the interim financial statements are measured using the currency of the primary economic environment in which the entity operates.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

2.4.2 Foreign currency transactions and balances

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss under "Net foreign exchange gain/(loss)".

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined and recognised in the statement of profit or loss under "Fair value adjustment of financial instruments".

2.5 Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.5.1 Financial asset (excluding derivatives)

As the Company does not hold equity instruments, it classifies its financial assets excluding derivatives in the following measurement categories:

- those to be measured at amortised cost;
- those to be measured subsequently at fair value though profit or loss ("FVPL").

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2.5.1.1 Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents and other receivables have been classified under this category.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

2.5.1.2 Financial assets at fair value through profit or loss

Financial assets recorded in the fair value through profit or loss category correspond either to financial assets that are mandatorily subsequently measured at fair through profit or loss or to financial assets that are voluntarily designated as subsequently measured at fair value through profit or loss under the fair value option.

Financial assets are mandatorily measured through profit or loss (i) when their contractual terms give rise on specific dates to cash flows that are not those of a basic lending arrangement (i.e. these cash flows are not solely payments of principal and interest on the principal amount outstanding (in short "SPPI")) or (ii) when the financial assets are not held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets or (iii) both (i) and (ii) apply.

Financial assets that are voluntarily designated as subsequently measured at fair value through profit or loss under the fair value option are financial assets which give rise to cash flows that are SPPI and these financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and hence would normally be required to be measured either at amortised cost or at fair value through profit or loss.

All the financial assets held by the Company are structured in such a manner to ensure that they are a mirror of all financial liabilities with Natixis S.A. (parent company) rated A+ (Fitch), A+ (S&P) and Al (Moody's). Therefore, the financial assets are structured assets which replicate all the features of the structured notes and which accordingly give rise to cash flows that are not those of a basic lending arrangement. Consequently, all the financial assets held by the Company shall be measured at fair value through profit or loss, on a mandatory basis.

2.5.2 Financial liabilities (excluding derivatives)

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are recognised initially at fair value net of transaction costs.

The Company classifies its financial liabilities in the following measurement categories:
- those to be measured at amortised cost;
- those to be measured subsequently at fair value though profit or loss ("FVPL").

Trade and other payables are measured at amortised cost.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

2.5.2 Financial liabilities (CONT.)

Both groups of financial assets and financial liabilities are managed, and their performance are evaluated, on a fair value basis, in accordance with a risk management strategy which matches the risks associated between the financial assets and liabilities. In addition, the measurement of both financial assets and financial liabilities at FVTPL reduces the accounting mismatch on profit or loss, and statement of financial position that could arise due to the mirror structure of the Company.

Accordingly, the borrowings are measured at fair value through profit or loss. These are instruments designated at fair value through profit or loss ('FVTPL') on initial recognition under the fair value option.

The term loans, certificates held, EMTN issued and certificates issued have been designated as financial assets and financial liabilities at fair value through profit or loss on initial recognition.

2.5.3 Derivative financial instruments

Derivative financial instruments are recognised at fair value on the balance sheet, regardless of whether they are held for trading or for hedging purposes.

Derivatives held for trading purposes are recorded in the balance sheet under 'Derivative financial asset' at fair value through profit or loss when their market value is positive and under 'Derivative financial liabilities' at fair value through profit or loss when their market value is negative.

After initial recognition, changes in fair value are recorded in the income statement under 'fair value adjustment of financial instruments.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

2.7 Other receivables

Other receivables include miscellaneous receivable and the unamortised portion of the upfront discount on EMTN prepaid. These accounts relate to the straight-line amortisation of premiums of debt instruments held (determined using the effective interest rate at inception date) and also include accruals and prepaid expenses.
The expected credit loss attached to the other receivables balance was considered and assessed by the Directors at 30 June 2023 as being null and as a result, no impairment was recognised in the respective periods.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.9 Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT)

2.10 Fair value

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. No financial instruments of the Company are traded in an active market. As such, fair value is established using standard valuation models. The models applied use relevant observable entry data or inputs estimated based on observable data.
They may refer to observable data from recent transactions, the fair value of similar instruments, discounted cash flow analysis and option pricing models or proprietary models in the case of hybrid instruments, etc. Additional valuation adjustments incorporate factors related to valuation uncertainties, such as market, credit and liquidity risks in order to account, in particular, for the costs resulting from an exit transaction.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the interim financial statements are categorised within the fair value hierarchy (described as follows), based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in these interim financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole).

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value gains and losses are also offset in the statement of profit or loss and other comprehensive income.

2.12 Other payables

Other payables include accruals for miscellaneous expenses. The latter accounts relate to the straight -line amortisation of premiums of debt instruments issued (determined using the effective interest rate at inception).

