

**Rating Action: Moody's upgrades BPCE's long-term debt and deposit ratings to A1 from A2, outlook stable**

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29 Jun 2018

**Short-term ratings of Prime-1 are affirmed**

London, 29 June 2018 -- Moody's Investors Service, ("Moody's") upgraded the long-term deposit and senior unsecured debt ratings of BPCE (A1/A1 stable, ba1) and affiliated subsidiaries, where applicable, principally Natixis (A1/A1 stable, baa3), Credit Foncier de France (CFF; A1 stable/(P)A1, b1 on review direction uncertain) and Banque Palatine (A1 stable, ba1), to A1 from A2 and changed the outlooks on these ratings to stable from positive. This rating action is primarily driven by the improved fundamentals of Groupe BPCE. In doing so, Moody's upgraded BPCE's standalone baseline credit assessment (BCA) and adjusted BCA to ba1 and baa1, from ba2 and baa2, respectively. The rating agency also upgraded Natixis' BCA to baa3 from ba1 and affirmed Banque Palatine's ba1 BCA. Considering the current uncertainties surrounding CFF's standalone creditworthiness, as a result of BPCE's plan to undertake CFF's activities, Moody's placed CFF's b1 BCA under review, direction uncertain. The junior senior unsecured and subordinated debt ratings of BPCE and affiliated subsidiaries, where applicable, were upgraded to Baa2 from Baa3, their non-cumulative preferred stock ratings to Ba1(hyb) from Ba2(hyb), their long-term Counterparty Risk Ratings (CRRs) to Aa3 from A1, and their long-term Counterparty Risk (CR) Assessments to Aa3(cr) from A1(cr). Finally, Moody's affirmed the group's short-term ratings and CR Assessments of Prime-1 and Prime-1(cr), respectively.

A full list of affected ratings is provided towards the end of this press release.

**RATINGS RATIONALE**

Today's rating action was primarily driven by Groupe BPCE's strengthened capitalization and increased diversification of revenue streams achieved over the past few years. Groupe BPCE's Common Equity Tier 1 (CET1) ratio increased to 15.1% as of March 2018, from 14.4% a year earlier. As a mutualist organisation, the group has the capacity to organically increase its core capital by about 70 basis points (bps) per year through retained earnings. This will enable Groupe BPCE to reach its 15.5% CET1 ratio target before the end of its 2017-2020 strategic plan. This strong capitalization supports Groupe BPCE's expansion in non-interest income businesses, chiefly corporate and investment banking (CIB), insurance and asset management, which have contributed to offset the negative pressure on its net interest margins in the retail bank networks. Hence BPCE's diversified universal banking model has allowed it to mitigate the pressure of the low interest rate environment while maintaining a low risk profile. Groupe BPCE's cost of risk has decreased to a historically low level of 16 bps of gross loans, in the first quarter of 2018, owing to the improving macroeconomic environment in France. Moody's estimates that Groupe BPCE's asset risk will revert towards the through-the-cycle average in the coming years.

Nevertheless, Moody's also considers that Groupe BPCE's creditworthiness remains constrained by its relatively low, albeit stable, profitability and weak cost-efficiency. The group's cost-to-income ratio was a high 70.3% in 2017, reflecting high operating costs, which result, amongst other things, from the coexistence of two independent networks and the duplication of functions. This will in part be addressed under the group's 2017-2020 strategic plan and project to undertake CFF's activities, but it will take time for these measures to improve the group's results.

The upgrade of Natixis' BCA to baa3 from ba1 primarily reflects its improved standalone capitalization, which results from increased retained earnings. The profits generated by the group's main subsidiary have benefited from its expanding core business lines (CIB, insurance, asset management and specialized financial services, including consumer finance and payment services). While Natixis still aims to develop its wholesale banking activities towards a selected range of activities and sectors (energy and natural resources, aviation, infrastructure and real estate), it strives to restrict RWA growth through the distribution of new loans to third parties ("originate-to-distribute").

The upgrade of BPCE's BCA to ba1 from ba2 primarily reflects the improving creditworthiness of its main subsidiary Natixis. The reshuffling of CFF's activities will also generate cost savings which will ultimately benefit

BPCE's own profitability.

Moody's placed CFF's standalone BCA on review, direction uncertain, as a result of the group's announcement that CFF's activities will be undertaken by other group entities (mainly Banques Populaires, Caisses d'Epargne and Natixis) while the existing loan book will be put in run off. The impact of these measures, although positive for the group's profitability, is uncertain for CFF's standalone creditworthiness. A clearer view on the bank's future asset risk, capitalization and funding profile will be necessary in order to close the review.

As a French mutualist group, Groupe BPCE operates an internal solidarity mechanism, which ensures that all affiliated entities would benefit from capital and liquidity support from other group members in case of need. This strong support from the group is reflected in the adjusted BCA of baa1 that Moody's assigns to each affiliate member, where applicable.

