2014 Financial Report

WHOLESALE BANKING / **INVESTMENT SOLUTIONS AND INSURANCE** / SPECIALIZED FINANCIAL SERVICES

Contents

NATIXIS
ASSURANCES

2014

Financial Report

This English translation of the 2014 financial statements is provided for information purposes only and only the French version is valid.

Management Report

1. Report on the consolidated financial statements

1.1. 2014: IMPLEMENTATION OF THE NEW FRONTIER PLAN - YEAR 1

In accordance with the goal set in 2013 by Groupe BPCE of becoming a fully-fledged bancassurer, the 2014 fiscal year featured various strategic actions concerning the Insurance business for the 2014-2017 period.

1.1.1. Acquisition of BPCE Assurances and creation of the Insurance division

On March 14, Natixis Assurances purchased 60% of the capital and voting rights in the non-life insurance company BPCE Assurances from BPCE SA and the mutual insurer Muracef. This acquisition was based on a valuation of €487 million (ex-dividend 2014) for all of the share capital and was within the price range determined by an independent expert commissioned by Natixis. Pursuant to the agreement in principle granted in November 2013, the transaction was finally authorized by the Board of Directors of Natixis Assurances on February 19, 2014.

This transaction was one of the first concrete results of the strategic goal of creating a fully-fledged Insurance division occupying a central role in Natixis' development objectives and which has been structured around two business lines since second-half 2014:

- the Life and Personal Protection Insurance business line, focused on the development of life insurance and savings and retirement portfolios, in addition to personal protection insurance portfolios;
- the Non-Life Insurance business line, focused on the development of auto, multi-risk home, personal accident, legal expenses and property & casualty insurance

1.1.2. Capital increase and subordinated financing

The acquisition of BPCE Assurances gave rise to a capital increase for the Insurance business holding company. The transaction was ratified by the Extraordinary General Meeting of February 20, 2014 and entailed increases of €9.4 million in share capital and €140.6 million in additional paid-in capital, i.e. €150 million in total.

In addition to this capital increase, and in preparation for the entry into force of Solvency 2 and the concomitant extension of life insurance activities to the Caisse d'Epargne network in 2016, the decision was made to supplement items eligible to cover capital adequacy requirements on a three-year horizon. As a result:

- a perpetual subordinated note was issued for €251 million and was admitted for trading on Euronext Paris after obtaining the AMF's approval based on the prospectus prepared for this purpose. Eligible as Tier 1 Capital for coverage of Solvency 2 capital adequacy requirements, the note carries a fixed coupon of 5% through to 2025;
- a subordinated bank loan of €300 million was taken out with Natixis for a term of 11 years. The loan bears interest at a fixed rate of 2.7% and is eligible as Tier 2 Capital under Solvency 2.

1.1.3. *assurément#2016* program

The *assurément#2016* program was launched in December 2013 with the aim of expanding the distribution of new life and personal protection insurance policies provided by Natixis Assurances subsidiaries to the Caisse d'Epargne network starting in January 2016.

The program proceeded according to plan, and several milestones were reached in 2014, with the validation of the range of life and personal protection insurance products, the establishment of prices and commission payment conditions for the network, the configuration of the information system and the design of training and coordination systems. 2014 also featured a sizeable input from the Natixis Assurances, Natixis, BPCE and IT-CE teams and of course from the pilot referent Caisses d'Epargne.

1.1.4. Negotiation of new partnership agreements with CNP

The *assurément#2016* program stemmed from Groupe BPCE's decision to make Natixis Assurances the provider of the life and personal protection insurance policies distributed by the Caisse d'Epargne network, under the terms of the exclusivity agreements benefiting CNP Assurances until December 31, 2015.

Against this backdrop, Groupe BPCE and CNP Assurances undertook to negotiate the terms of a new partnership agreement, the main outline of which was defined at the end of July 2014. In continuing the negotiations, the parties were able to iron out the key conditions of this partnership in the fourth quarter of 2014; among these conditions, the plan to establish cross-reinsurance treaties was confirmed in the memorandum of understanding signed by the parties. CNP Assurances and Natixis Assurances will set up proportional reinsurance treaties for the savings businesses. Under these treaties, they will share some insurance risck and thus pave the way for the gradual transition between the two insurers.

1.2. 2014: A YEAR OF RAPID ORGANIC GROWTH

As the first year of the New Frontier plan, 2014 saw the expansion of the scope of activities, with the acquisition of BPCE Assurances and the strong development of business lines across the board: consolidated earned premiums totaled €5,745.4 million, a 26% increase relative to a pro forma 2013 comparison base including BPCE Assurances (+47% relative to 2013 reported data).

1.2.1. Life and personal protection insurance business - France & Luxembourg

(in €m)	2013	2014	Change
Individual life insurance	3,211	4,288	+33%
• *o/w Natixis Life*	*677*	*1,357*	*+100%*
• *o/w ABP Vie*	*2,534*	*2,931*	*+16%*
Group life insurance	84	68	-19%
Total investment solutions	**3,295**	**4,356**	**+32%**
Individual personal protection	145	144	-1%
Payment protection insurance	401	483	+21%
Total personal protection insurance	**546**	**627**	**+15%**
Total life and personal protection insurance Insurance	**3,840**	**4,983**	**+30%**

Individual Life Insurance - Investment Solutions

France

Without competition from a truly competitive savings offer in terms of risk/reward (for non-unit linked products) and taxation, total inflows in the French life insurance sector rose by 7.6% to €128 billion in 2014 (2013: €119 billion). In these dynamic conditions, enhanced by a 1% drop in benefits paid (€107 billion), assets under management in life insurance policies picked up 4% to €1,515 billion.

As in 2013, amid declining returns on euro-denominated funds and a rally on equity markets, sums invested in unit-linked policies confirmed their renewed momentum, with inflows climbing 27% to €21.3 billion market-wide: this brought the percentage of AuM invested in these policies to 16.6% of the total.

Against this backdrop, sales momentum in the Banque Populaire network was boosted by the launch of the new *"Grand Public"* (general public) offer: thanks to the new product, Horizéo, the volume of new business earned in this customer segment advanced 28% with 73,000 new policies opened.

At the same time, the wealth management customer segment confirmed the 2013 trend and increased new policies by a further 12% to over 11,800, thanks partly to the mid-Q4 2014 launch of Quintessa.

These positive factors combined to generate a 15% rise in premiums collected by ABP Vie and the French branch of Natixis Life, totaling to €3.1 billion. This above-market increase triggered a slight gain in market share (+0.1% to 2.5%) and represented an outperformance compared to other *bancassurance* networks (+9% in 2014).

After a virtually stagnant first half (+1.8% to €1.56 billion), sales momentum was buoyed by the reduction in the rate of interest paid on regulated savings as inflation stalled and market interest rates fell further. As a result, inflows in the second half amounted to €1.53 billion, up by almost 33% versus second-half 2013.

Earned premiums for the BP PER (pension savings plan) came to €42.9 million, up 9.3% on 2013; at end-June, the French market recorded an estimated gain of 9.5% year-on-year, giving Natixis Assurances a market share of around 2.6%. Outstanding mathematical reserves under management totaled €418 million, up 9.6% versus end-2013; ABP Vie's market share was approximately 3.5% of total AuM on the French PERP (individual pension plan) market.

Luxembourg

As in 2013, business was once again highly robust, with annual inflows reaching nearly €1.2 billion. This figure was more than double the €0.52 billion recorded in 2013 and benefited from a high volume of endowment policies in both the first and second half.

In both countries, 2014 inflows reached €4,288 million, 14.6% of which was invested in unit-linked policies, for which subscriptions were up 44% to €627 million: though underperforming the ambitious targets set in the strategic New Frontier plan, the non-unit linked/unit-linked policy mix improved by 1 point (unit-linked policies accounted for 13.6% of the total in 2013).

Furthermore, reflecting the entity's status as a *bancassureur*, over three quarters of 2014 inflows came from the Groupe BPCE banking networks. This was despite an increase in the portion generated by external business providers: inflows from this source leapt 108% to €1.040 billion in 2014 and accounted for 24% of total life insurance premiums versus 15% in 2013. For the most part, this improvement reflected the significant share of business earned by Natixis Life with brokers outside Groupe BPCE.

Change in unit-linked/EUR assets under management and net individual life insurance benefits

Amid low interest rates promoting the stability of AuM, life insurance benefits increased by just 1% to €3.1 billion, marking another decline in the rate of benefits relative to AuM at the start of the year (down 0.25% to 7.9%).

This resulted in largely positive net inflows and strong growth in life insurance AuM, which posted above-market annual growth of 6.7% to €41.8 billion.

(in €m)	2013	2014	Change
Non-unit linked AuM	32,209	34,370	+6.7%
• o/w provision for policyholder bonuses - after 2014 incorporation	*519*	*600*	*+15.6%*
Unit-linked AuM	7,001	7,459	+6.5%
Total	**39,210**	**41,829**	**+ 6.7%**

The breakdown by geographic area is as follows:

	2013	2013	2014	2014
(in €m)	France	Luxembourg	France	Luxembourg
Non-unit linked AuM	30,541	1,668	32,005	2,365
Unit-linked AuM	6,356	645	6,657	802
Total	**36,897**	**2,313**	**38,662**	**3,167**

Group life insurance and pensions for self-employed workers

Reflecting the absence of any major sales initiatives during the year, earned premiums fell 19% to €68 million. This disappointing performance can primarily be ascribed to the 34% drop in premiums on end-of-career award policies (€25 million) and, to a lesser extent, to the decline in supplementary company pension premiums (15% to €13 million). Premiums paid on *"Madelin"* policies, reserved for self-employed workers, dipped 3% to €29.6 million.

Personal protection insurance

(in €m)	2013	2014	Change
Individual personal protection	145	144	- 1%
Payment protection insurance – BP network	187	246	+32%
Payment protection insurance – CE network	214	237	+11%
Total	**546**	**627**	**+15%**

As in the past, Personal Protection Insurance was boosted by constant momentum in payment protection insurance, with premiums climbing more than 21% to €483 million in 2014 (2013 growth: +20%).

Payment protection insurance

As in previous fiscal years, payment protection business continued to benefit from the gradual build-up of generations of subscriptions in a still-fairly recent portfolio and efforts to expand credit distribution by the Groupe BPCE networks. By network, the Banque Populaire's higher growth can mainly be ascribed to the lower-than -average seniority of its portfolio and especially to the increase to 100% in the scope of guarantees provided, these having been 50%- coinsured through to fiscal year 2012.

Growth rates varied, however, by type of underlying loan: insurance of amortizing loans was once again very dynamic, with premiums growing 21% to €409 million in 2014, while insurance for revolving loans showed a more contrasting trend amid adverse economic conditions. While premiums in the Caisse d'Epargne network rose 25%, with €42 million in earned premiums in 2014, the Banque Populaire network saw its earned premiums fall 14% to €8.5 million. Overall, the majority of new business was originated from amortizing loans, i.e. 85% of payment protection policies (2013: 84%).

Individual personal protection insurance

The pattern of moderate and contrasting growth seen in 2013 intensified in 2014, both in the Caisse d'Epargne and Banque Populaire networks, with a 1% drop in premiums to €144 million. This was largely due to the decline in products offering guarantees with a limited unit amount and which were not subject to any targeted sales initiatives in 2014. A few products did post satisfactory trends, such as family protection policies in the event of death (*"Fructi-famille"*: +10%) and funeral expense policies (*"plan Fructi-obsèques"*: +16%), in line with the sales initiatives rolled out to promote the "*Ambition Banquier Assureur*" plan.

1.2.2. Non-Life Insurance Business - France

The Non-Life Insurance - France business line, which has ambitious growth targets in the Banque Populaire and Caisse d'Epargne networks, recorded 12% growth in gross policy sales, which exceeded 1 million for the second year in a row:

(in thousands of policies)	2013 pro forma	2014	Change
Multi-risk home insurance	343	359	+4%
Auto insurance	230	268	+17%
Personal accident insurance	114	117	+3%
Health insurance	56	52	- 8%
Legal insurance	161	202	+25%
Professional insurance	17	17	+3%
Others	87	118	+36%
Total	**1,008**	**1,133**	**+12%**

Growth was driven by the rapid development of Auto insurance policies as the automotive market recovered, and thanks to the World Auto Trade Fair in Paris, which accompanied the launch of various auto insurance sales initiatives; similarly, the successful launch of new legal expenses protection offers (in June 2013 for the Banque Populaire network and March 2014 for the Caisse d'Epargne network) contributed largely to the solid sales growth achieved in 2014.

As a result of this recurring sales momentum, the business line topped €1 billion in earned premiums in 2014 (€1.060 billion); this equated to a 9% increase in relatively mature markets, where estimated 2014 growth (source: FFSA) failed to exceed 2% in auto insurance and 4.5% in multi-risk home insurance. Against this backdrop, Groupe BPCE's market share rose to 1.6% for Auto risks (2013: 1.5%) and 3.5% for Multi-Risk Home insurance (2013: 3.3%).

The only exception to this momentum was health insurance, which lost ground compared to 2013, a year that was boosted by the launch of a new offering in the Caisse d'Epargne network; the very gradual growth achieved by the Banque Populaire network in 2014 failed to offset this comparison effect. In addition, the upcoming entry into force of the national interprofessional agreement on the general implementation of company supplementary healthcare plans almost certainly did not help matters.

Caisse d'Epargne Network
BPCE Assurances earned premiums
Full consolidation (FC)

(in €m)	2013	2014	Change
Multi-risk home insurance	211	236	+12%
Auto insurance	174	192	+10%
Personal accident insurance	69	76	+11%
Health insurance	41	44	+8%
Legal insurance	75	87	+14%
Professional insurance	6	9	+42%
Others	51	52	+3%
Total	**627**	**696**	**+ 11%**

The number of policies in the portfolio rose 10% to over 3.2 million in 2014, reflecting excellent Auto insurance sales and solid management of the churn rate in Auto and Multi-Risk Home insurance.

Banque Populaire Network
ABP IARD earned premiums
Equity method (EM)

(in €m)	2013	2014	Change
Multi-risk home insurance	94	103	+10%
Auto insurance	129	137	+6%
Professional insurance	44	48	+8%
Others	5	9	+70%
Total	**272**	**297**	**+9%**

The number of policies in the portfolio neared 1.1 million at end-2014, up 7.1% on 2013. With nearly 333,000 policies, the Auto insurance portfolio posted a 6% gain compared to 2013; Multi-Risk Home insurance gained over 7% to top 510,000 policies.