2.13 Financial guarantee

The irrevocable and unconditional guarantee was granted on 23 January 2014 by Natixis S.A. in favour of any holders of financial instruments issued by the Company. The guarantee is not recognized in the financial statements of the Company, but provides assurance as it means that any losses incurred in respect of the interim financial instruments of the Company will be borne by Natixis S.A.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

2.14 Recognition of income and expense

2.14.1 Term loans income
Interest income from term loans is recognised on an accruals basis. The revaluation of the fair value relating to the terms loans is based on the clean price (i.e. price that does not consider premium amortisation and accrued interest).

2.14.2 Fees and commissions paid
The method of accounting for fees and commissions paid depends on the end purpose of the services delivered and the method of accounting for the financial instruments to which the service relates. Fees and commissions for one-off services, such as business provider fees, are recognised as an expense as soon as the service is provided.

Fees and commissions for ongoing services, such as guarantee fees, are recognized over the period during which the service is provided.

The irrevocable and unconditional guarantee granted on 23 January 2014 by Natixis S.A in favour of any holders of financial instruments issued by the Company meets the definition of a financial guarantee (IFRS 9). The related fee paid by the Company to Natixis S.A. (parent company) is recognised on an accruals basis.

2.14.3 Financial income and expense
Financial income and expense include interest from bank accounts and commissions related to the Natixis S.A. guarantee (2.3) respectively.

2.14.4 EMTNs and certificates interest expenses
Interest expense from EMTNs and certificates is recognised on an accruals basis. The revaluation of the fair value relating to the EMTNs and certificates is based on the clean price.

2.15 Financial risk management
The Company does not use hedge accounting. The Company is not exposed to significant financial risks on the basis of matching of assets and liabilities. The risk on cash and cash equivalents is managed by Natixis S.A.. For further information on risk management refer to Note 3 of the financial statements.

2.16 Use of estimates and judgments
The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions are made in particular with regard to calculating the fair value of term loans, EMTNs, certificates issued and held. These fair values have been derived from valuation techniques using standard market models. In respect of the fair value mirroring of term loans with EMTNs, any changes in fair value of one of these financial instruments would be offset by the other. Further information regarding the fair value of these financial instruments is provided in Note 4.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

2.17 Presentation of the comparative financial information

The figures for the period ended 30 June 2022 relating to item "Interest paid" and "Repayments from derivative financial instruments", "Interests and similar income" and "Interests and similar expenses", "Other expenses" and "Administrative expenses" have been reclassified to ensure comparability with the figures for the period ended 30 June 2023.

2.18 Change in interpretation of IFRS 9

The Company has changed its interpretation of IFRS 9 for financial liabilities designated at FVTPL. Previously, the Company had elected to recognise changes in fair value related to changes in own credit risk in OCI, whereas under the modified policy, changes in fair value related to changes in own credit risk are recognized in profit or loss in accordance with IFRS 9 B5.7.5 to reduce the accounting mismatch.

In accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors", change in interpretation should be made retrospectively by restating comparatives presented in the financial statement.

The change in interpretation of IFRS 9 has been applied retrospectively to comparative period presented in these financial statements. The impact on the comparative period is as follows:

	Period ended 30 June 2022	Impact of change in interpretation IFRS 9	Period ended 30 June 2022 Restated*	Year ended 31 December 2021	Impact of change in interpretation IFRS 9	Year ended 31 December 2021 Restated*
Balance sheet (extract)						
Fair value reserve	99,351,218	(99,351,218)	-	26,837,944	(26,837,944)	-
Retained earnings	(93,483,018)	99,351,218	5,868,200	(21,614,102)	26,837,944	5,223,842
Statement of profit/loss (extract)						
Fair value adjustment of financial instruments	(72,513,274)	72,513,274	-	2,017,181	(2,017,181)	-
(Loss)/profit for the period/year	(71,892,106)	72,513,274	621,168	2,473,972	(2,017,181)	456,791
Statement of OCI (extract)						
Revaluation of financial liabilities at fair value through profit or loss – Effect of changes in the liability's credit risk						
Revaluation adjustment during the period/year	72,513,274	(72,513,274)	-	(2,017,181)	2,017,181	-

The change in interpretation of IFRS 9 was made in accordance with guidance in IFRS 9 Financial Instruments. The modified policy provides a more faithful presentation of the Company's financial position and performance by recognizing changes in own credit risk in profit and loss statement. The management believes that this change in accounting policy will provide users of its financial statements with more relevant and useful information.