The long-term deposit and senior unsecured debt ratings of BPCE and affiliated entities also benefit from very low loss-given-failure, which translates into a two-notch uplift from their adjusted BCA. This notching reflects Moody's expectation that Groupe BPCE will continue to issue senior unsecured and junior senior unsecured debt in order to increase its Total Loss Absorbing Capacity (TLAC) above its objective of 21.5% of risk-weighted assets. The group has so far issued €8.8 billion of junior senior unsecured debt and Moody's estimates that it will continue to issue up to €4-5 billion of such instruments annually, in order to build up a buffer that will protect senior creditors from the risk of being bailed-in.

Although Groupe BPCE was dropped from the Financial Stability Board's list of Global Systemically Important Banks (GSIBs) in November 2017, Moody's still considers Groupe BPCE to be of systemic importance in France. As such, the senior debt, CRRs and CR Assessments of all group affiliated entities benefit from a moderate likelihood of government support, which provides one notch of additional uplift for these instruments.

#### OUTLOOK STABLE

The outlooks on the A1 long-term deposit and senior unsecured debt ratings of BPCE and affiliated entities are stable because Moody's does not expect any significant change in the creditworthiness of Groupe BPCE in the near term. The group's solid capitalization and balanced diversification will continue to offset its relatively weak cost efficiency.

#### WHAT COULD CHANGE THE RATING UP/DOWN

The adjusted BCAs of Groupe BPCE's affiliated entities could be upgraded as a result of increased profitability resulting from a reduction of the bank's cost structure. A higher-than-expected CET1 capital would also be beneficial to the group's creditworthiness, while Moody's expects Groupe BPCE to maintain its current low risk profile. An upgrade of the adjusted BCA would likely result in an upgrade to all group ratings. BPCE's CRR, deposit and senior unsecured debt ratings could also be upgraded as a result of a lower-than-expected loss-given-failure due to the additional issuance of material amounts of junior senior unsecured and/or subordinated debt.

Conversely, the adjusted BCAs of Groupe BPCE's affiliated entities could be downgraded as a result of an unexpected erosion of its profitability or an increase in asset risk. A lower adjusted BCA would likely result in a downgrade of all group ratings. The CRRs, deposit and senior unsecured debt ratings could also be downgraded as a result of a higher-than-expected loss-given-failure due to an unexpected decrease of senior debt outstanding or a failure to issue junior senior unsecured debt in line with expectations. Each affiliated entity's own ratings could also be downgraded if the agency were to assume, on a case-by-case basis, a weaker probability of group support.

#### LIST OF AFFECTED RATINGS

Issuer: BPCE

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

...Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

...Senior Unsecured Shelf, upgraded to (P)A1 from (P)A2

...Junior Senior Unsecured Regular Bond/Debenture, upgraded to Baa2 from Baa3

...Junior Senior Unsecured Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

...Subordinate Regular Bond/Debenture, upgraded to Baa2 from Baa3

...Backed Subordinate Regular Bond/Debenture, upgraded to Baa2 from Baa3

...Subordinate Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

...Backed Subordinate Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

...Preferred Stock Non-cumulative, upgraded to Ba1(hyb) from Ba2(hyb)

...Adjusted Baseline Credit Assessment, upgraded to baa1 from baa2

...Baseline Credit Assessment, upgraded to ba1 from ba2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

...Other Short Term, affirmed (P)P-1

...Backed Other Short Term, affirmed (P)P-1

...Commercial Paper, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Caisses d'Epargne Participations

..Upgrades:

...Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

..No Outlook assigned

Issuer: CDC Ixis

..Upgrades:

...Subordinate Regular Bond/Debenture, upgraded to Baa2 from Baa3

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2 Positive

..No Outlook assigned

Issuer: BRED-Banque Populaire

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

....Subordinate Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

..Affirmations:

....Short-term Counterparty Risk Ratings, affirmed P-1

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Short-term Bank Deposits, affirmed P-1

....Short-term Deposit Note/CD Program, affirmed P-1

....Other Short Term, affirmed (P)P-1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Banque Monetaire et Financiere

..Upgrades:

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

..Affirmations:

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Short-term Counterparty Risk Ratings, affirmed P-1

....Short-term Bank Deposits, affirmed P-1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Banque Populaire Aquitaine Centre Atlantique

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

....Long-term Deposit Note/CD Program, upgraded to A1 from A2

....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1
- ....Other Short Term, affirmed (P)P-1

..Outlook Action:

- ....Outlook changed to Stable from Positive

Issuer: Banque Populaire Alsace Lorraine Champagne

..Upgrades:

- ....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1
- ....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)
- ....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive
- ....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1
- ....Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

- ....Outlook changed to Stable from Positive

Issuer: Banque Populaire Atlantique

..Upgrades:

- ....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1
- ....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)
- ....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive
- ....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1
- ....Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

- ....Outlook changed to Stable from Positive

Issuer: Banque Populaire Bourgogne Franche-Comte

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

..Affirmations:

....Short-term Counterparty Risk Ratings, affirmed P-1

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Short-term Bank Deposits, affirmed P-1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Banque Populaire Grand Ouest

..Upgrade:

....Senior Unsecured Medium-Term Note Program, Upgraded to (P)A1 from (P)A2

..Affirmation:

....Commercial Paper, affirmed P-1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Banque Populaire Occitane

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

..Affirmations:

....Short-term Counterparty Risk Ratings, affirmed P-1

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Short-term Bank Deposits, affirmed P-1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Banque Populaire Rives de Paris

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire Val de France

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire de l'Ouest

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire de la Cote d'Azur

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire des Alpes

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Long-term Issuer Ratings, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Issuer Ratings, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire du Massif Central

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:



...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Banque Populaire du Nord

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: CASDEN - Banque Populaire

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Credit Cooperatif

..Upgrades:

- ....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1
- ....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)
- ....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive
- ....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1
- ....Short-term Deposit Note/CD Program, affirmed P-1

..Outlook Action:

- ....Outlook changed to Stable from Positive

Issuer: Banque Edel SNC

..Upgrades:

- ....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1
- ....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)
- ....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1

..Outlook Action:

- ....Outlook changed to Stable from Positive

Issuer: Banque Palatine

..Upgrades:

- ....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1
- ....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)
- ....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive
- ....Adjusted Baseline Credit Assessment, upgraded to baa1 from baa2

..Affirmations:

- ....Short-term Counterparty Risk Ratings, affirmed P-1
- ....Short-term Counterparty Risk Assessment, affirmed P-1(cr)
- ....Short-term Bank Deposits, affirmed P-1
- ....Baseline Credit Assessment, affirmed ba1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Credit Foncier de France

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

....Adjusted Baseline Credit Assessment, upgraded to baa1 from baa2

..Affirmations:

....Short-term Counterparty Risk Ratings, affirmed P-1

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Short-term Bank Deposits, affirmed P-1

..Placed on review direction uncertain

....Baseline Credit Assessment, currently b1

..Outlook Action:

....Outlook changed to Stable from Positive

Issuer: Entenial

..Upgrades:

....Backed Subordinate Regular Bond/Debenture, upgraded to Baa2 from Baa3

..No Outlook assigned

Issuer: Natixis

..Upgrades:

....Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

....Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

....Long-term Bank Deposits, upgraded to A1 Stable from A2 Positive

....Long-term Issuer Rating, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

....Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

....Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

....Subordinate Regular Bond/Debenture, upgraded to Baa2 from Baa3

....Subordinate Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

....Preferred Stock Non-cumulative, upgraded to Ba1(hyb) from Ba2(hyb)

...Adjusted Baseline Credit Assessment, upgraded to baa1 from baa2

...Baseline Credit Assessment, upgraded to baa3 from ba1

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

...Commercial Paper, affirmed P-1

...Other Short Term, affirmed (P)P-1

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: IXIS Corporate & Investment Bank

..Upgrades:

...Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

...Backed Subordinate Medium-Term Note Program, upgraded to (P)Baa2 from (P)Baa3

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2 Positive

..No Outlook assigned

Issuer: NATIXIS Structured Products Limited

..Upgrades:

...Backed Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Natixis Funding Corp.

..Upgrades:

...Backed Long-term Issuer Ratings, upgraded to A1 Stable from A2 Positive

..Affirmation:

...Backed Short-term Issuer Rating, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: NBP Preferred Capital I, L.L.C.

..Upgrade:

...Preferred Stock Non-cumulative, upgraded to Ba1(hyb) from Ba2(hyb)

..No Outlook assigned

Issuer: NBP Preferred Capital III, L.L.C.

..Upgrade:

...Backed Preferred Stock Non-cumulative, upgraded to Ba1(hyb) from Ba2(hyb)

..No Outlook assigned

Issuer: Natixis Securities Americas LLC

..Upgrades:

...Backed Long-term Issuer Ratings, upgraded to A1 Stable from A2 Positive

..Affirmations:

...Backed Short-term Issuer Ratings, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Natixis Loan Funding-Comp BPCE

..Upgrades:

...Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Natixis U.S. Finance Company, LLC

..Affirmation:

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: Natixis US Medium-Term Note Program LLC

..Upgrades:

...Backed Senior Unsecured Regular Bond/Debenture, upgraded to A1 Stable from A2 Positive

...Backed Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmation:

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Natixis, New York Branch

..Upgrades:

...Long-term Counterparty Risk Ratings, upgraded to Aa3 from A1

...Long-term Counterparty Risk Assessment, upgraded to Aa3(cr) from A1(cr)

...Senior Unsecured Medium-Term Note Program, upgraded to (P)A1 from (P)A2

..Affirmations:

...Short-term Counterparty Risk Ratings, affirmed P-1

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Commercial Paper, affirmed P-1

..Outlook Action:

...Outlook changed to Stable from Positive

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in June 2018. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

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