Banque Populaire Network
ABP Prévoyance earned premiums

(in €m)	2013	2014	Change
Personal accident insurance	17	18	+6%
Others	60	49	-19%
Total	**77**	**67**	**-13%**

The sharp drop in other guarantees was due in large part to lower than previously estimated level of earned premiums in the payment instrument guarantees business in respect offiscal year 2013.

1.2.3. Activities outside Europe

Since the disposal of the stake in Tunisian company Assurances BIAT in 2013, the group's businesses outside Europe (excluding those in French overseas departments and territories) have been limited to the 34% stake held in Lebanese company ADIR, a 66%-owned subsidiary of banking group Byblos and accounted for by the equity method in Natixis Assurances' financial statements.

Expressed in USD, ADIR's business rose 3% versus 2013 to $54.8 million, driven by life insurance activities, whose premiums climbed 5% to $35.7 million (65% of the total). Conversely, non-life insurance premiums fell 1% to $19.1 million, hurt by the near-11% decline in Auto insurance ($9.5 million), which could not be offset by the 12% growth recorded in fire insurance ($4.5 million).

1.3. 2014: SATISFACTORY RESULTS IN AN UNPRECEDENTED FINANCIAL ENVIRONMENT

Like in 2013, the Insurance Division continued to expand its activities amid satisfactory profitability conditions:

- in retirement-oriented life insurance, where a satisfactory margin was once again achieved as the value of financial and real estate assets continued to climb;
- in personal protection and property & casualty insurance, where claims were in line with expectations overall, keeping the combined ratio below 100%.

Against this backdrop, net insurance income (NII) from fully consolidated activities amounted to €540 million, up 15% year-on-year.

(in €m)	2013 pro forma	2014	Change
NII - Life Insurance	150	161	+7%
NII - Pers. Prot. Ins.	121	148	+22%
NII - Prop. & Cas. Ins.	185	219	+18%
NII – Hold. Co. & Svcs.	13	12	-7%
Total	469	540	+15%

Pro-forma 2013 including earnings generated by BPCE Assurances.

1.3.1. Profitability of life and personal protection insurance

Life insurance – Banque Populaire network

Life insurance revenues rose 7% during the year, in line with assets under management, which are the main basis for these revenues.

However, this improvement came alongside a regular, longstanding decline in subscription margins, which only rose 7% in 2014 despite the 32% increase in inflows; these revenues now account for less than 10% of net insurance income.

Contractual margins earned on AuM were relatively comparable to those in 2013. Note, however, that the historically low level of interest rates acted as an incentive to further enhance underwriting reserves and thus reinforce our ability to offer more commercially competitive returns in the future, while charging the fees contractually owed to the insurer.

Excluding the bonus incorporated in mathematical reserves as from January 1, 2015, the provision for policyholder bonuses was increased by €81 million to almost €600 million at end-2014. This reserve amount, which must be incorporated within 8 years, represents the equivalent of a 1.9% annual increase in AuM liable to benefit from the reserve.

Personal protection insurance – Banque Populaire and Caisse d'Epargne networks

The underwriting quality of the portfolio was once again strong, with a 22% rise in net insurance income across all guarantees provided:

- income from individual personal protection insurance improved by 11% to €46 million on the back of decreased claims on accidental death and work cessation guarantees, coupled with decreased net reinsurance costs.
- net insurance income from payment protection insurance increased by 28% to €102 million, thanks to fast growth in insured capital, which outweighed the slight increase in the loss ratio. By type of underlying loan, trends in net insurance income were fairly varied: for amortizing loans (property or personal loans), net insurance income improved by 34%, while for revolving loans it fell by around 8%.

1.3.2. Non-life insurance profitability

Caisse d'Epargne Network (BPCE Assurances)

Fiscal year 2014 ended with an 18% rise in net insurance income compared to pro forma 2013 data, to €219 million.

This substantial improvement was attributable to growth in insured volumes and the group's success in maintaining the loss ratio (2014 claims/2014 premiums) at around 60%:

- despite the confirmed increase in the cost of personal injuries, the current year loss ratio in Auto insurance was virtually stable;
- Multi-Risk Home insurance policies recorded an improvement in claims on Fire and Civil Liability insurance, which outweighed the impact of natural disasters; overall, 2014 weather-related events generated an expense of €11.8 million, i.e. 5 loss-ratio points;
- Legal Expenses policies posted an increase in average processing costs for open claims.

Furthermore, reversals of previously recorded provisions were made, particularly on large risks, which boosted underwriting income by €44 million (+€6 million relative to 2013).

Similarly, the reinsurance balance improved significantly by €17.2 million, thanks to increased reinsurance of weather-related and civil liability claims.

The combined ratio in Property & Casualty insurance policies distributed by the Caisse d'Epargne network came to 91% in 2014, similar to the 2013 level.

1.3.3. Investment management policy & investment income

Note that management of assets belonging to Insurance entities (with the exception of ABP IARD, accounted for by the equity method) is delegated to Natixis Asset Management (NAM), a subsidiary of Natixis. The aim of the investment policy is to optimize returns on the Group's capital, while safeguarding commercial policy and the interests of policyholders, as well as the solvency of the companies comprising the insurance scope.

Macroeconomic environment and monetary policies

2014 was another year of moderate global growth in which robust expansion in the US and, to a lesser extent, growth in other Anglo-Saxon countries failed to outweigh weak activity in other regions which were affected by price drops, deflation fears and geopolitical risks. Asia no longer benefited from the driving role previously played by China, whose authorities dithered between targeted monetary support and determination to prevent the build-up of excessive real estate debt and consequently risks for the financial sector and ultimately the economy as a whole. More generally, emerging countries suffered from reduced demand for commodities and sometimes sharp falls in their price.

Oil prices, for example, shed nearly 50% in the space of a few months, thereby shifting sizeable purchasing power to oil-consuming countries. The speed of these changes sometimes sparked liquidity and currency crises in countries with the greatest dependence on commodity prices, such as Russia, leading them to raise their short-term interest rates and thus run the risk of dampening economic growth.

All of these factors contributed to the lack of inflationary pressures in developed countries, both on wages - despite the decrease in unemployment in certain countries (US, UK) - and on prices - given near-universally sluggish consumption in Europe and Japan. Consequently, central banks in developed countries maintained highly accommodating monetary policies: the European Central Bank (ECB) took up the baton from the US Federal Reserve, which had ended its asset-buying policy in autumn 2014 while promising to keep interest rates close to zero and only to gradually begin normalizing monetary policy. Weak domestic demand and core inflation under 1% prompted the ECB to take additional measures to depreciate the euro, stimulate economic activity and boost inflation expectations: in addition to new cuts in the refi rate, now near zero, and the deposit rate, the ECB also adopted various unconventional measures. After announcing targeted long-term loans to euro zone banks, aimed at boosting credit to businesses and households, the goal is now to weigh on medium and long-term interest rates through massive government bond buying on secondary markets.

Financial markets

Fixed income markets

These economic and monetary conditions only accelerated the decline in the already very-low bond yields paid by euro zone governments: the French 10-year shed 173 basis points to 0.84% at year-end and the German 10-year was no higher than 0.54%. With the exception of Greece, plagued by budget problems and political instability, all euro zone countries amply benefited from much softer yields, with declines ranging from 200 to 350 basis points (e.g. the Portuguese 10-year remained under 2.7%).

Similarly, this drop in euro interest rates, combined with the expected normalization of US monetary policy, drove the US dollar up sharply against the euro and emerging currencies as well. All in all, the greenback rose by an average of 12% against the currencies of its main trading partners.

Equity markets

As is often the case, the annual performance of equity markets featured renewed bouts of volatility and risk aversion, triggered by geopolitical crises (Ukraine, Greece) or economic and financial turbulence (sharp drops in emerging currencies and accelerated decline in oil prices). Even so, price trends were relatively consistent with economic performance and the powers of persuasion shown by political or monetary authorities:

- the confirmation of robust US economic growth and the Fed’s accommodating stance helped the S&P 500 rise a further 11% (+27% in EUR), despite several years of increases;
- the intentions expressed and initiatives carried out by the Japanese authorities finally convinced the markets to gain 7% over the year (in JPY);
- investors’ uncertainties regarding the ECB's intentions in the face of the slowing euro-zone economy, which were brought on by years of governments refusing to acknowledge the structural changes in the global economy and their fiscal impacts, put a major damper on equity markets. Despite record low interest rates, the Eurostoxx 50 inched up only 1% over the year, while the CAC 40 lost 0.5%.

Asset management policy

The particularly low level of interest rates, regardless of the type and quality of the most classical issuers, led to some changes in portfolio management policy, though without fundamentally calling it into question:

- fixed-income instruments remained the core investment (86% of the carrying value of consolidated investments at December 31, 2014, all maturities combined), even though the widespread decline in rates ended up significantly extending the duration of bonds purchased over the fiscal year. Similarly, government bonds made up just 16% of purchases versus 84% for corporate bonds; nearly 2/3 of these corporate bonds were issued by companies in the industrial and service sectors, with the remaining 35% issued by financial sector companies;
- with cash holdings offering virtually no return, investments in short-term fixed-income instruments were limited to less than 3.5%;
- fixed-income securities were purchased in private placements throughout 2014, either through securitization funds or direct loans: the cost price of total AuM amounted to €737 million at December 31, 2014, i.e. just under 2% of investments in Euro Vie's general assets and over 1.6% of consolidated investments (excluding unit-linked policies); the actuarial yield on acquisition exceeded 3.5%;
- the portion of assets allocated to diversified UCITS, equities and real estate assets was reduced slightly to 14%, in line with the risk profile and capital requirement estimated and targeted under Solvency 2. Nevertheless, given the unprecedented interest rate conditions, these reductions were carried out very slowly and offset by a partial, limited hedge (about 1/3) against equity exposure at an extremely low cost thanks to the sale of call options;
- no hedges were set up against interest rate hikes (by purchasing caps) in 2014.

Low interest rates and a challenging economic environment called for a selective approach to the creditworthiness of bond issuers, although the migration of credit ratings and the priority assigned to the industry and service sectors resulted in a significant percentage of BBB-rated bonds (38%). However, bonds rated A or higher still made up nearly 54% of purchases, with unrated issues accounting for 6% of the total.

Consolidated net investment income

Over 95% of net investment income - which is the basis for margins earned on life insurance business and the source of returns paid on life insurance policies - came from assets representing life insurance underwriting reserves. At end-2014, net investment income amounted to €1.863 billion, down 3.3% on 2013 (-4.2% pro forma, including BPCE Assurances).

Despite the drop in market interest rates, recurring net investment income rose 0.6% compared to 2013 (pro forma), thanks in large part to the rise in assets under management. Given the net investment situation in the business and redemptions carried out in 2014, the actuarial yield on fixed income and hybrid AuM (i.e. over 80% of the portfolio) was diluted by 25-30bps between December 31, 2013 and December 31, 2014. At the same time, the duration of the fixed income portfolio was extended by nearly 0.4 years.

The balance of capital gains, net of reversals of impairment provisions, was virtually stable compared to 2013 at around €253 million; new impairment provisions decreased 56% to €25 million, half of which related to an "oil" investment and the rest to various equity instruments.

Finally, the change in the fair value of instruments measured at fair value through profit and loss decreased by 20% to +€479 million compared to +€599 million in 2013. This balance mainly comprised changes in the value of unit-linked assets totaling €477 million (2013: +€428 million) and had no impact on operating income (after accounting for the expense linked to unit-linked adjustments of mathematical reserves). The negative changes in caps observed with the sharp decline in yields were offset by gains in various "equity"-type instruments.

1.3.4. Change in consolidated operating expenses

Operating expenses totaled €947.6 million, up 14.6% compared to 2013 pro forma data (including BPCE Assurances).

This increase was primarily due to the growth in activity achieved across all business lines and the increased resources needed to implement the very large number of regulatory changes (Solvency 2 in particular), organizational changes (change of Non-Life Insurance information system and Insurance Division created) and strategic changes (various aspects of New Frontier).

A breakdown of expenses shows

- a 7.8% pick-up in fees paid to insurance brokers (€611.2 million). Subscription fees recorded the fastest gain (€395.5 million, +10.3%), driven by the strong development of Personal Protection and Property & Casualty insurance.
- a 29% increase in other expenses (€336.5 million), reflecting the magnitude of investments carried out and resources used in general.

After restating for capitalized expenses and various items that are not representative of the business's continuous operating structure, consolidated expenses amounted to €286 million, up 9.7% on 2013 pro forma (including BPCE Assurances). A significant percentage of this increase was due to uncapitalized expenses on the *assurément2016* program (€10 million) and the rise in indirect taxes incurred in 2014: without these items, expenses were relatively steady compared to 2013 pro forma data.

1.3.5. Contribution of companies accounted for by the equity method

ABP IARD (49.45%-owned)

The significant growth in activity went hand-in-hand with an improvement in underlying claims, underpinned by stable claims in Multi-Risk Home insurance (-0.2% on 2013) and even a drop in Auto insurance claims (-3%).

Gross claims expense nevertheless rose 22% to €211 million, due to two major auto insurance claims (versus one in 2013) and expenses on weather-related events which rose €5.3 million relative to 2013. These adverse effects were partly offset by increased reinsurance coverage and especially by the savings generated by adapting reinsurance coverage to trends in claims.

Net investment income improved 17% to €14 million in 2013, thanks to realized capital gains on UCITS and growth in AuM, despite the dilution of returns sparked by the sharp drop in interest rates.

Against this backdrop, net insurance income rose 11% to €54.5 million. Operating expenses picked up 9% to €35.0 million (2013 pro forma: €32.1 million), as greater resources were needed to develop the business.

At 98%, the combined ratio was virtually stable compared to 2013.

Overall, the company's contribution to the IFRS consolidated income rose 14% to €6.3 million (2013: €5.5 million).

ADIR (34%-owned)

Underwriting income before tax from the Life Insurance business rose 10% to $8.57 million versus $7.76 million in 2013, buoyed by investment and ancillary income backed by volume growth.

Underwriting income before tax from the Non-Life Insurance business totaled $4.30 million versus $4.74 million in 2013 (-9%), due to the $0.5 million increase in claims expense, net of reinsurance.

Despite deteriorating from the 72.4% level recorded in 2013, the total combined ratio remained very satisfactory at 76.5%.

Overall, net income after tax progressed 16% to $10.2 million in 2014, thanks largely to higher investment income and the non-recurrence of impairment provisions (2013: $0.66 million). ADIR contributed €2.6 million to Natixis Assurances' IFRS consolidated income, up 15% on 2013.