The Company has ensured that the change is applied consistently throughout the financial statements, and the impact of the change has been appropriately disclosed. The Company has also assessed the impact of the change in interpretation of IFRS 9 on its internal controls over financial reporting, and no material weaknesses or significant deficiencies were identified as a result of this change.

NOTE 3 – RISK MANAGEMENT

The financial liabilities issued by the Company (EMTNs and certificates) replicate the characteristics of the Company's financial assets (term loans and certificates) with Natixis S.A., the parent company, an A+ rated bank (Fitch), except for a small interest margin in favour of the Company.

The management regards the monitoring and controlling of risk as a fundamental part of the management process and accordingly involves its more senior staff in developing risk policy and in monitoring its application. The evaluation of the risks inherent in the activities and the development of policies and procedures to control them are carried out by the Board of Directors.

All transaction documentation is thoroughly reviewed by the Natixis legal department and/or Intertrust, and the Company's legal advisor before being submitted to the Board of Directors or a committee appointed by the Board for a second level of review.

a) Market risk

Exposure to market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Market risk is eliminated by ensuring a match between the assets (term loans to the parent company Natixis S.A. and German certificates) and the liabilities (EMTNs and German certificates issued by the Company), as the characteristics of term loans and certificates replicate the characteristics of the EMTNs and certificates, except for a small interest margin to cover the cost of managing and operating the structure.

i) Interest rate risk

The EMTNs and term loans are mostly equity derivative structured products, which can be decomposed from an economic point of view into a low-coupon debt instrument and an equity derivative. These instruments are not very sensitive to changes in interest rates but are very sensitive to changes in the value of the underlying assets and changes in the implicit volatility of the underlying assets.

However, as the Company holds matched positions on the structured products when taken together, it is not considered to have significant market or interest rate risk. There is no material exposure to interest rate risk on cash.

ii) Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange exposure arises from issuing debt in currencies other than Euro. The Company's policy is to naturally economic hedge against these foreign exchange risks by investing solely in term loans which replicate the same currency characteristics as the EMTNs.

	Impact on result	
(in EUR)	**30 June 2023**	**31 December 2022**
Foreign currency/EUR 10% increase	(441,347)	(587,955)
Foreign currency/EUR 10% decrease	604,898	728,383

NOTE 3 – RISK MANAGEMENT (CONT)

ii) Currency risk (CONT)

The table below shows the Company's exposure to major currencies as at 30 June 2023 and 31 December 2022.

	30 June 2023 Carrying amount in EUR	31 December 2022 Carrying amount in EUR
Loans to related parties		
AUD	173,648	6,494,556
CHF	59,682,277	42,571,689
EUR	4,331,223,821	2,970,154,594
GBP	168,846,800	167,427,987
JPY	285,467,957	306,298,936
NOK	34,332	36,333
NZD	1,327,153	1,215,822
RUB	10,082,207	8,262,974
SEK	16,017,028	17,605,550
USD	716,949,284	644,954,861
ZAR	6,100,429	7,362,357
	5,595,904,936	**4,172,385,659**

	30 June 2023 Carrying amount in EUR	31 December 2022 Carrying amount in EUR
Derivative financial assets		
CHF	93,192	503,561
EUR	3,763,805	7,748,097
NOK	596,653	492,857
SEK	2,775,526	4,901,839
USD	2,506,175	5,226,427
	9,735,351	**18,872,781**

Borrowings	30 June 2023 Carrying amount in EUR	31 December 2022 Carrying amount in EUR
AUD	(138,680)	(6,494,558)
CHF	(58,208,546)	(42,564,347)
EUR	(4,373,459,389)	(2,970,422,105)
GBP	(167,621,288)	(167,751,121)
JPY	(282,609,941)	(307,088,883)
NOK	(34,623)	(36,333)
NZD	(1,411,184)	(1,215,822)
RUB	(10,022,422)	(8,294,364)
SEK	(16,426,745)	(17,563,829)
USD	(675,583,163)	(637,586,306)
ZAR	(5,890,191)	(7,184,558)
	(5,591,406,172)	**(4,166,202,226)**

NOTE 3 – RISK MANAGEMENT (CONT.)

ii) Currency risk (CONT.)

	30 June 2023 Carrying amount in EUR	**31 December 2022 Carrying amount in EUR**
Derivative financial liabilities		
CHF	(93,192)	(503,560)
EUR	(3,762,486)	(7,748,097)
NOK	(596,653)	(492,857)
SEK	(2,823,722)	(4,886,281)
USD	(2,506,175)	(5,181,451)
	(9,782,228)	**(18,812,246)**

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The other price risk relates to the embedded derivatives in the financial instruments (as the Company issued products with underlying such as Equity Index, Fixed income zero coupon, Hybrid operation).

iv) Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern. The capital structure of the Company consists of shareholder's equity comprising issued capital and reserves.

