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## Natixis innovates on climate action by introducing the first Green Weighting Factor for its financing deals to comply with Paris Agreement goals

In line with its announcement on December 11, 2017 during the Climate Finance Day in Paris, Natixis has built on its full range of sector expertise to develop an innovative Green Weighting Factor methodology. This mechanism will be applied to analytical RWA on the company's financing deals in a move to address potential changes in regulation. The Green Weighting Factor provides for a positive adjustment on analytical RWA for deals that create affirmative climate and environmental action, while involving a negative adjustment on deals with an adverse environmental impact. This innovative mechanism helps Natixis further comply with Paris Agreement targets in its financing operations.

The Green Weighting Factor is an in-house capital allocation mechanism that aims to promote finance deals with a positive impact on both the climate and the environment, by adjusting the expected profitability threshold on these various transactions according to their effects on climate change.

Four pilot sectors have already been selected to test the Green Weighting Factor system – automotive, real estate, electricity and mining. Natixis has defined criteria to classify every individual financing deal across each of these four sectors depending on its environmental and climatic impact, designing a fully operational system that can now be tested on 31% of the portfolio of financing deals in question at the company. This open scalable methodology will gradually include the European Union's taxonomy, or classification system for environmentally sustainable economic activity, as it is developed over time by the European Technical expert group on sustainable finance.

The Green Weighting Factor system will be rolled out by the end of 2018 and will gradually apply to new asset or project finance deals, as well as corporate loans by Natixis across its various business sectors worldwide.

"Our Green Weighting Factor mechanism will help us support our clients even more effectively as they seek to achieve their sustainable growth goals. It is a natural step to build on the European Commission's work on the green supporting factor and aims to measure the gradual shift in our balance sheet to support the fight against climate change." notes François Riahi, CEO of Natixis.

### **About Natixis**

*Natixis is the international corporate and investment banking, asset management, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 31 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Épargne.*

*With more than 21,000 employees, Natixis has a number of areas of expertise that are organized into four main business lines: Asset & Wealth Management, Corporate & Investment Banking, Insurance and Specialized Financial Services.*

*A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks.*

*Listed on the Paris stock exchange, it has a solid financial base with a CET1 capital under Basel 3(1) of €11.7 billion, a Basel 3 CET1 Ratio (1) of 10.7 % and quality long-term ratings (Standard & Poor's: A / Moody's: A2 / Fitch Ratings: A).*

*(1) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in. Figures as at March 31, 2018*

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