1.3.6. Consolidated net income

Spurred by profitable business development and the expanded consolidation scope, consolidated operating income jumped 57% to €284 million. Relative to the 2013 comparison base including BPCE Assurances, it advanced 16% (2013 pro forma: €244.6 million).

For the same reasons, consolidated income before tax climbed 66% to €261.2 million and 18% compared to 2013 pro forma data (€221.2 million).

Reflecting the exhaustion of tax-loss carry-forwards, the 2014 tax expense returned almost to a normative rate and rose substantially on 2013 to €90.7 million.

Consolidated net income (group share) was €149.9 million, up 5% versus the 2013 reported amount and down 9% versus the 2013 pro forma amount, including the contribution of BPCE Assurances.

1.3.7. Solvency 2 Program

As in 2013, Natixis Assurances continued in 2014 to prepare for the entry into force of Solvency 2. With most of the risk-modeling work completed, the focus turned to aspects related to Pillar 3; these included the roll-out of reporting software, together with the near-total adaptation and acceptance of data flows, existing accounting tools and databases used to prepare prudential reporting statements. At the same time, progress was made on projects related to Pillar 2, with the expansion of risk policies and the launch of a data governance project. This work will carry on in 2015.

Furthermore, in preparing the French market for the 2016 deadline, companies within the applicable scope contributed to the preparation of prudential statements for fiscal year 2013 organized by the ACPR (French Prudential Supervisory and Resolution Authority) and completed another ORSA drill (own risk and solvency assessment). In addition, analyses and projects aimed at determining risk appetite or optimizing long-term financing of future capital adequacy requirements, were also carried out.

1.3.8. Post-closing events

At the time the financial statements were approved by the Board of Directors, there had been no post-closing events liable to materially impact the Group's financial position.

1.3.9. 2015 outlook

2015 will be spent preparing for the various major milestones in prospect for the Insurance industry in 2016:

- preparation of the operational framework needed for new Life Insurance and Personal Protection Insurance subscriptions in the Caisse d'Epargne network starting in January 2016;
- preparation for the entry into force of Solvency 2;
- implementation of the partnership agreement between Groupe BPCE and CNP Assurances in the insurance sector.

And, as in recent years, the uncertain macroeconomic and financial environment in the euro zone and changes taking place in developed country monetary policies will all be significant areas of focus. In particular, the steep drop in interest rates seen in 2014 is significant for the life insurance business in the medium term. The industry is working to assess the risks incurred by the adaptation of its asset and risk management policies, in order to reduce the impacts of these changes through reinsurance and various financial protection mechanisms, and with the shock-absorbing potential of previously-established underwriting reserves.

Without disregarding the impact of potentially adverse changes in the growth of net insurance income and investment income, the group sees growth ahead for its businesses with a satisfactory level of profitability. Achievement of this goal will be facilitated by continuing the diversification efforts initiated several years ago in Personal Protection Insurance and Property & Casualty Insurance, which have expanded significantly while observing technical balances.

2. Report on the parent company financial statements

2.1. ACTIVITY AND NET INCOME

Given its corporate purpose, the company's activity remains limited to the management and financing of its shareholding.

The activity of the main subsidiaries was commented in the Management Report on the Group's activity for fiscal year 2014.

Virtually all the company's income consists of the €125.45 million in dividends received from its subsidiaries and affiliates (2013: €71.64 million), which can be broken down as follows:

- ABP Vie: €105.74 million
- ABP Prévoyance: €13.94 million
- ABP IARD: €2.47 million
- Natixis Life: €2.2 million
- ADIR: €1.1 million

The company also recorded €5 million in interest income on loans to subsidiaries and incurred €8.8 million in financial expenses on loans, resulting in financial income of €121.9 million.

Operating income, consisting mainly of holding company expenses and investment management fees, came out at €0.6 million versus -€4.3 million in 2013.

Net income stood at €121.21 million, up 84% on the €65.82 million recorded in 2013.

2.2. APPROPRIATION OF EARNINGS

A proposal was made for the sum comprised of:

- profit for the year €121,206,776.80
- plus retained earnings €123,608.53

i.e. a total amount available for distribution of €121,330,385.33

to be distributed as follows:

- dividend payout €119,624,000.00
- legal reserve €941,954.02
- the balance to retained earnings €764,431.31

i.e. distributed earnings of €121,330,385.33

The proposed dividend would result in a payment of €7.60 for each of the 15,740,000 shares making up the share capital.

Pursuant to the law, the following dividends were paid in respect of the past three fiscal years:

	2011	2012	2013
Number of shares receiving dividends	14,505,460	14,505,460	15,740,000
Dividend per share	€1.69	€1.16	€4.18
Total amount of dividend	24,514,227	16,826,333	65,793,200

Finally, it should be noted that shareholders will be offered the option of receiving payment of their dividend in new shares.

2.3. RELATED PARTY AGREEMENTS

At its meeting of February 19, 2014, the Board of Directors authorized the acquisition of 60% of the share capital in BPCE Assurances. This share purchase agreement, between BPCE and Muracef (the sellers) on one hand and Natixis Assurances (the buyer) on the other, was subject to Article L. 225-38 of the French Commercial Code.

The company's statutory auditors were advised of this agreement in accordance with the procedures and deadlines required by law.

Furthermore, for fiscal year 2014, one agreement meets the provisions of Article L. 225-102-1 of the French Commercial Code calling for the Management Report to indicate - with the exception of agreements on ordinary operations carried out under normal market conditions - any agreements entered into, directly or via an intermediary, between (on the one hand and depending on the case), the Chief Executive Officer, the Deputy Chief Executive Officer, a Director or Shareholder holding more than 10% of the voting rights in a company, and (on the other hand) another company in which the latter directly or indirectly holds more than half the share capital. This agreement was authorized by the Board of Directors of ABP Vie (a subsidiary of Natixis Assurances) on March 26, 2014, and covered the sale by Natixis to ABP Vie of five-hundred twenty-one thousand (521,000) shares in property investment company GECINA for a price per share of ninety-six euros and ten cents (€96.10), corresponding to the company's closing share price on March 25, 2014 minus a 1.25% discount, i.e. a total price of fifty million sixty-eight thousand euros (€50,068,100) for the shares.

2.4. INFORMATION CONCERNING THE SHARE CAPITAL

Natixis Assurances' share capital was increased by €9,419,540.20 on February 27, 2014 to €120,096,200 made up of 15,740,000 shares with a par value of €7.63.

In accordance with the provisions of Article L. 233.13 of the French Commercial Code, it is specified that 99.999% of the share capital and voting rights at Shareholders' Meetings are held by Natixis.

Shareholders shares	Number of shares
Natixis SA	15,739,986
Other legal entities	3
Other individuals	11
TOTAL	**15,740,000**

2.5. INFORMATION CONCERNING THE CORPORATE OFFICERS

Corporate offices

In accordance with the provisions of Article L. 225-102-1, par. 4 of the French Commercial Code, the list of all the corporate offices held in any company during the past fiscal year by each of Natixis Assurances' corporate officers is provided in the notes to this report.

Corporate offices held by the Directors/Non-Voting Director

The terms of office of Gérard Bellemon, Yves Grenet and Dominique Martinie, as well as the terms of office of Banque Populaire de l'Ouest, BPCE and Natixis, Directors, and MAAF Assurances, Non-Voting Director, come to an end after the 2015 General Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2014.

Pursuant to the by-laws, a recommendation was made to renew the terms of office of Gérard Bellemon, Yves Grenet, Dominique Martinie as well as the terms of office of Banque Populaire de l'Ouest, BPCE and Natixis and of Non-Voting Director MAAF Assurances, for six (6) years, to end after the 2021 General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

Corporate offices held by the Statutory Auditors

None of the terms of office held by the Statutory Auditors came to an end after the 2015 Ordinary General Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2014.

Attendance fees

Attendance fees were divided up among the members of the Board of Directors in accordance with the governance rules in force at Groupe BPCE.

The members of the Board of Directors received a total amount of €73,800 (before withholding tax) in attendance fees for fiscal year 2014.

In accordance with the governance rules applied by BPCE and Natixis, the offices held by BPCE and Natixis employees, as well as Natixis legal entity, do not entitle the officers to attendance fees. Consequently, no attendance fees were paid to employee representatives for their participation in Natixis Assurances board meetings.

Compensation paid to corporate officers

In accordance with the provisions of Article L. 225-102-1, par. 1 of the French Commercial Code, Natixis Assurances is required to disclose the compensation paid to members of the Board of Directors also holding office in a company whose shares are admitted to trading on a regulated market.

The total amount of compensation and benefits in kind granted in 2014 to BPCE for its offices held at Natixis, a listed company, and Natixis Assurances came to €57,500, including €4,500 for its directorship at Natixis Assurances.

2.6. ANALYSIS OF THE DEBT POSITION (ART. 225-100 OF THE FRENCH COMMERCIAL CODE)

Natixis Assurances' debt position is the result of the investment management policy and the strict capital allocation policy adopted by its shareholder, under which all earnings and available reserves are distributed.

As such, loans are not issued for the purpose of funding the operation of companies belonging to the Group, which boasts substantial cash flows, but only to meet the regulatory solvency capital requirements necessary for the virtually continuous development of assets under management and insured risks.

The detailed presentation of subordinated loans issued by the companies is given in the notes to the consolidated financial statements. At December 31, 2014, Natixis Assurances had:

- a short-term credit facility of €117 million, maturing on January 31, 2015, granted by Natixis;
- medium-term senior credit facilities totaling €154 million, maturing in 2017, granted by Natixis;
- perpetual subordinated loans (€22 million) and dated subordinated loans (€8 million), issued by Natixis;
- a perpetual subordinated note of €251 million.

The interest expense incurred by Natixis Assurance on this debt came to €8.68 million in 2014 (2013: €9.27 million).

It should also be noted that, given the estimated SCR (Solvency Capital Requirement) for the Insurance business for 2017, SCR-eligible items were further enhanced prior to the publication of the Solvency 2 Division's delegated acts on January 17, 2015. Accordingly, a subordinated loan of €300 million with a 10-year maturity, bearing a 2.70% interest, was issued on January 16, 2015 and used to repay the short-term loan of €117 million.

2.7. LUXURY EXPENSES

In accordance with the provisions of Article 223 quater of the French General Tax Code, the company did not incur any of the expenses or expenditures referred to in section 4 of Article 39 of said code.

2.8. INFORMATION CONCERNING TRADE PAYABLES

Pursuant to Articles L 441-6-1 and D 441-4 of the French Commercial Code, it is stipulated that the trade payables recorded in the balance sheet for the year ended December 31, 2014, i.e. €0,3k, corresponded to invoices payable and a small dispute.

2.9. CONSOLIDATION METHODS AND TAX CONSOLIDATION

Natixis Assurances is a 99.999%-owned subsidiary of Natixis. As such, it is fully consolidated in its shareholder's financial statements, and in the financial statements of BPCE, the majority shareholder of Natixis.

Natixis Assurances and the subsidiaries in which it holds more than 95% of the share capital are members of the tax group established by Natixis pursuant to Articles 223-A and following of the French General Tax Code. Their income is determined as if they were taxed separately. The tax consolidation agreement in force at Natixis is based on the principle of neutrality, whereby each subsidiary determines its tax and contributes to the group tax as if it were not consolidated. The tax expense owed by each subsidiary is not amended as a result of its tax consolidation. Any tax savings or expense generated by consolidation is recognized by the parent company, Natixis.

2.10. RESEARCH AND DEVELOPMENT

The company does not have any R&D operations.

2.11. POWERS GRANTED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS

None of the powers referred to in Article 225-100 of the French Commercial Code (capital increase) was granted during the fiscal year.

2.12. EMPLOYEE SHAREHOLDING

As at December 31, 2014, Natixis Assurances' shareholding structure did not include any employee shareholders. Consequently, the provisions of Article L. 225-102 of the French Commercial Code do not apply.

2.13. STATEMENT OF EARNINGS

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, this report includes a statement of the company's earnings for each of the past five fiscal years.

2.14. CORPORATE SOCIAL AND ENVIRONMENTAL REPORTING

In accordance with the provisions of Article L. 225-102-1, par. 5 of the French Commercial Code, the company has prepared a CSR Report explaining how it accounts for the social and environmental consequences of its activity, as well as its societal commitments in favor of sustainable development, combating discrimination and promoting diversity.

CSR Report

CSR Report

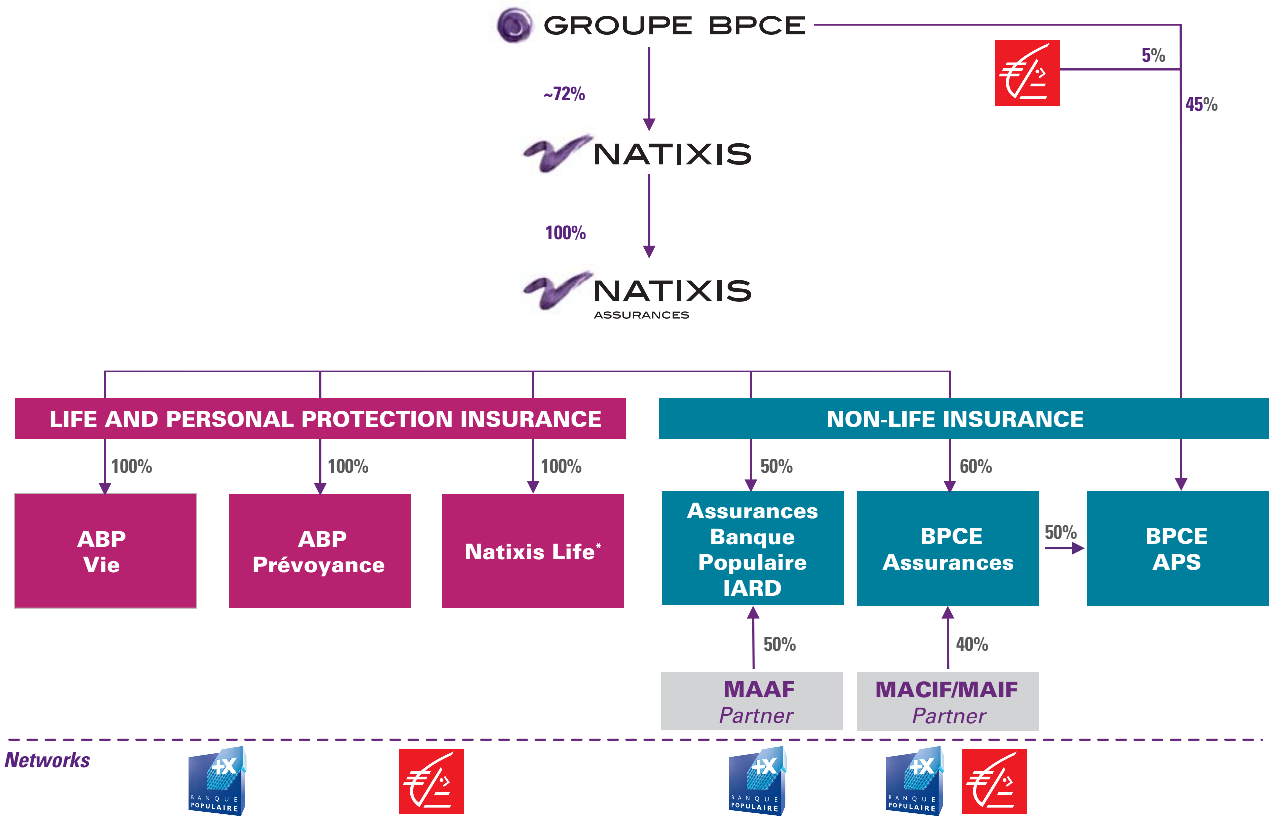
This report complies with the French Grenelle 2 Environmental Act and the obligations to disclose social, environmental and societal information which are observed by Natixis Assurances.