The authorised share capital is composed of shares conferring the same rights to their holder.

v) Anti-tax avoidance directive

The Company has assessed the provisions of the Anti-tax avoidance directive I and II (ATAD) and its potential impact on the Company's financial position, performance, and operations. The Company has determined that ATAD's requirements are not expected to have a material impact on its financial statements, including the determination of taxable income, tax expense, or deferral tax assets and liabilities.

b) Credit risk

Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company manages its credit risk through transacting only with the parent company, which is rated A+ (Fitch), A+ (S&P), and Al (Moody's) at 30 June 2023.

The maximum credit exposure of the Company is:

(in EUR)	**30 June 2023**	**31 December 2022**
Trade and other receivables	10,110,370	1,404,954
Cash and cash equivalents	5,165,152	14,016,163
	15,275,522	**15,421,117**

NOTE 3 – RISK MANAGEMENT (CONT.)

Credit risk is supervised by making the various business lines of the group accountable, and by various control measures overseen by a dedicated Group Risk Department team. As Natixis Trust S.A. is the sole shareholder of the Company, credit risk exposures are managed by the Group supervision, including cash and cash equivalents.

The Company only carries out transactions with Natixis S.A in the context of financial assets. Consequently, all financial assets held have been purchased from Natixis S.A. The Directors understand that, as a result, the credit risk has been mitigated by transacting only with Natixis S.A.

No financial assets are past due, nor impaired; their respective credit risk is deemed low.

Issuer credit risk

The valuation of the "issuer credit risk" component is based on the discounted cash-flow method, using parameters 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 as at 30 June 2023) 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.

c) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet commitments. The Company hedges the issue of debt securities through the loans to the parent company which match in all respects the debt that the Company has issued, except for a small interest margin in favour of the Company.

The table below discloses: a maturity analysis for non-derivative financial liabilities showing the remaining contractual maturities.

As the return on EMTNs and certificates is indexed to different types of underlying, the future interest payments are not disclosed as such in this table. However, there is no liquidity risk in relation to these interest payments as these interest payments are economically perfectly hedged with Natixis S.A..

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 30 June 2023:

(in EUR)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	277,241,547	338,024,811	406,780,258	326,991,452	4,242,368,104	5,591,406,172
Derivative financial liabilities	713,727	4,561,978	4,200,920	(497,931)	803,534	9,782,228
Trade and other payables	4,680,642	-	-	-	-	4,680,642
Total liabilities	282,635,916	342,586,789	410,981,178	326,493,521	4,243,171,638	5,605,869,042

NOTE 3 – RISK MANAGEMENT (CONT.)

c) *Liquidity risk (CONT.)*

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 December 2022:

(in EUR)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	112,330,209	382,024,274	299,778,480	539,735,396	2,832,333,867	**4,166,202,226**
Derivative financial liabilities	6,607,771	4,060,624	2,274,734	5,353,647	515,470	**18,812,246**
Trade and other payables	5,943,692	-	-	-	-	**5,943,692**
Total liabilities	**124,881,672**	**386,084,898**	**302,053,214**	**545,089,043**	**2,832,849,337**	**4,190,958,164**

d) *Fair values of financial instruments*

Fair value movements on the term loans, certificates and EMTNs are shown in Notes 4 and 8. The Company's risk management system ensures that the Company's financial assets and liabilities are matched and therefore the Company has little net exposure in this area.

The Company's financial instruments carried at fair value are analysed below. The different levels of the fair value hierarchy have been defined as follows:

- Level 1: instruments quoted on an active market;
- Level 2: instruments for which valuation model is based on market observables either directly or indirectly; and
- Level 3: instruments measured using models that are not commonly used and/or that draw on unobservable inputs.

As described in the Note 2.10, both assets and liabilities are financial instruments that are priced using standard market valuation models. The inputs of these models are either directly observable by reference to published price quotations in an active market or are estimated based on published price quotations in an active market for instruments presenting similar characteristics. As a result, the Company classifies fair value measurements in level 2 (2022: level 2). No transfers between levels of the fair value hierarchy occurred during the period ended 30 June 2023.

With regard to the cash and cash equivalents, the accrued interest on term loans, the other receivables, the accrued interest on EMTNs and the other payables, the fair value of these balances are deemed to equates to their carrying value.

Quantitative disclosures of the Company's financial instruments in the fair value measurement hierarchy as at 30 June 2023:

Assets

(in EUR)	Level 1	Level 2	Level 3	Total
Loans to related parties	-	5,595,904,936	-	5,595,904,936
Derivative financial assets	-	9,735,351	-	9,735,351
	-	**5,605,640,287**	-	**5,605,640,287**

NOTE 3 – RISK MANAGEMENT (CONT.)

d) *Fair values of financial instruments (CONT.)*

Liabilities (in EUR)	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	5,591,406,172	-	**5,591,406,172**
Derivative financial liabilities	-	9,782,228	-	**9,782,228**
	-	**5,601,188,400**	-	**5,601,188,400**

Quantitative disclosures of the Company's financial instruments in the fair value measurement hierarchy as at 31 December 2022:

Assets (in EUR)	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans to related parties	-	4,172,385,659	-	**4,172,385,659**
Derivative financial assets	-	18,872,781	-	**18,872,781**
	-	**4,191,258,440**	-	**4,191,258,440**

Liabilities (in EUR)	**Level 1**	**Level 2**	**Level 3**	**Total**
Borrowings	-	4,166,202,226	-	**4,166,202,226**
Derivative financial liabilities	-	18,812,246	-	**18,812,246**
	-	**4,185,014,472**	-	**4,185,014,472**

NOTE 4 – FINANCIAL ASSETS

The financial assets are composed of loans and derivative financial instruments.

	30 June 2023 Carrying amount in EUR	**31 December 2022 Carrying amount in EUR**
Financial asset at fair value through profit or loss		
Loans to related parties	5,595,904,936	4,172,385,659
Derivative financial assets	9,735,351	18,872,781
Total	**5,605,640,287**	**4,191,258,440**
Disclosed as follows:		
Non-current assets		
Loans to related parties	5,026,634,272	3,671,275,674
Derivative financial assets	6,775,797	8,170,057
	5,033,410,069	3,679,445,731
Current assets		
Loans to related parties	569,270,664	501,109,985
Derivative financial assets	2,959,554	10,702,724
	572,230,218	511,812,709
	5,605,640,287	**4,191,258,440**

NOTE 4 – FINANCIAL ASSETS (CONT.)

The movements of financial assets during the period ended 30 June 2023 are as follows:

(in EUR)	Loans to related parties	Derivative financial assets	Total
As at 01 January 2023	**4,172,385,659**	**18,872,781**	**4,191,258,440**
Additions for the period	2,477,396,789	5,402,894	2,482,799,683
Reimbursements for the period	(1,397,146,298)	(19,938,266)	(1,417,084,564)
Fair value adjustment	343,495,711	5,397,942	348,893,653
Interest accrued movement	(264,972)	-	(264,972)
Other movements	38,047	-	38,047
As at 30 June 2023	**5,595,904,936**	**9,735,351**	**5,605,640,287**

The movements of financial assets during the period ended 31 December 2022 are as follows:

(in EUR)	Loans to related parties	Derivative financial assets	Total
As at 01 January 2022	4,415,360,176	40,113,216	**4,455,473,392**
Additions for the year	2,209,078,960	8,057,568	**2,217,136,528**
Reimbursements for the year	(1,963,168,423)	(12,375,903)	**(1,975,544,326)**
Fair value adjustment	(492,776,358)	(16,922,100)	**(509,698,458)**
Interest accrued movement	3,891,304	-	**3,891,304**
As at 31 December 2022	**4,172,385,659**	**18,872,781**	**4,191,258,440**

The financial assets include the fair value adjustments as follows:

(in EUR)	Loans to related parties	Derivative financial assets	Total
As at 01 January 2022	**(265,711,925)**	**267,349**	**(265,444,576)**
Fair value adjustment	(492,776,358)	(16,922,100)	**(509,698,458)**
As at 31 December 2022	**(758,488,283)**	**(16,654,751)**	**(775,143,034)**
Fair value adjustment	343,495,711	5,397,942	348,893,653
As at 30 June 2023	**(414,992,572)**	**(11,256,809)**	**(426,249,381)**

Loans to related parties

In relation with the Debt Issuance Programme launched by the Company (Note 8), the Company entered into an intra-group loan agreement on 23 January 2014. The characteristics of the loans granted to the affiliated undertaking as per this intra-group loan agreement are replicating to the characteristics of the Notes issued by the Company.

As at 30 June 2023, the accrued interests for EUR 6,490,530 (31 December 2022: EUR 6,755,502) are included in the current assets as loans to related parties becoming due and payable within one year. An interest income of EUR 101,971,794 (30 June 2022: EUR 100,953,846) has been recorded in the profit and loss account for the period ended 30 June 2023.

The Company's loans held with Natixis SA (Parent company) replicate the characteristics of the EMTNs issued by the Company (Note 8), except for a small interest margin in favour of the Company. The derivative financial assets replicate the derivative financial instruments issues by the Company.