Reporting Scope

The information presented in this document pertains to the scope of Natixis Assurances, including ABP Vie, ABP Prévoyance and the registered office of BPCE Assurances in Paris and its claim management and customer relations management platforms in Martillac and Mérignac (33) and Dijon. The report covers fiscal year 2014 (from January 1 to December 31).

BPCE Assurances joined Natixis Assurances in the first quarter of 2014.

Natixis Assurances is the holding company of operating insurance companies and elected for its first report to separate its Life and Personal Protection Insurance and Non-Life Insurance activities.



* Out of scope "Integrated Natixis France"

Methodology information on indicators

Social indicators:

- the headcount includes all employees on permanent and fixed-term contracts belonging to the workforce at December 31 (excluding work-study and professional training contracts);
- new hires include external hires on permanent and fixed-term contracts, excluding apprenticeship and professional training contracts, and transfers from other Consolidated Natixis or Groupe BPCE companies;
- departures include resignations, layoffs, departures during trial periods, voluntary retirements and pre-retirements, contract terminations, deaths and transfers to other Consolidated Natixis France or Groupe BPCE companies;
- disabled employees include the number of employees with disabilities holding an employment contract with ABP Vie or BPCE Assurances, subsidiaries of Natixis Assurances, at December 31, 2014.

Environmental indicators:

- environmental indicators (use of energy, water, heating oil) are pro-rated at the occupancy rate of the buildings managed by Natixis' Real Estate and Logistics Department;
- Natixis Assurances' carbon footprint is assessed by extrapolating from the carbon footprint calculated for Consolidated Natixis France, according to the number of FTE employees;
- BPCE Assurances' carbon footprint is determined based on its energy use.

Exclusions

Some pollution indicators were not used because they were not deemed relevant to Natixis Assurances' activity, which does not generate serious or specific pollution:

- measures aimed at preventing, reducing or correcting discharges into the air, water and ground having a serious impact on the environment;
- accounting for noise pollution and any other form of pollution specific to an activity;
- ground use.

No provisions or guarantees were recorded for environmental risks.

Natixis Assurances follows the guidelines and organization of Natixis' sustainable development policy.

Social information

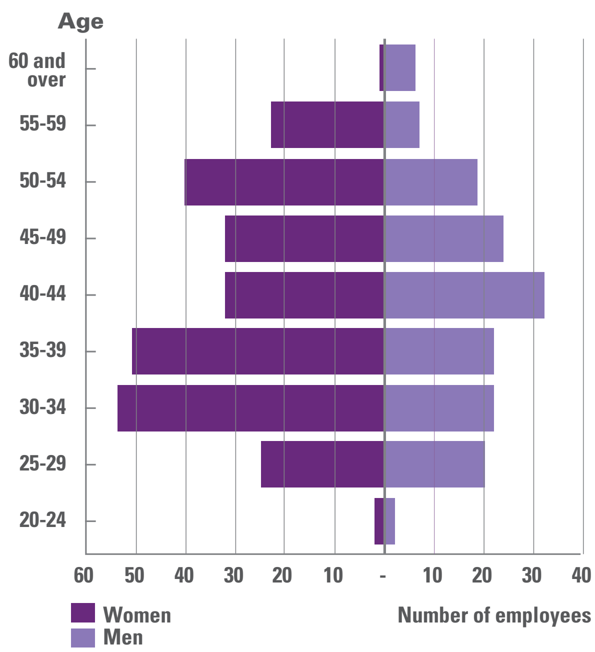
CHANGE IN HEADCOUNT - 2014

	Life and Personal Protection Insurance	Non-Life Insurance
Headcount (number of contracts at Dec. 31, 2014)	421	759
Men (as a %)	37%	27%
Women (as a %)	63%	73%
Total new hires	**46**	**146**
New hires on perm. contracts	83%	47%
Total departures on permanent contracts	**19**	**64**
Resignations as a % of employee departures (permanent contracts)	26%	45%
Layoffs as a % of employee departures (permanent contracts)	26%	12.5%

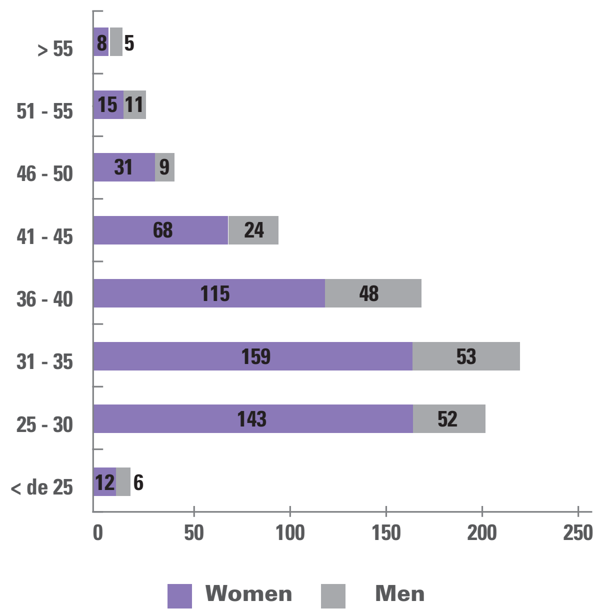
2014 AGE PYRAMID

LIFE AND PERSONAL PROTECTION INSURANCE

Pyramid by age bracket (5 years)



NON-LIFE INSURANCE



	Life and Personal Protection Insurance	Non-Life Insurance
2014 average employee age	**41.56**	**35.60**

COMPENSATION

In Life and Personal Protection Insurance, Natixis Assurances applies the compensation policy implemented by Natixis' Human Resources Department. It aims to maintain competitive pay levels relative to its benchmark markets. It is structured to promote employee commitment over the long term and to enhance the company's appeal as an employer while observing the regulatory framework in force. It reflects individual and collective performance.

In Non-Life Insurance, Natixis Assurances offers variable compensation in addition to base pay in order to take into account employee performance and company objectives set by the Executive Committee.

The maximum amount of variable compensation is contractual and determined according to the classification and job held.

For each of the two business lines, there is also collective compensation (company savings plan) designed to get employees personally invested in the results of Natixis and the various companies forming the group. Collective compensation is based on:

- a single mandatory profit-sharing plan, a collective pension plan and an employee savings plan for the scope of Consolidated Natixis France;
- an incentive agreement specific to BPCE Assurances.

This policy strictly complies with the regulatory framework specific to its business sectors. It also incorporates the fundamental objectives of professional equality and non-discrimination sought by Natixis.

(in €)	Life and Personal Protection Insurance	Non-Life Insurance*
Average gross annual compensation in 2014	49,850	37,325*

** Average calculated based on full-time permanent staff.*

ORGANIZATION OF WORKING HOURS

Natixis employees in France work at 30 different companies and are covered by collective bargaining agreements applicable to the banking or insurance industries. There are seven different agreements covering the entire scope, with specific characteristics depending on the sector. All Natixis Assurances employees are covered by the insurance collective bargaining agreement.

In life and personal protection insurance, the collective workweek is 39 hours, and employees also receive compensatory time off in accordance with the rules of France's 35-hour working week legislation.

The current set of agreements on the management of working hours includes several types of contracts (part-time, short-time, special working conditions for employees with disabilities, etc.) and provides for the associated terms and conditions of compensation and social security contributions.

In non-life insurance, the work schedule of 61% of employees is consistent with the needs of the claim management and customer relations management telephone platforms.

P1 working time (claim management)

For the P1 population, total annual working time was 1,582 hours over 226 days, i.e. a daily average of 7 hours.

P2 working time (claim management)

For the P2 population, total annual working time was 1,607 hours over 223 days, i.e. a daily average of 7 hours and 12 minutes.

Customer Relations Department working time

Total annual working time was 1,582 hours over 226 days, i.e. a daily average of 7 hours.

In addition, 31% of employees, specifically the executive population, have contracts based on a fixed number of days worked during the year (211 days). Finally, 8% work varying hours (non-executives, excluding platform positions). Total annual working time for non-executives (excluding platform positions) was 1,607 hours over 218 days, i.e. a daily average of 7 hours and 22 minutes.

Within the scope of the Life and Personal Protection Insurance business, the absenteeism rate was 5.5% at end-December 2014.

This rate does not include maternal/paternal leave, sabbaticals or business start-ups.

(as a %)	Life and Personal Protection Insurance	Non-Life Insurance
Part-time employees in 2014	11.2%	12.9%

EMPLOYER-EMPLOYEE RELATIONS

In Life and Personal Insurance, Natixis Assurances relies on employee representative bodies, created for the Consolidated Natixis France scope, which provide a forum for social dialogue and guarantee that all staff are represented.

The agreement relating to union and collective bargaining rights within the Consolidated Natixis France scope, signed in 2010 by Management and the majority of the representative union organizations, provided the Consolidated Natixis France scope with union coordinators, who are Management's preferred points of contact in the employee dialogue structure, and an integrated contractual bargaining body.

Within the scope of Life and Personal Protection Insurance Natixis Assurances signed a new optional profit-sharing agreement in 2014.

It also has its own local employee representative bodies.

With in the scope of Non-life Insurance, Natixis Assurances signed four agreements in 2014:

- an agreement on harassment and violence in the workplace;
- an agreement on extending the terms of office of employee representatives (CE/DP);
- an agreement on the establishment of online voting;
- a pre-electoral memorandum of understanding for the 2014 professional elections.

It also has its own local employee representative bodies.

Within the scope of Consolidated Natixis France including Natixis Assurances, two agreements were signed in 2014: an amendment to the agreement on the Natixis employee savings plan allowing a capital increase for employees and a mandatory profit-sharing agreement.

OCCUPATIONAL HEALTH AND SAFETY

In 2014, Natixis Assurances wanted to strengthen its prevention measures, particularly by setting up an annual professional risk prevention system. This system, shared with the employee representatives of each company CHSCT (Committee for Health, Safety and Working Conditions), is designed to evolve from one year to the next. It has three prevention phases: assessment of existing risks, analysis of these risks and initiatives contained in the annual prevention plan, which is reviewed in the first quarter of the following year. It revolves around the single professional risk prevention document, which naturally plays a central role in occupational health and safety efforts.

Furthermore, a proposal was made to the employee representatives (CHSCT) to receive training in psychosocial risks to round out the measures already in place.

On the medical front, Natixis Assurances maintains a close relationship with prevention-oriented professionals, and particularly with inter-company medical department staff (occupational physicians, ergonomists, etc.). This work, coupled with the efforts of all these contributors, led to the definition of a number of initiatives on occupational health, safety and working conditions (workstation ergonomics, working with display screen equipment at the company's registered office, regulation monitoring and on-site controls of CHSCTs through regular inspections, etc.).

Natixis Assurances did not report any workplace accidents for its Life and Personal Protection Insurance activities in 2014. For its non-life insurance activities, it recorded a workplace accident frequency of 3.78 and a severity rate of 0.19.

TRAINING

Natixis Assurances' training policy, in line with Natixis' strategic New Frontier plan, is one of the key factors aimed at furthering the career development of employees as well as the development of Natixis' core businesses.

Pursuant to the employment agreement of September 13, 2013, training activities in 2014-2017 are centered on five main objectives:

- preparing and supporting transfers within the Company;
- enhancing managerial skills and consolidating shared practices;
- improving the professionalization of the teams;
- supporting major business line projects and company procedures.
- helping to acclimatize new employees.

The teams in charge of training develop comprehensive as well as tailored solutions, offered through one-off initiatives or longer-term programs targeting the development of individual and collective skills. These solutions help continuously improve the competitiveness and employability of staff.

	Life and Personal Protection Insurance	Non-Life Insurance
Number of training hours in 2014	5,492	21,635

The Life and Personal Protection Insurance scope does not include internally provided training courses.

DIVERSITY AND EQUAL OPPORTUNITY

In Life and Personal Protection Insurance, Natixis Assurances contributes to the efforts undertaken by Natixis, which signed the Diversity Charter in 2009 and fights against discrimination in all its forms and at each step of the human resources management process: recruitment, training and management of employee careers. In conjunction with the Natixis team focused on diversity and disability management, Natixis Assurances is working to establish a policy aimed at capitalizing on the diversity of employee profiles, experiences and skills, centered on three key areas:

- gender equality in the workplace;
- retention of older employees;
- professional integration and retention of employees with disabilities.

Gender Equality

In Life and Personal Protection Insurance, Natixis Assurances applies the diversity policy adopted by Natixis, with the aim of ensuring gender equality through its policies on recruitment, training, pay and career management, including measures to:

- reduce wage gaps;
- include women in its high-potential leadership program;
- provide mentorship of female employees.

In Non-Life Insurance, Natixis Assurances signed an agreement on gender equality in the workplace on January 5, 2012.

(as a %)	Life and Personal Protection Insurance	Non-Life Insurance
Percentage of women executives in 2014	52.1	54.0

Retention of older employees

In Life and Personal Protection Insurance, Natixis Assurances applies the Natixis action plan promoting the retention of employees over 55, offering training and career management programs for this population, as well as access to subsidized part-time work for employees over 58 to cater to the aspirations of older members of staff as they reach the end of their careers.

The employment agreement signed by Natixis Management in September 2013 notably includes a generation contract, which calls for the introduction of new measures for older employees, which include volunteering with non-profit organizations to begin the transition between active employment and retirement for employees over 58.

An agreement on the generation contract was signed on October 10, 2013 in the life insurance business.