NOTE 4 – FINANCIAL ASSETS (CONT.)

Derivatives financial assets

Derivative financial assets entered by the Company are used to cover interest and market risks derived from the Derivative financial liabilities in relation to the warrant program Note 8.

NOTE 5 – OTHER RECEIVABLES

Other receivables consist of miscellaneous receivable of EUR 10,110,370 (31 December 2022: EUR 1,404,954) including unamortised discount on EMTN prepaid amounting to EUR 28,475 (31 December 2022: EUR 28,434)

NOTE 6 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents disclosed in the statement of financial position and in the statement of cash flows do not include any restricted amounts.

NOTE 7 – CAPITAL AND RESERVES

Subscribed capital

As at 30 June 2023 and 31 December 2022, the subscribed and fully paid-up capital amounted to EUR 2,200,000 and was represented by 22,000 ordinary shares with a par value of EUR 100 each.

During the financial period, the Company has not acquired any of its own shares.

Legal reserve

Luxembourg companies are required to appropriate to a legal reserve a minimum of 5% of the net profit for the year, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company.

Other reserves

As at 30 June 2023, cumulated net wealth tax reserve, which form part of the other reserves, amount to EUR 275,988, (31 December 2022: EUR 335,525). This reserve is not available for distribution for a period of five years. Other reserves are available for distributions.

NOTE 8 – BORROWINGS AND DERIVATIVE FINANCIAL LIABILITIES

The Borrowings and derivative financial liabilities are detailed as follows:

(in EUR)	30 June 2023	31 December 2022
Financial liabilities at fair value through profit or loss		
Borrowings	5,591,406,172	4,166,202,226
Derivative financial liabilities	9,782,228	18,812,246
	5,601,188,400	**4,185,014,472**

(in EUR)	30 June 2023	31 December 2022
Disclosed as follows:		
Non-current liabilities		
Borrowings	5,022,173,555	3,671,847,743
Derivative financial liabilities	4,506,523	8,143,851
	5,026,680,078	**3,679,991,594**
Current liabilities		
Borrowings	569,232,617	494,354,483
Derivative financial liabilities	5,275,705	10,668,395
	574,508,322	**505,022,878**
	5,601,188,400	**4,185,014,472**

The movements of financial liabilities during the period ended 30 June 2023 are as follows:

(in EUR)	Borrowings	Derivative financial Liabilities	Total
As at 01 January 2023	4,166,202,226	18,812,246	**4,185,014,472**
Additions for the period	2,477,396,789	5,402,894	**2,482,799,683**
Reimbursements for the period	(1,397,146,298)	(19,938,266)	**(1,417,084,564)**
Fair value adjustment	343,495,711	5,397,942	**348,893,653**
Interest accrued movement	(264,972)	-	**(264,972)**
Other movements	1,722,716	107,412	**1,830,128**
As at 30 June 2023	**5,591,406,172**	**9,782,228**	**5,601,188,400**

The movements of financial liabilities during the period ended 31 December 2022 are as follows:

(in EUR)	Borrowings	Derivative financial Liabilities	Total
As at 01 January 2022	4,406,509,213	40,035,527	**4,446,544,740**
Additions for the year	2,209,078,960	8,057,568	**2,217,136,528**
Reimbursements for the year	(1,963,168,424)	(12,375,903)	**(1,975,544,327)**
Fair value adjustment	(492,776,358)	(16,922,100)	**(509,698,458)**
Interest accrued movement	3,891,304	-	**3,891,304**
Other movements	2,667,531	17,154	**2,684,685**
As at 31 December 2022	**4,166,202,226**	**18,812,246**	**4,185,014,472**

NOTE 8 – BORROWINGS AND DERIVATIVE FINANCIAL LIABILITIES (CONT.)

The financial liabilities include the fair value adjustments as follows:

(in EUR)	Borrowing	Derivative financial Liabilities	Total
As at 01 January 2022	**(265,711,925)**	**267,349**	**(265,444,576)**
Fair value adjustment	(492,776,358)	(16,922,100)	**(509,698,458)**
As at 31 December 2022	**(758,488,283)**	**(16,654,751)**	**(775,143,034)**
Fair value adjustment	343,495,711	5,397,942	348,893,653
As at 30 June 2023	**(414,992,572)**	**(11,256,809)**	**(426,249,381)**

Loans and borrowings

(i) Early 2014, the Company launched a Debt Issuance Programme according to which the Company is entitled to issue an aggregate principal amount of Notes outstanding up to EUR 10,000,000,000.

In April 2019, the Company launched a Debt Issuance Programme, to replace the 2014 Debt Issuance Programme, according to which the Company is entitled to issue an aggregate principal amount of Notes outstanding up to EUR 20,000,000,000.

The Notes may be issued at their principal amount or at a discount or premium to their principal amount in any currency including, among others, Euro, U.S. Dollars, Hong Kong Dollars, Pound Sterling or Swiss francs.

The Notes may be zero coupons, fixed interest or floating rate Notes or Structured Notes, for which the basis for calculating the amounts of interest payable may be by reference to shares, stock indices, commodities, funds, dividend or as otherwise provided in the relevant Final Terms.

(ii) At the beginning of the second quarter 2014, the Company also launched a German Language Certificate Programme according to which the Company is entitled to issue an aggregate principal amount of Certificates outstanding up to EUR 1,000,000,000.

In December 2017, the CSSF granted its approval for the renewal of the German Language Certificate Programme according to which the Company is entitled to issue an aggregate principal amount of Certificates outstanding up to EUR 1,000,000,000.

The Certificates may be issued on any currency including, among others, Euro, U.S. Dollars, Hong Kong Dollars, Pound Sterling or Swiss francs.

The Certificates may be zero coupon, fixed interest or floating rate Certificates or Structured Certificates, for which the basis for calculating the amounts of interest payable may be by reference to a share, an index, a fund, a commodity, a basket of shares, a basket of indices, a basket of funds or a basket of commodities.

As at 30 June 2023, the maturity dates of the outstanding Notes and Certificates range from 1 July 2023 to 16 December 2050.

As at 30 June 2023, the total amount of the notes (excl. fair value adjustments) amounted to EUR 6,004,368,931 (31 December 2022: EUR 4,924,508,214).

NOTE 8 – BORROWINGS AND DERIVATIVE FINANCIAL LIABILITIES (CONT.)

An interest expense of EUR 101,947,001 (30 June 2022: EUR 95,663,834) has been recorded in the profit and loss account for the period ended 30 June 2023.

(iii) Early 2014, the Company launched a Warrant Programme. According to this programme the Company may issue derivative financial instruments of any kind including, but not limited to, derivative financial instruments relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified debt instrument or a basket of debt instruments, a specified currency or a basket of currencies, a specified commodity or a basket of commodities, a specified fund or a basket of funds.

The total premium of the derivative financial instruments issued amounted to EUR 13,856,002 as at 30 June 2023 (31 December 2022: EUR 28,391,375).

Natixis S.A. granted on 23 January 2014 an irrevocable and unconditional guarantee in favour of the holders of financial instruments issued by the Company.

Derivative financial instruments

As at 30 June 2023 and 31 December 2022, the financial derivative instruments held by the company included warrants Call options (European) and are detailed below:

	30 June 2023			**31 December 2022**		
	Cost in currency	Cost in EUR	Fair value in EUR	Cost in currency	Cost in EUR	Fair value in EUR
CHF	217,500	222,786	93,192	778,000	788,119	503,561
EUR	6,159,061	6,159,061	3,762,485	14,458,795	14,458,795	7,748,097
NOK	9,768,250	835,408	596,654	7,228,250	687,457	492,856
SEK	40,552,355	3,440,846	2,823,722	55,248,515	4,967,386	4,886,281
USD	3,489,069	3,197,901	2,506,175	7,992,920	7,489,618	5,181,451
	60,186,235	**13,856,002**	**9,782,228**	**85,706,480**	**28,391,375**	**18,812,246**

NOTE 9 – TAX

(in EUR)	Period ended 30 June 2023	Period ended 30 June 2022
Current income tax expense in respect of the current period	(246,050)	(133,836)
Net deferred income tax benefit / (expense)	-	-
Total income tax expense	**(246,050)**	**(133,836)**

(in EUR)	Period ended 30 June 2023	Period ended 30 June 2022*
Applicable average tax rate	24.94%	24.94%
Profit/(loss) before tax:	849,649	755,004
Theoretical tax benefit/ (expense)	**(211,902)**	**(188,298)**
Effect of (Non-deductible expenses)/ tax exempt income	(34,148)	54,462
	(34,148)	**54,462**
Income tax expense	**(246,050)**	**(133,836)**

** See note 2.18 for details about restatements for different interpretation of IFRS 9*

The estimated tax provisions for Luxembourg taxes for the period ended 30 June 2023 were as follows: CIT EUR 147,629, MBT EUR 53,601 and NWT EUR 44,820.

The estimated tax provisions for Luxembourg taxes for the period ended 30 June 2022 were as follows: CIT EUR 69,294, MBT EUR 24,532 and NWT EUR 40,010.