(as a %)	Life and Personal Protection Insurance	Non-Life Insurance
Percentage of employees 55 and older in 2014	8.8	1.8

Employment and integration of disabled persons

In Life and Personal Protection Insurance, Natixis Assurances contributes to Natixis' policy promoting the professional integration and retention of employees with disabilities, implemented within the framework of the agreement approved in December 2013 for the 2014-2016 period. The associated measures concern the recruitment and retention of disabled employees, development of outsourcing to disability-friendly companies, and employee awareness-raising initiatives.

In addition, Natixis has been an active member of Gema Handicap since 2009. It initiates a large number of events involving persons with disabilities (graphic arts, conferences, partnerships with non-profit organizations, etc.) geared toward its employees.

	Life and Personal Protection Insurance	Non-Life Insurance
Disabled workers on staff in 2014	14	15

Environmental information

ENVIRONMENTAL POLICY

Organization and certifications

Natixis' Real Estate and Logistics Department (DIL) oversees and maintains the technical facilities in the buildings used by Natixis Assurances. This department is ISO 9001 and ISO 14 001 certified, particularly for the buildings occupied by the Life and Personal Protection Insurance business.

DIL ensures optimum resource management by closely managing the various resources used: electricity, heating and cooling utilities, water and paper. These measures, combined with initiatives to raise employee awareness of “green practices” have in recent years led to a significant reduction of energy consumption.

DIL is also working on various projects to improve building accessibility for employees or external visitors with reduced mobility or hearing/visual impairment.

Employee training and information

Regular communication raises Natixis Assurances employee awareness of sustainable development in order to reduce their impact on the environment. In 2014, a number of articles were published via internal communication media (intranet, newsletter, magazine, e-mails, etc.) and events were organized for the Sustainable Development Week and the European Waste Reduction Week.

Resources allocated to the prevention of environmental risks and pollution

The people responsible for the management, operation and technical maintenance of Natixis’ buildings receive more in-depth training in this field. The resources allocated to the prevention of environmental risks and pollution are notably used to conduct drills simulating the accidental spilling of pollutants in each building.

POLLUTION AND WASTE MANAGEMENT

The main waste products generated by Natixis Assurances are paper, envelopes and boxes, the use of which is gradually decreasing.

Waste-sorting is managed by Natixis' Real Estate and Logistics Department and has now been extended to all of Natixis’ buildings. It consists of the following:

- sorting and recycling of paper in offices;
- collection and treatment of batteries;
- waste of recovery electrical and electronic equipment (WEEE);
- sorting and recycling of plastic pens.

VOLUME OF WASTE SORTED IN 2014

	Life and Personal Protection Insurance	Non-Life Insurance*
Paper, envelopes and boxes (in metric tons)	24	12.4
Batteries (in metric tons)	0.031	0
WEEE (in metric tons)	0.013	0
Fluorescent and neon tubes (number)	0	250
Ordinary industrial waste - unsorted (in metric tons)	10	7.63

** Excluding Paris offices*

For buildings managed by Natixis' Real Estate and Logistics Department, all waste is sorted: ordinary industrial waste (paper, cardboard, glass, metal, etc.) and hazardous industrial waste (WEEE, solvents, paint, varnish, infectious waste, etc.). 72% of this waste is recycled or subject to a special treatment process.

SUSTAINABLE USE OF RESOURCE

SE OF RAW MATERIALS AND ENERGY IN 2014

	Life and Personal Protection Insurance	Non-Life Insurance*
Total water consumption (in m^3)	2 459*	Unknown**
Total paper consumption (in metric tons)	23	20
Total electricity consumption of buildings (in MWh)	1 500	1 440.4***
Total heating oil consumption (in m^3)	0.341	None

** Water consumption for two out of three buildings: Bercy and Quai de Bercy.*

*** Total water consumption not available for 2014.*

**** Excluding Paris offices.*

Measures have been taken to optimize water consumption in the buildings managed by Natixis' Real Estate and Logistics Department: continuous monitoring of the systems to detect any leaks, fitting of pressure relief devices, installation of rain gauges to stop automatic sprinklers while it is raining and employee awareness efforts.

Employee paper consumption (reams of paper, letterhead paper) is steadily falling and the large majority of paper used is "sustainable forest management" certified (FSC(1) and PEFC(2) certifications).

(1) Forest Stewardship Council.

(2) Programme for the Endorsement of Forest Certification schemes.

The energy consumption of the buildings managed by Natixis' Real Estate and Logistics Department has been optimized for several years using various measures:

- a re-lamping policy with the use of LED light bulbs;
- installation of motion sensor lighting systems;
- heating and cooling systems that react better to temperatures outside the building.

CLIMATE CHANGE

Greenhouse gas emissions

Natixis Assurances' carbon footprint is assessed by extrapolating the carbon footprint calculated for Consolidated Natixis France, taking the following items into account:

- energy: energy consumption of buildings (electricity, gas, heating oil, cold and steam production);
- non-energy: refrigerant leaks;
- purchases and services: all goods and services purchased by the company;
- employee travel: commuting and business travel;
- property, plant and equipment: buildings, vehicles, computer equipment;
- freight: message service, couriers;
- waste: waste generated in the offices.

It is extrapolated from the Natixis database.

(metric tons of CO^2 equivalent)	Life and Personal Protection Insurance	Non-Life Insurance*
Total GHG emissions in 2014	**2,701**	**112**

** In Non-Life Insurance, GHG emissions are calculated based on building energy consumption (ADEME factor).*

Natixis has implemented a carbon action plan to reduce its GHG emissions:

- buildings: optimized occupation of work space and reduction of energy consumption;
- business travel: rules for travel by rail or air defined in the travel policy; restricted use of taxis and development of videoconferencing;
- IT: stricter rules for providing mobile devices to employees (cell phones, laptops, etc.).

ADAPTING TO THE IMPACTS OF CLIMATE CHANGE

Natixis Assurances offers products aimed at protecting against climate-related risks, particularly its multi-risk policies for individuals and professionals through the "natural disaster" guarantee.

Natixis' Business Continuity Plan addresses the management of extreme weather-related events and their consequences on its buildings and data centers.

BIODIVERSITY

Natixis Assurances' service operations are predominately located in urban environments and do not have a direct material impact on the natural environment. That said, prevention measures have been taken to avoid any accidental water or air pollution. These include regular maintenance of sensitive systems and reinforced leak-proofing of installations containing potential pollutants. These include regular maintenance of sensitive systems and reinforced leak-proofing of installations containing potential pollutants.

Societal information

REGIONAL, ECONOMIC AND SOCIAL IMPACTS

Natixis is the corporate, investment, insurance and financial services arm of Groupe BPCE. Its activities are entirely dedicated to providing financial advice and support to its customers and contributing to the economic advancement of the regions countries where it operates, in favor of local populations.

Natixis Assurances is a responsible investor in developing its Life and Personal Protection Insurance activities.

Through its Horizéo life insurance policy, it offers customers a way to subscribe for solidarity-based funds focused on energy, management of natural resources, consumption, construction and urban planning.

And, from a more general standpoint, Natixis Assurances holds more than €171 million in SRI funds in its general fund.

In Non-Life Insurance, it contributes to the development of local employment through its establishments, with nearly 1,000 people working in offices spanning Paris, Bordeaux, Dijon, Grenoble and Lens.

These activities naturally have a positive impact when it comes to developing and maintaining local employment.

STAKEHOLDER RELATIONS

Conditions of stakeholder dialogue

In the course of its business, Natixis Assurances has dealings with various stakeholders, including but not limited to:

Stakeholders	Who?	Relationship
Clients	• Businesses • Institutions • Retail customers • BP and CE networks	• Completion of questionnaires • Invitations to tender • Product development and management • Contracts • Dedicated telephone platforms
Employees	• Employees of Natixis Assurances subsidiaries • Employee representatives and unions	• In-house information • Special Committees (e.g. Committee for Hygiene, Safety and Working Conditions (CHSCT)) • Internal satisfaction survey • Volunteer forum • Training contributors
Shareholders	• Natixis	• Board of Directors • Finance, Risk, Development Committees
Non-profit organizations	• Toiles Enchantées, Secours Populaire, Restos du Cœur, Chiens Guides de Paris, Planète Urgence	• Donations • Skills sponsorship • Voluntary work by employees
Institutional players, regulators	• Financial regulatory authorities • FFSA - GEMA	• Participation in marketplace groups • Transmission of information and documents for control and audits
Universities and schools	• Business, shareholder and finance universities and schools	• Supporting Chairs • Relations with *Grandes Écoles* and universities • Campus Awards • Receiving interns, including work-study students

Partnership and sponsorship initiatives

Natixis Assurances employees take part in multiple solidarity-based operations initiated by Natixis or Natixis Assurances, including:

- the fight against illiteracy through the "Actionnaire Solidaire" program;
- support for the Gustave Roussy Institute in the fight against cancer;
- participation in the Odysséa race, the Financial Community Telethon and the Course du Cœur race;
- solidarity-based initiatives with the Planète Urgence non-profit organization;
- participation in the internal call for projects, "The Boost";
- volunteer forum.

In addition, within the scope of its Life and Personal Protection Insurance business, Natixis Assurances has set up the following initiatives: Solidarity Day, the "green move" (during the transfer of the Natixis Assurances teams, etc.).

Autonomy of disabled persons

Dedicated as always to the partnership begun in 2006 with the Caisses d'Epargne Solidarity Foundation and Comète France Association, aimed at teaching disabled persons how to drive again, BPCE Assurances donated a driver's education vehicle in 2014 to the André Lalande rehabilitation center in Noth (in partership with CHU Limoge's Physical Therapy and Rehabilitation Department). The vehicle, donated on October 2, 2014, was fully re-fitted to accommodate amputees or paraplegic/hemiplegic drivers.

In Non-Life Insurance, Natixis Assurances is thus working to combat the isolation of persons with disabilities and to promote equal driving opportunities for all.

SUBCONTRACTORS AND SUPPLIERS

All purchases made by Natixis Assurances in the Life and Personal Protection Insurance business are made by Natixis' Purchasing Department, which has established a responsible purchasing policy aimed at promoting more eco-friendly products and services that provide guarantees, and even added value, at the social and societal levels.

Buyers and purchasing advisors have a number of tools at their disposal:

- a set of responsible purchasing standards that set out the regulatory or recommended social and environmental criteria for the most commonly purchased product categories;
- a supplier relations charter incorporating its sustainable development values;
- sustainable development clauses in invitations to tenders and contracts.

By observing these clauses, Natixis' suppliers undertake to comply with current CSR standards and regulations and to encourage or to oblige their subcontractors to comply with these commitments.

In 2014, as in previous years, the Purchasing Department carried out a sustainable development survey of 30 service providers. All the companies received an overall score that did not pose a high risk for Natixis.

In 2014, the Purchasing Department also continued to contribute to the Natixis action plan for disabled persons by increasing its use of disability-friendly companies.

In Non-Life Insurance, the responsible purchasing policy draws on partner selection guidelines, which observe CSR regulations and standards in force (pertaining to governance, human rights, working relations and conditions, environment, best business practices, contribution to local development), while adapting to the specific considerations of the scope of the product purchased.

Fair practices

Prevention of corruption

At Natixis Assurances, prevention of corruption falls within the scope of the broader financial security system. As a member of the United Nations Global Compact, Natixis supports the principles of the Compact and notably applies a strict procedure governing gifts given and received.

In terms of consumer protection, Natixis Assurances employees are obliged to continue carry on their business in an honest and fair way. When a product is sold, they are subject to a number of rules designed to protect and ensure the interests of their customers.

OTHER HUMAN RIGHTS INITIATIVES

As a signatory of the United Nations Global Compact, Natixis is committed to respecting human rights and undertakes to observe the ILO conventions. This basic principle is incorporated at various levels of Natixis and is applied at Natixis Assurances:

- it is naturally applied within the human resources management policy, which aims to maintain good working and safety conditions for Natixis Assurances employees worldwide;
- it is implemented in Natixis' responsible purchasing policy: supplier contracts and the rules and principles established by the Purchasing Department (invitations to tenders, supplier sustainable development charter, contracts) include clauses governing compliance with human rights by suppliers and their subcontractors.

Consolidated financial statements

Consolidated financial statements

BALANCE SHEET

Assets *(in € thousands)*	**12/31/2014**	**12/31/2013**
Goodwill	19,328	19,328
Portfolios of insurance company policies	-	-
Other intangible assets	139,133	101,038
Intangible assets	**158,461**	**120,366**
Investment property	1,045,766	1,035,348
Unit-linked investment property	72,564	72,970
Held-to-maturity investments	*2,793,033*	*3,051,791*
Available-for-sale investments	*38,203,854*	*32,886,928*
Investments measured using the fair value option and held for trading purposes	*2,267,697*	*1,899,550*
Loans and receivables	*457,723*	*428,468*
Financial investments	43,722,307	38,266,737
Unit-linked financial investments	7,409,414	6,972,744
Derivatives and separate embedded derivatives	38,703	97,752
Insurance business investments	**52,288,754**	**46,445,551**
Investments in affiliates	**82,560**	**65,323**
Share of cessionaires and retrocessionaires in liabilities related to insurance policies and financial contracts	**7,623,504**	**7,186,338**
Buildings used for operational purposes and other property, plant and equipment	7,981	1,285
Deferred acquisition costs	52,678	10,067
Deferred profit-sharing assets	-	-
Deferred tax assets	66,034	29,115
Receivables arising from insurance or accepted reinsurance operations	529,296	177,694
Receivables arising from reinsurance cession operations	10,019	372
Tax receivable	61,762	101,162
Other receivables	108,967	56,660
Other assets	**836,737**	**376,355**
Available-for-sale assets and discontinued operations	**-**	**-**
Cash and cash equivalents	**383,365**	**240,280**
TOTAL ASSETS	**61,373 381**	**54,434,213**