The Company is part of the Luxembourg horizontal tax consolidation since 1 January 2016 and the immunization capacity for the tax consolidation of the net wealth tax. The Company made on 6 July 2017 an allocation of EUR 23,190, which have been made available and released on 1 January 2022, on 10 April 2018 an allocation of EUR 119,075 and on 19 December 2019 an allocation of EUR 216,450 from other reserves to the net wealth tax reserve. During the period ended 30 June 2023, neither the Company or any member of the fiscal unit built any additional NWT reserve.

The deferred tax of the Company is immaterial.

NOTE 10 – DEFERRED INCOME

Deferred income is mainly composed of unamortised premiums on EMTN and unamortised discounts on loans.

NOTE 11 – TRADE AND OTHER PAYABLES

As of 30 June 2023, this item consists of accruals for miscellaneous expenses and suspended payments impacted by the sanctions imposed on Russian counterparties (refer to note 20).

NOTE 12 – NET FINANCE INCOME/(COSTS)

(in EUR)	Period ended 30 June 2023	Period ended 30 June 2022
Interest income and similar income		
Interest income from Loans to related parties	101,971,794	100,953,846
Interest income from derivative instruments	6,463,134	5,843,900
	108,434,928	**106,797,746**
Interest expense and similar costs		
Interest expense on borrowings	(101,947,001)	(95,663,834)
Interest expense on derivative instruments	(5,718,165)	(9,822,479)
	(107,665,166)	**(105,486,313)**
Net finance (costs)/income	**769,762**	**1,311,433**

NOTE 13 – ADMINISTRATIVE EXPENSES

(in EUR)	Period ended 30 June 2023	Period ended 30 June 2022
Accounting and audit fees (note 15)	(65,163)	(113,802)
Staff costs (note 16)	(84,546)	(81,181)
Other fees	(144,450)	(414,420)
	(294,159)	**(609,403)**

NOTE 14 – OTHER EXPENSES

Other expenses is mainly composed of fee expenses on securities commitments.

NOTE 15 – AUDIT FEES

The total fees expensed by the Company and due for the current financial period to the audit firm are presented as follows:

(in EUR)	Period ended 30 June 2023	Period ended 30 June 2022
Audit fees	65,163	113,802

NOTE 16 – STAFF

As of 30 June 2023, the Company has one staff (2022: one staff) and staff costs for the period end amounts to EUR 84,546 (30 June 2022: EUR 81,181).

NOTE 17 – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As at 30 June 2023 and 31 December 2022, there were neither advances, nor loans granted to the Board of Directors acting as sole management body of the Company.

As at 30 June 2023 and 31 December 2022, the were no retirement benefit granted to the members of the Company.

NOTE 18 – EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As at 30 June 2023 and 31 December 2022, there were no emoluments granted to the Board of Directors acting as sole management body of the Company.

NOTE 19 – COMMITMENTS FOR INSTRUMENTS WITH EFFECTIVE DATE AFTER 30 JUNE 2023

As at 30 June 2023 the Company have no commitments for instruments with effective date after 30 June 2023.

As at 31 December 2022 the Company have no commitments for instruments with effective date after 31 December 2022.

NOTE 20 – RUSSIA AND UKRAINE CRISIS

In response to Russia's invasion of Ukraine in February 2022, many countries (including the US, UK and EU) have introduced financial sanctions against a large number of entities and individuals with Russian origin.

Some of the sanctioned entities were counterparts of Natixis Structured Issuance.

Natixis Structured Issuance decided to follow a legal analysis that concluded that no provisions were needed in relation to Natixis Structured Issuance's payment obligations impacted by the sanctions imposed on Russian counterparties.

NOTE 21 – NON_FINANCIAL INFORMATION

Taking into account the management of environmental, social and governance (ESG) risks in the financing and investment businesses is part of a global approach involving the business lines, corporate social responsibility (CSR) and control functions.

This approach includes, in particular, the development and implementation of CSR policies in the most sensitive sectors, the definition of excluded sectors of activity, assessing and monitoring the ESG risks of operations and counterparties using various tools and processes.

Additional information is detailed in the Universal Registration Document and Financial Report published by BPCE, the largest body of the undertakings, of which the Company forms part as a subsidiary undertaking, available at: https://natixis.groupebpce.com/wp-content/uploads/2023/04/NATIXIS_URD2022_EN_PDFi.pdf

The Board of Directors is responsible for ensuring compliance with the directive 2014/95/EU 'Non-Financial Reporting Directive' (NFRD).

NOTE 22 – SUBSEQUENT EVENTS

No event has occurred subsequent to the 30 June 2023 which would have a material impact on the interim financial statements as at 30 June 2023.