Liabilities *(in € thousands)*	**12/31/2014**	**12/31/2013**
Share capital or equivalent funds	120,096	110,677
Issue, merger and contribution premiums	800,230	659,653
Revaluation reserve net of shadow accounting adjustments	249,042	87,885
Other reserves and OCI that cannot be recycled to the income statement	35,750	36,148
Cumulative earnings	107,226	183,658
Consolidated net income for the year	***149,915***	***142,225***
Translation adjustments	876	(552)
Shareholders' equity (Group share) Total	**1,463,135**	**1,219,695**
Minority interests	**132,445**	**1**
Shareholders' equity	**1,595,580**	**1,219,695**
Provision for contingencies	**31,505**	**11,386**
Subordinated debt	795,049	546,110
Financial debt securities	-	-
Other financial debt	273,129	156,124
Financial debt	**1,068,178**	**702,234**
Underwriting liabilities related to insurance policies	21,040,962	18,357,108
Underwriting liabilities related to unit-linked insurance policies	4,801,042	4,703,501
Underwriting liabilities related to insurance policies	***25,842,004***	***23,060,609***
Underwriting liabilities related to financial contracts with discretionary profit-sharing	16,140,336	15,569,690
Underwriting liabilities related to financial contracts without discretionary profit-sharing	-	-
Underwriting liabilities related to unit-linked financial contracts	2,657,927	2,297,808
Underwriting liabilities related to financial contracts	***18,798,263***	***17,867,498***
Separate contract derivatives	-	-
Deferred profit-sharing – Liabilities	3,419,342	1,325,921
Liabilities related to contracts	**48,059,609**	**42,254,028**
Deferred tax liabilities	33,153	-
Amounts payable to consolidated UCITS unitholders	228,915	212,759
Operating debt securities	-	-
Operating debts payable to banking sector companies	16,527	817
Payables arising from insurance or accepted reinsurance operations	211,779	174,885
Payables arising from transferred reinsurance operations	7,584,203	7,193,927
Tax payable	78,666	80,705
Derivative liabilities and amounts payable on derivatives	50,407	19,244
Other payables	2,414,859	2,564,533
Other liabilities	**10,618,509**	**10,246,870**
Liabilities of available-for-sale or discontinued operations	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**61,373,381**	**54,434,213**

INCOME STATEMENT

(in € thousands)	12/31/2014	12/31/2013
Written premiums	*5,769,879*	*3,900,588*
Change in unearned premiums	*(24,486)*	*321*
Earned premiums	5,745,393	3,900,909
Revenue or income from other activities	-	-
Other operating income	65,373	39,495
Investment income	*1,287,272*	*1,228,149*
Investment expenses	*(131,995)*	*(97,215)*
Capital gains and losses on disposal of investments (net of reversals, impairments and amortization)	*253,476*	*253,087*
Change in fair value of investments measured at fair value through profit or loss	*479,459*	*599,431*
Change in write-downs on investments	*(25,134)*	*(56,824)*
Investment income (net of expenses)	**1,863,078**	**1,926,628**
Benefits paid to policyholders	**(6,480,971)**	**(5,079,462)**
Reinsurance cession income	*1,521,930*	*752,693*
Reinsurance cession expenses	*(1,548,586)*	*(767,243)*
Net income and expenses from reinsurance cessions	**(26,656)**	**(14,550)**
Expenses from other activities	-	-
Policy acquisition costs	(495,471)	(319,065)
Amortization of portfolio values and related items	-	-
Administrative costs	(302,084)	(228,145)
Other recurring operating income and expenses	(84,678)	(45,309)
Other non-recurring operating income and expenses	-	-
OPERATING INCOME	**283,984**	**180,501**
Financing costs	(31,640)	(31,219)
Share in income of associates	8,867	7,771
Income tax	(90,652)	(14,828)
After-tax income from discontinued activities	-	-
CONSOLIDATED NET INCOME	**170,559**	**142,225**
Non-controlling interests	20,644	0
Net income (Group share)	149,915	142,225
Earnings/(loss) per share in €	9.52	9.80
Diluted earnings/(loss) per share	9.52	9.80

STATEMENT OF NET INCOME/(LOSS), GAINS AND LOSSES RECORDED DIRECTLY IN EQUITY

(in € thousands)	12/31/2014	12/31/2013
NET INCOME	**170,559**	**142,225**
Translation adjustments	1,428	(414)
Revaluation of available-for-sale financial assets	2,137,258	(131,700)
Revaluation of hedging derivatives	514	-
Revaluation of fixed assets	-	-
Actuarial gains or losses on defined-benefit schemes	(819)	(1,272)
Share of gains and losses recorded directly in the equity of associates	15,966	256
"Shadow accounting adjustment" before deferred tax	(1,919,347)	214,822
Tax	(80,190)	(29,095)
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**154,810**	**52,597**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**325,369**	**194,822**
• o/w group share	*296,514*	*194,821*
• o/w attributable to non-controlling interests	*28,854*	*0*

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in € thousands)	Group share: Share capital or equivalent funds	Group share: Additional paid-in capital	Group share: Total gains and losses recognized directly in equity	Group share: Cumulative earnings	Group share: Total group share	Attributable to non-controlling interests	Total shareholders' equity
Share capital at 12/31/2012	**110,677**	**659,653**	**33,902**	**237,461**	**1,041,693**	**1**	**1,041,693**
Change in IAS 8 method and error corrections	-	-	-	-	-	-	-
Share capital at 12/31/2012 (corrected)	**110,677**	**659,653**	**33,902**	**237,461**	**1,041,693**	**1**	**1,041,693**
Gains and losses recognized directly in equity (1)	-	-	52,597	-	52,597	-	52,597
Consolidated net income for the fiscal year (2)	-	-	-	142,225	142,225	-	142,225
Total net income and gains and losses recognized directly in equity (1) + (2)	-	-	**52,597**	**142,225**	**194,822**	-	**194,822**
Dividends paid	-	-	-	-16,826	-16,826	-	-16,826
Changes in share capital	-	-	-	-	-	-	-
Equity component of share-based payment plans	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-
Other changes	-	-	-	6	6	-	6
Share capital at 12/31/2013	**110,677**	**659,653**	**86,499**	**362,865**	**1,219,694**	**1**	**1,219,695**
Change in IAS 8 method and error corrections	-	-	-	-	-	-	-
Share capital at 12/31/2013 (corrected)	**110,677**	**659,653**	**86,499**	**362,865**	**1,219,694**	**1**	**1,219,695**
Gains and losses recognized directly in equity (1)	-	-	146,601	-	146,601	8,209	154,810
Consolidated net income for the fiscal year (2)	-	-	-	149,915	149,915	20,644	170,559
Total net income and gains and losses recognized directly in equity (1) + (2)	-	-	**146,601**	**149,915**	**296,515**	**28,854**	**325,369**
Dividends paid	-	-	-	- 65,793	- 65,793	-	- 65,793
Changes in share capital	9,419	140,577	-	-	149,996	-	149,996
Equity component of share-based payment plans	-	-	-	-	-	-	-
Changes in scope	-	-	15,657	-152,650	-136,993	103,544	-33,449
Other changes	-	-	-	- 284	- 284	47	- 237
Adjustment of UCITS capital	-	-	-	*- 82*	*- 82*	-	*- 82*
Other	-	-	-	*- 202*	*- 202*	*47*	*- 155*
Share capital at 12/31/2014	**120,096**	**800,230**	**248,757**	**294,053**	**1,463,136**	**132,445**	**1,595,580**

STATEMENT OF CASH FLOWS

(in € thousands)	12/31/2014	12/31/2013
Operating income before tax	**283,984**	**184,510**
- Capital gains and losses on sales of investments	- 253,476	- 253,087
+ Net allowances for depreciation and amortization	60,292	53,868
+ Change in deferred acquisition costs	- 7,925	- 685
+ Change in impairments	25,134	56,824
+ Net allowances for insurance underwriting provisions and liabilities related to financial contracts	2,628,041	1,695,284
+ Net allowances for other provisions	19,112	2,415
- Change in fair value of financial instruments measured at fair value through profit and loss	- 479,459	- 599,431
- Other items without cash outflows included in operating income	2,151	1,923
Correction of items included in operating income that do not correspond to monetary flows and reclassification of financial and investment flows	***1,993,870***	***957,111***
+ Change in operating receivables and payables	335,270	234,333
+ Change in securities sold under repurchase agreements or bought under resale agreements	- 240,993	- 189,203
+ Cash flows from other assets and liabilities	- 538	154,757
+ Net taxes paid	- 160,128	- 43,399
Net cash provided/(used) by operating activities	**2,211,465**	**1,298,109**
- Acquisitions of subsidiaries and joint ventures, net of cash acquired	- 286,630	-
+ Disposals of subsidiaries and joint ventures, net of cash disposed	-	-
- Investments in associates	-	-
+ Disposals of investments in associates	-	-
Cash flows generated by changes in scope	***- 286,630***	-
+ Disposals of financial investments (including unit-linked contracts) and derivatives	24,203,286	20,316,845
+ Disposals of investment property	17,811	9,600
+ Disposals of investments and derivatives in activities other than insurance	-	-
Cash flows generated by disposals and redemptions of financial assets	***24,221,097***	***20,326,445***
- Acquisitions of financial investments (including unit-linked contracts) and derivatives	- 26,399,961	- 21,807,465
- Acquisitions of investment property	- 6,842	- 222,033
- Acquisitions and/or issuance of investments and derivatives in other activities	-	-
Cash flows generated by acquisitions and issuance of financial assets	***- 26,406,803***	***- 22,029,498***
+ Disposals of property, plant and equipment and intangible assets	-	-
- Acquisitions of property, plant and equipment and intangible assets	- 34,872	- 855
Cash flows generated by acquisitions and disposals of property, plant and equipment and intangible assets	***- 34,872***	***- 855***
Net cash provided/(used) by investing operations	**- 2,507,208**	**- 1,703,908**
+ Membership fees	-	-
+ Issuance of capital instruments	149,997	-
- Redemptions of capital instruments	-	-
+ Transactions in own shares	-	-
- - Dividends paid	- 65,793	- 16,826
Cash flows generated by transactions with shareholders and cooperative shareholders	***84,204***	***- 16,826***
+ Cash generated by issuance of financial debt	368,000	-
- Cash allocated to redemptions of financial debt	- 2,000	- 20,000
- Interest paid on financial debt	- 31,640	- 31,219
Cash flows generated by Group funding	***334,360***	***- 51,219***
Net cash provided/(used) by financing operations	**418,564**	**- 68,045**
Cash and cash equivalents at January 1	**239,463**	**718,012**
+ Net cash provided/(used) by operating activities	2,211,465	1,298,109
+ Net cash provided/(used) by investing operations	- 2,507,208	- 1,703,908
+ Net cash provided/(used) by financing operations	418,564	- 68,045
+ Impact of changes in exchange rates on cash and cash equivalents	4,554	- 4,704
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**366,838**	**239,463**
• o/w cash and cash equivalents	*383,365*	*240,280*
• o/w operating debts payable to banking sector companies	*- 16,527*	*- 817*

1. Highlights

1.1. ACQUISITION OF BPCE ASSURANCES

In accordance with the guidelines set out in the New Frontier Plan for 2014-2017, Natixis Assurances acquired 243,122 shares conferring 60% of the capital and voting rights in BPCE Assurances from BPCE S.A. and mutual insurer MURACEF. BPCE Assurances provides non-life insurance coverage through general insurance policies distributed across the Caisse d'Epargne network.

The acquisition was carried out on March 14, 2014 for a total price of €292.0 million.

Given Groupe BPCE's ultimate control over BPCE Assurances (the entity subject to the business combination) both prior and subsequent to the acquisition by Natixis Assurances, this transaction does not fall within the scope of IFRS 3 (Revised) (see IFRS 3R, Paragraph B1). In the absence of regulatory documents applicable to such business combinations, the hierarchy of guidance (IAS 8, Paragraphs 10 to 12) was employed to select an appropriate accounting standard with a conceptual framework similar to IFRS. Based on this analysis, BPCE Assurances was consolidated on the basis of historic carrying amounts; this approach is consistent with the method used by Natixis, the entity consolidating the life and non-life activities held by Natixis Assurances. The external acquisition costs for the shares directly attributable to the transaction were incorporated into the cost price and accounted through shareholders' equity.

Goodwill, determined as the difference between the acquisition price and the share held by Natixis Assurances in the carrying amounts recorded in BPCE's consolidated financial statements at December 31, 2013, came out at €152.6 million. This goodwill was accounted through consolidated shareholders' equity.

Through the acquisition of BPCE Assurances, Natixis Assurances took indirect control of BPCE Assurances Production Services (BPCE APS), which is half-owned by BPCE Assurances, with the remaining share capital held by 17 Caisses d'Epargne (42.25%) and various Groupe BPCE entities (7.75%). BPCE APS' corporate purpose is similar to that of an economic interest group, providing all services necessary for the Caisse d'Epargne network's property & casualty insurance activity: at the end of the fiscal year, it reinvoices the Caisses d'Epargne for their share of expenses incurred.

1.2. FINANCING FOR THE ACQUISITION OF BPCE ASSURANCES

Capital increase by Natixis Assurances

In order to finance the acquisition of BPCE Assurances, the company increased its share capital through the issuance of 1,234,540 new shares with a par value of €7.63 accompanied by an issue premium of €113.87 per share, for a total issue price of €121.50 per share.

Total income for the issue, fully subscribed for by Natixis, was €149,996,610. After the capital increase, Natixis Assurances' share capital stood at €120,096,200 and consisted of 15,740,000 shares each with a par value of €7.63.

Financing through bank loans

In addition to the €150 million capital increase carried out in the first quarter of 2014 and the use of its cash holdings, Natixis Assurances received a loan of €117,000,000 maturing on January 31, 2015 from Natixis SA.

1.3. REPURCHASE OF SUBORDINATED LOANS ISSUED BY BPCE ASSURANCES

Pursuant to the commitments made on acquiring BPCE Assurances, on July 4 and 31 2014, Natixis Assurances repurchased the subordinated loans of €30.5 million and €10 million issued to BPCE Assurances by BPCE SA. These loans were acquired by Natixis Assurances for a sum corresponding to the nominal value plus accrued interest, and had the following characteristics:

Perpetual subordinated loan:

- nominal value: €30,489,803.44;
- Interest rate (fixed): 4.749%, i.e. the TEC10 rate prevailing at the loan disbursement date, plus a margin of 0.80%;
- prepayment, full or partial repayment possible: via an amendment to the loan agreement, subject to the prior approval of the ACPR;
- subordination clause exclusively applicable to the principal in the event of liquidation or bankruptcy.

Dated subordinated loan:

- maturity date: September 15, 2025;
- repayment method: lump sum at maturity;
- nominal value: €10,000,000;
- interest rate:
  - fixed rate of 3.9525% from September 15, 2005 to September 15, 2015, payable annually on

  September 15;
  - variable at 3M Euribor rate, plus a margin of 1.7% from September 15, 2015, payable quarterly on December, March, June and September 15;
- deferred interest payment: possible if the borrower's capital adequacy requirement coverage rate is less than 150% and if the borrower did not pay a dividend for the previous fiscal year;

- prepayment possible: in full on September 15, 2015 or December 15, 2015, subject to the prior approval of the ACPR;
- subordination clause on principal and interest, in the event of liquidation/bankruptcy.

It should be noted that BPCE Assurances has taken steps to obtain the ACPR's approval to repay the dated subordinated loan of €10 million.

1.4. IMPACT OF BPCE ASSURANCES ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIXIS ASSURANCES

At December 31, 2013 and 2014, BPCE Assurances' financial statements under IFRS contained the following items:

Aggregate value *(in €m)*	12/31/2013	% of total N/A (incl. BPCEA)	12/31/2014	% of total N/A (incl. BPCEA)
Equity	272	22.8%	331	20.7%
Underwriting reserves	873	2.1%	958	2.1%
Investments	877	1.9%	1,002	1.9%
Balance sheet total	1,360	2.4%	1,506	2.5%
Earned premiums	644	14.2%	712	12.4%
Pre-tax profit	64	32.3%	84	35.1%

1.5. ENTRY INTO FORCE OF IFRS 10, IFRS 11 AND IFRS 12

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" took effect on January 1, 2014.

IFRS 10 defines a single set of rules applicable to all entities, whether or not they are structured entities. The control of an entity is now analyzed using three cumulative criteria: influence over relevant activities of the entity, exposure to the entity's variable returns and the ability to influence variable returns obtained by the entity. The application of IFRS 10 did not generate a change in the consolidation scope. As Natixis Assurances is merely an investor in structured entities managed by specialist companies, it was determined that the group did not control any other structured entities besides those already consolidated at end-2013.

The application of IFRS 11 did not have a material impact on Natixis Assurances' consolidation scope.

In accordance with IFRS 12, disclosures on the non-controlling interests of subsidiary BPCE Assurances, along with Natixis Assurances' investments in affiliates (ABP IARD and Adir) and in non-consolidated structured entities, and the financial support provided by the

1.6. *ASSURÉMENT#2016* PROGRAM AND NEGOTIATION OF NEW PARTNERSHIP AGREEMENTS WITH CNP

In line with the strategic guidelines defined by Groupe BPCE *(Grandir Autrement)* and Natixis (New Frontier), Natixis launched the *assurément#2016* program at the start of 2014. The aim of the program is to prepare for the Caisse d'Epargne network's distribution of life insurance and endowment policies for pension savings purposes and Natixis Assurances' distribution of personal protection policies starting in January 2016. Covering all operational, legal, commercial and financial aspects of this ambition, this program relies on internal and external resources representing a multi-year investment budget of more than €55 million. Based on a detailed analysis of budget items, the majority of these expenditures will be recognized and amortized over an estimated average of 5 years. At December 31, 2014, the total related expenditure came to €27.9 million, including expenses of €10 million.

This development project resulted from Groupe BPCE's decision to have Natixis Assurance provide the life insurance and personal protection insurance policies distributed by the Caisse d'Epargne network, following the end of the exclusivity agreements held by CNP Assurances until December 31, 2015.

Against this backdrop, Groupe BPCE and CNP Assurances undertook to negotiate the terms of a new partnership agreement, the main outline of which was defined at the end of July 2014. The key conditions of this partnership were ironed out as negotiations were continued in the fourth quarter of 2014; these conditions included a plan to set up cross-reinsurance, which was confirmed in the memorandum of understanding signed by the parties. Under this agreement, CNP Assurances and Natixis Assurances will set up proportional reinsurance treaties for the savings activities, thus sharing the impacts and promoting a gradual transition between the two insurers.

1.7. ISSUANCE OF SUBORDINATED NOTES

On December 29, 2014, Natixis Assurances issued 2,510 undated subordinated notes to private investors for a total of €251 million. These notes, with a nominal amount of €100k, earn a fixed interest rate of 5.0% and can be redeemed early as from December 29, 2025. The issue costs associated with this note are amortized according to an actuarial method until 2025.

€250 million of the funds received from this issuance were used on December 30, 2014 to issue a perpetual subordinated loan at a fixed rate of 5.0% to the subsidiary ABP Vie.

These loans are eligible as Tier 1 capital to cover capital solvency requirements for 10 years under Solvency 2.

1.8. WEATHER-RELATED EVENTS

France was affected by several weather-related events in 2014, including storms, heavy rain, hail and floods. Major examples include the floods that occurred in the Var and Alpes-Maritimes departments in early January, the weather-related events of mid-June that hit 81 departments, the floods in the Midi-Pyrénées region on September 16 and 21 that spanned 13 departments, and the floods on September 29 and 30 in the Hérault department.

The cost of all these weather-related events totaled €13 million.

2. IFRS

2.1. SET OF STANDARDS APPLIED

The financial statements are prepared in accordance with:

- IFRS as adopted by the European Union;
- CRC (French Accounting Regulation Committee) Regulation N°. 2000-05 on the rules for consolidating companies governed by the French Insurance Code and on the French Insurance Code for insurance policies and reinsurance treaties subject to the provisions of IFRS 4.

The financial statements are also prepared in reference to:

- the summary of the work carried out by the CNC's working groups on the specific conditions of IFRS implementation by insurance entities, updated in January 2007;
- CNC Recommendation N°. 2009-R.05 of July 2, 2009 on the format of the financial statements of insurance entities under international accounting standards;
- the CNC Recommendation published on December 19, 2008 on the conditions for recognizing deferred profit sharing assets in the consolidated financial statements of insurance entities.

2.2. STANDARDS AND INTEPRETATIONS NOT USED

The standards and interpretations published by the IASB, adopted by the European Union, and whose application was mandatory in 2014 were applied for the preparation of the 2014 financial statements. These include, in particular, the following standards and interpretations that took effect in 2014: the amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities", new consolidation standards IFRS 10, 11 and 12, and the amendments to these standards published on June 28, 2012.

No standards, amendments or interpretations were applied early in 2014, including in particular IFRIC 21 on levies.

2.3. FIRST APPLICATION

The date of first application of IFRS for Natixis Assurances was January 1, 2004.

The guideline defined by IFRS 1 as to the conditions of first application of international standards is the retrospective application of the standards in force at December 31, 2005.

However, the standards offer certain options or exemptions in terms of first application. Natixis Assurances has made the following significant choices:

- business combinations: combinations having occurred prior to January 1, 2004 will not be restated;
- goodwill is measured at its net carrying value under French GAAP as at January 1, 2004;
- cumulative goodwill on ADIR has been deemed as nil at January 1, 2004;
- foreign-currency goodwill on ADIR: prospective application of IAS 21, consisting in freezing this goodwill in EUR;
- impairment of equity instruments: retrospective application of impairment rules. As the financial markets hit low points in September 2002 and March 2003, retrospective application has been limited in practice to December 31, 2002;
- consolidation of UCITS and SCIs (non-trading real estate companies) controlled by the company: retrospective application.

3. Consolidation methods and scope

3.1. CONSOLIDATION METHODS

The consolidation methods used are:

- full consolidation of controlled entities, within the meaning of IFRS 10;
- recognition of assets and liabilities for joint operations, within the meaning of IFRS 11;
- equity method accounting for joint ventures, within the meaning of IFRS 11 and in accordance with IAS 28;
- equity method accounting for joint ventures under significant influence, within the meaning of IAS 28.

Reciprocal interests

Reciprocal interests between fully consolidated companies are notably eliminated:

- intra-group dividends received;
- capital gains or losses on consolidated UCITS;
- acceptances, cessions and retrocessions in reinsurance;
- intra-group receivables, payables and provisions, as well as reciprocal income and expenses.

Foreign-currency translation of the financial statements of foreign subsidiaries and affiliates

Consolidated companies keep all their statements in EUR, with the exception of Adir, which is accounted for by the equity method and keeps its statements in LBP.

The financial statements are translated from the functional currency to the presentation currency according to the closing price method. Translation differences are taken to equity.

Consolidation of structured entities

Since January 1, 2014, IFRS 10 has replaced IAS 27, "Consolidated and Separate Financial Statements," for the section on consolidated financial statements and the SIC 12 interpretation on special purpose entities. It defines a single audit model applicable to all entities, whether or not they are structured entities. The control of an entity will now be analyzed using three cumulative criteria: influence over relevant activities of the entity, exposure to the entity's variable returns and the ability to influence variable returns obtained by the entity. The application of this new standard did not change the consolidation scope: As at end-2013, Natixis Assurances consolidated 5 structured entities (1 SCI, 1 SPPICAV and 3 mutual funds) in 2014.

The application of the new standard IFRS 11 "Joint Arrangements" also had no impact on the consolidation scope.

Fast close

The individual financial statements of subsidiary Natixis Life, which are used to prepare the consolidated financial statements, were the result of fast close. This fast close consisted in closing the accounts at November 30, then estimating some of the balance sheet and income statement items for the month of December.

Any significant differences recognized between the early balancing date and the final balancing date of the individual financial statements are subject to adjustments in the consolidated financial statements.

3.2. CONSOLIDATION SCOPE

		2014		2013		Date of consol./
	Method	% controlled	% int.held	% controlled	% int.held	deconsol.
Full consolidation (FC)						
ABP Vie	IG	100%	100%	100%	100%	1997
ABP Prévoyance	IG	100%	100%	100%	100%	1997
BPCE Assurances	IG	60%	60%	-	-	2014
Natixis Life	IG	100%	100%	100%	100%	1998
BPCE APS	IG	50%	30%	-	-	2014
SCI Fructifoncier	IG	100%	100%	100%	100%	2004
SPPICAV Nami Investment	IG	100%	100%	100%	100%	2009
FCP ABP Diversifié (ex-ABP Actions)	IG	99.80%	99.80%	99.60%	99.60%	2005
FCP ABP Croissance Rendement	IG	-	-	95.52%	95.52%	2005 - 2013
FCP ABP Midcap	IG	-	-	100%	100%	2005 - 2013
FCP ABP Alternatif Offensif	IG	100%	100%	99.99%	99.99%	2012
FCP Natixis Ultra Short Term	IG	56.06%	56.06%	58.36%	58.36%	2013
Equity method (EM)						
ABP IARD	**EM**	**49.48%**	**49.48%**	**49.48%**	**49.48%**	**1997**
Adir	**EM**	**34%**	**34%**	**34%**	**34%**	**2001**

3.3. COMPANIES EXCLUDED FROM THE CONSOLIDATION SCOPE

Real estate UCITS and affiliates

Under a first approach, the materiality threshold taken into account for consolidation of real estate UCITS and affiliates either controlled or significantly influenced by the company, within the meaning of IFRS 10 or IFRS 11, is:

- UCITS total balance or net position exceeding 0.5% of Natixis Assurances' investments;
- total entities excluded from the consolidation scope not accounting for more than 5% of total investments.

3.4. SIGNIFICANT NON-CONTROLLING INTERESTS HELD IN GROUP SUBSIDIARIES

Natixis Assurances holds an equity investment of €292.3 million in BPCE Assurances. A significant share of the subsidiary's capital (40%) is held by companies outside the group:

	Number of shares
Natixis Assurances	60%
MACIF	25%
MAIF	15%
TOTAL	**100%**

Voting rights in this entity are strictly proportionate to the percentage of share capital held.

BPCE Assurances generated a net profit of €53.7 million in 2014; dividends for fiscal year 2013, paid in 2014, came to €13.4 million. As BPCE Assurances was purchased in first-quarter 2014, these dividends were paid to its former shareholder, BPCE, rather than Natixis Assurances.

The registered office of BPCE Assurances is located at 50, avenue Pierre Mendès France, in the 13th arrondissement of Paris. BPCE Assurances is Groupe BPCE's non-life insurance subsidiary for the Caisse d'Epargne network and associated banks. BPCE Assurances has developed a comprehensive range of property & casualty insurance products. 2014 earned premiums can be broken down as follows:

Earned premiums *(in €m)*	2014
Auto insurance	191
Home insurance	236
Personal accident insurance	76
Health insurance	87
Legal insurance	44
Non-banking and major risk insurance	61
Personal protection insurance	17
TOTAL	**712**

The subsidiary's main balance sheet aggregates are as follows:

(in €m)	12/31/2014
Equity	331
Subordinated debt	41
Underwriting reserves	958
BALANCE SHEET TOTAL	**1,506**
Investments	1,002
Net insurance income	214
Pre-tax profit	84
IFRS net income	52
Net combined ratio	90.4%

3.5. INTERESTS HELD IN AFFILIATES

Affiliates ABP IARD and ADIR, accounted for by the equity method, had respective impacts of €64 million and €8.9 million on Natixis Assurances' consolidated 2014 shareholders' funds and net income.

3.6. INTERESTS HELD IN NON-CONSOLIDATED STRUCTURED ENTITIES

Non-consolidated structured entities held by Natixis Assurances exclusively comprise investment vehicles backing its underwriting obligations or its shareholder's funds.

The table below shows the carrying amount of interests held by Natixis Assurances in non-consolidated structured entities, as well as its maximum exposure to risk of loss attributable to these entities. Maximum exposure to risk of loss is determined as the cumulative amount of interests recorded in balance sheet assets and commitments given. The size of structured entities presented is determined as the total liabilities recorded by securitization vehicles and as the net worth of investment funds held.

(in €m)	Securitizations	Asset Management
Financial assets at FV through profit and loss (incl. unit-linked contracts)	0	4,063
Available-for-sale financial assets	167	1,869
Loans and receivables	0	2
TOTAL ASSETS	**167**	**5,934**
Financing commitments given	688	158
MAXIMUM EXPOSURE TO RISK OF LOSS	**855**	**6,092**
SIZE OF STRUCTURED ENTITIES	**1,530**	**65,403**

3.7. FINANCIAL SUPPORT TO STRUCTURED ENTITIES

Natixis Assurances did not grant any financial support to consolidated or non-consolidated structured entities amid challenging financial conditions.

4. Accounting principles and methods

4.1. USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE FINANCIAL STATEMENTS

Preparation of the financial statements requires the use of certain estimates and assumptions; furthermore, it calls for the use of judgment in applying the account principles described hereafter. The main balance sheet items concerned are goodwill tested for impairment, financial instruments measured at fair value not listed on an active market, liabilities related to insurance policies and financial contracts, deferred profit-sharing assets tested for recoverability, contingency provisions and deferred tax assets.

The associated estimates and assumptions are mainly determined based on past experience, regulations, and the usual actuarial principles; they are subject to sensitivity analyses where required by standards or where doing so enables Natixis Assurance to exercise its judgment. These estimates and assumptions are regularly re-examined.

4.2. BALANCE SHEET

4.2.1. Goodwill

Goodwill is not amortized. Under IFRS, goodwill is measured at its net carrying value at January 1, 2004 under French GAAP.

Goodwill on entities preparing their financial statements in a foreign currency has been recorded at said foreign currency since fiscal year 2008 and then translated into EUR at the closing exchange rate.

It is tested for impairment and a provision recorded if necessary. This impairment test most often uses the DCF method.

Goodwill related to the 60% stake held in BPCE Assurances has been booked against from consolidated shareholders' equity, in accordance with the method applied by Natixis for business combinations placed under long-term joint control, before and after acquisition.

4.2.2. Recognition of software developments

Internally developed software meeting the criteria defined by IAS 38 is capitalized. It is amortized over its useful life, which is determined on a case-by-case basis according to a selection process common to all Natixis Group companies. For the main software developments, this useful life usually ranges from 3 to 13 years.

4.2.3. Investment property

In accordance with IAS 40.32A, Natixis Assurances opted for the fair value recognition of its investment property representing unit-linked insurance policies, with cumulative changes in the fair value of such property recognized in profit and loss. The investment property concerned is that of SCI Fructifoncier and SPPICAV (investment company with variable capital investing primarily in real estate) Nami Investment, both included in the consolidation scope.

4.2.4. Financial investments

Classification des placements financiers

Classification of financial investments

On first application of IFRS, investment securities were recognized as follows:

- held-to-maturity (HTM) assets: fixed-rate government bonds, some fixed-rate bonds without embedded derivatives, in particular those whose credit risk was deemed low and with sensitivity exceeding 3.7(1);
- available-for-sale (AFS) assets: some fixed-rate bonds without embedded derivatives, variable-rate and fixed-plus-variable-rate bonds, indexed-linked OATs (French treasuries) UCITS and SCPIs (with the exception of SCPIs split between EUR funds and unit-linked policies);
- assets held for trading purposes: money market funds held for short-term cash management purposes;
- assets measured under the fair value option (FVO): financial instruments with embedded derivatives (convertible bonds, index-linked bonds and structured securities), as the embedded derivatives are not separated from the host contracts;
- investments representing unit-linked policies: to avoid any discrepancies between assets and liabilities, unit-linked assets and liabilities are recognized under the fair value option. The same is true for assets corresponding to unit-linked surpluses, as well as SCPI Fructifonds Immobilier, split between the EUR portfolio and the unit-linked portfolio.

Hedge accounting

Natixis Assurances subscribed for a Forward OAT in 2014 (nominal: €5 million; maturity: August 2018), in order to guarantee the return on part of its future investments now. This transaction was recognized as a cash flow hedge.

Rules governing recognition in assets

The date of accounting recognition of financial instruments is the settlement date.

No transaction costs are directly incurred; the only costs reinvoiced by the asset manager are administrative costs. For bonds, the cost price recorded in the parent company financial statements is net of expenses; the actuarial rate at purchase used in the parent company financial statements is therefore unchanged under IFRS.

Basic principles of investment valuation

The estimated fair value of investments is based primarily on observable market data, while ensuring that all inputs used in the fair value calculation are consistent with the price that market participants would use in a transaction. This fair value consists of a mid-market price.

(1) With the exception of bonds held by ABP Prévoyance, which are classified as available-for-sale (AFS).

A bid/mid adjustment is made to correct the valuation of instruments measured at fair value through profit and loss, where this valuation is significant. This adjustment reflects the cost requested by a market player in respect of the risk of acquiring a position or of selling at a price proposed by another market player.

Until June 30, 2014, the valuation method was exclusively based on the use of the bid price. The impact of changing from a bid to a mid price was +€88 million on the valuation of the investment portfolio at end-2014, i.e. 0.24% of the total value (net impact of €4 M€ on shareholders' funds after deferred policyholders' bonus and tax).

The mid-market price is obtained as follows:

- if the instrument is quoted on an active market, fair value is its quoted price.
- if the market for a financial instrument is not active, fair value is established using valuation techniques.

The valuation of financial instruments is thus established by applying a process that combines, in order of preference:

- use of the last quoted price on a regulated market, where it is very recent (less than 5 days for fixed income securities, less than one day for virtually all equity securities) and corresponds to significant transactions on a sufficiently liquid market;
- use of databases (Reuters, Bloomberg, Fininfo, Market, etc.) widely used by market participants and institutional investors;
- use of counterparties to obtain a mid price;
- very infrequently, where there are no prices or quotes deemed relevant, recalculation of a valuation using observable market inputs (interest rates, volatility, etc.) or reconstituted inputs.

In practical terms, the valuation process is based on the joint contributions of:

- portfolio managers, the "securities database" department and the risk management department of the company holding the financial management mandate for the portfolios held;
- the company responsible for accounting and valuation under the mandate.

The sequence of operations is summarized as follows:

- valuation of fixed income securities taken from independent pricing contributor (BVAL Cash, a Bloomberg service). This pricing source is alternatively backed by a secondary source, BGN(1) (also by Bloomberg) and, where applicable, by the price contribution process maintained by Natixis Asset Management (NAM);
- recovery of information used to validate the relevance of the prices used: asset swap spreads, CDS prices, where they exist, prices of the 2,000 securities comprising the Barclays index, etc.;
- where automatic prices are not recent enough (less than 5 days old), recovery of prices contributed by external counterparties on all available places of listing (regulated markets, trading platforms, ISMA reference prices, broker prices, etc.);
- verification of price relevance under the authority of the asset management company's risk management department. The asset management company's pricing of bonds is based on:
  - use of zero-coupon yield curves, reconstituted by using quoted swaps and futures prices;
  - establishment of an average spread matrix for each rating category using the above observed and reconstituted market data;
  - given the relative illiquidity observed for certain categories of securities, a fixed spread can be added to the model for prudential purposes;
  - the discounting of contractual cash flows, using the previously calculated inputs;
- comparison of prices entered by the portfolio managers against the prices calculated by the risk management department: the fair value of a security is validated by the risk management department if the difference in value observed on a given security is less than 5%. Otherwise, a comparison is made between the different available sources (asset swap spreads on the primary market, re-pricing on the secondary market, risk management valuation, prices estimated by market counterparties, etc.). For prudential reasons, no prices may be used without the validation of the risk management department, which may impose the prices it deems relevant in light of its own calculations.

Special cases:

- *structured securities:* the price is usually obtained from the "structurer" and/or (re)calculated using pricing tools ("LexiFi"), based on the values of inputs provided by the counterparty or observed on the markets. This work is carried out by a portfolio management team focused on structured products, under similar conditions as those used by the risk management department for the counter-valuation of conventional bonds;
- *unlisted investments such as FCPRs (venture capital funds), venture capital, private equity, securitization funds, etc.) :* given the nature of the underlying investments and the frequency of valuations (often quarterly), it is materially impossible to obtain a quoted price in real time. As a general rule, fair value is therefore the value provided by the fund manager at the end of the quarter preceding the balance sheet date;
- *real estate:* though ultimately always based on a value established in comparison with the market and/or on the estimated present value of future cash flows generated by the underlying assets, the price used as the realization value varies according to the legal nature of the instrument considered:
  - for SCPIs also open to individual investors, the value used is the value recognized during the last monthly "comparison" between buy and sell orders;
  - for instruments reserved for institutional investors or controlled by the company, fair value is the net asset value of the structure held or the value calculated by one or more experts. This value is predominantly based on an appraisal of the properties held by the structures, established in comparison with recent transactions in similar properties and/or the present value of the income generated by the properties;

(1) Bloomberg Generic (price calculated by Bloomberg based on contributor prices).

- *UCITS:* fair value is always the last published net asset value.

Finally, despite all the due diligence procedures conducted in terms of valuation, it should be noted that valuations are only determined to establish an accurate picture of the company's assets at the balance sheet date. Accordingly, the values used are liable to be significantly different from the realization values obtained at a subsequent date, in the unlikely event that Natixis Assurances ended up selling assets on a sometimes volatile and shallow market.

Investment management principles

The principles governing investments held by Natixis Assurances are described hereafter.

a) For investments accepted as representing EUR-denominated obligations (general fund):

Fixed income investments (bonds and negotiable debt securities)

General credit risk policy

- credit risk management is governed by the procedures and analysis capabilities of the Natixis Asset Management (NAM) credit research teams. Similarly, issuer limits are defined and monitored by NAM's Risk Committee. It is also part of the broader credit risk management policy implemented by Natixis Group. Finally, the results of the research and analysis of company portfolios are periodically presented to Natixis Assurances' Credit Committee, which decides on guidelines and/or changes to be implemented in the interest of conservative management of the risks associated with investments held;
- the credit risk policy applied to bond investments is relatively conservative; on acquisition, it almost exclusively uses securities issued by issuers with a creditworthiness rating of at least BBB. The portfolio therefore holds few (2.2% of total assets under management) speculative grade (high yield) bonds, i.e. with ratings ranging from CC (net assets of €323k) to BB+.

At December 31, 2014, the breakdown of the portfolio was as follows:

By credit rating:

- bonds with a rating ranging from A to AAA comprised 73% of AuM;
- BBB-rated bonds comprised 23% of AuM;
- bonds rated below BBB comprised 2.2% of AuM;
- unrated bonds comprised 2.6% of AuM.

Business sector:

- 36% were bonds issued by government, public or quasi-public issuers (unchanged from 2013);
- 27% were bonds issued by manufacturing or service sector issuers;
- 37% were bonds issued by the financial sector (o/w 77% were rated from A to AAA).

Securitizations and CLOs

- the management policy applied to securitizations remained very cautious: securitizations or products linked to securitization products purchased before the 2008 financial crisis comprised a very limited portion of assets (less than €50 million) and were not linked to US subprime or ALT-A real estate underlyings;
- under Decree N°. 2013-717 of August 2, 2013, which now allows companies to invest in loans to unlisted companies and local authorities, Natixis Assurances purchased units or debt securities issued by securitization funds for a total amount of €235 million since 2013;
- Natixis Assurances holds transferable securities classified as asset-backed securities or CLOs (residual gross cost price of €17 million at end-2014). These securities were purchased in 2008 at valuation levels conferring a high spread relative to risk-free returns. The high number of investment lines (83 at end-2014) comprising these assets as well as the sector and geographic diversification of this securitization portfolio (mainly European), are factors that help mitigate the risk associated with this portfolio, which was acquired with the intent of being held to maturity. Overall, there is an unrealized capital gain of €0.7 million on the portfolio.

Exposure to banking and real estate risks

- exposure to real estate risk is predominantly indirect and usually guarded against by the legal nature of the securities held *(obligations foncières, covered bonds, cedulas, pfandbrief)* and the resulting guarantees (existence of pools of guaranteed assets, over-coverage of commitments, etc.);
- direct exposure to the construction and real estate sector exists via securities issued by European companies predominantly invested in the commercial and office real estate sub-segment. Alternatively, it can exist via diversified groups operating notably in the field of infrastructures and concessions, whose risk profile has been deemed satisfactory;
- the large volume of securities issued by financial sector issuers (retail banks, savings banks, credit unions, refinancing structure, insurance and reinsurance companies, etc.) relative to the total volume of bonds (excluding those issued by governments and quasi-public organizations) inevitably leads to the existence of significant assets under management in this sector of the economy. It should be noted, however, that the securities are purchased while ensuring, in addition to the issuer's rating and reputation, that there is sufficient diversification of risks in terms of geographic areas and sub-sectors.

Money market and dynamic money market UCITS

Natixis Assurances holds money market and dynamic money market UCITS with a carrying value of €1,142 million, managed exclusively by Natixis Asset Management (NAM).

According to the valuation of these securities, which are usually held for a short period, there is an overall unrealized capital gain of €0.5 million on these holdings based on the latest net asset values published at December 31, 2014.

Natixis Assurances' alternative investments

Alternative investments are limited to €246 million, i.e. 0.6% of the value of investments in EUR funds.

b) Investments accepted as representing unit-linked policies:

It should be noted that these investments are almost exclusively comprised of UCITS subject to AMF approval and supervision.

Given:

- the predominantly "equities" and/or diversified nature of the UCITS held,
- the relatively modest median value of the assets under management held in the many UCITS representing unit-linked undertakings,

there were no extensive investigations of the valuations and valuation work conducted by the asset management companies and verified by the designated Statutory Auditors at the last balance sheet date prior to December 31, 2014. For the main assets under management, the statutory auditors were asked to provide reports for information purposes on valuation methods.

4.2.5. Impairment of financial assets

Natixis Assurances determines whether there is objective evidence of impairment of securities, loans or receivables on an individual basis at the balance sheet date. To identify evidence of impairment, Natixis Assurances analyzes trends in a number of objective criteria, but also relies on the judgment of its own expert teams. Similarly, Natixis Assurances may use its own expert judgment to position future recovery flows over time.

Redeemable securities

A provision for impairment is recorded where there is reason to believe that the issuer will be unable to meets its commitments on the payment of interest or the redemption of securities. Securities falling into this category are determined on a case-by-case basis at each balance sheet date.

Equity instruments

The impairment criteria for non-redeemable securities (only AFS) are as follows:

- automatic impairment in the event of unrealized capital losses of more than 50% at the balance sheet date;
- automatic impairment in the event of continuous unrealized capital losses for more than 24 months;
- case-by-case analysis of securities presenting an unrealized capital loss of more than 30% at the balance sheet date;
- case-by-case analysis of securities presenting a continuous unrealized capital loss for more than 6 months.

Once identified, these securities are impaired from the first euro, in order to bring their net carrying value back to the fair value level. The impairment is never reversed. It is fixed on a quarterly basis.

In accordance with IFRIC 10, an investment security for which a provision has already been recorded is subject to additional impairment in the event another decrease in value is observed when the accounts are closed, without any condition as to threshold or duration.

4.2.6. Operating receivables and payables

Operating receivables and payables (receivables and payables arising from insurance and reinsurance operations, tax receivables and payables, other receivables and payables) are short-term receivables and payables (less than one year); they are maintained at their cost price insofar as the discounting effect is not material.

4.2.7. Group shareholders' funds

The "Recyclable revaluation reserve net of shadow accounting adjustments" recognizes the impacts of the revaluation of available-for-sale financial assets and the impacts of the revaluation of hedging derivatives (cash flow hedges), net of shadow accounting adjustments.

"Other reserves and OCI not recyclable to the income statement" comprise the legal reserves of the Natixis Assurance holding company and the actuarial gains and losses related to non-recyclable employee benefits booked directly in equity in accordance with IAS 19 as revised.

"Cumulative earnings" include consolidated reserves (group share), including interim dividends paid by the holding company, with the exception of the AFS revaluation reserve net of deferred profit-sharing and deferred taxes, which is isolated under a separate heading.

4.2.8. Restatement of the capitalization reserve

The capitalization reserve is not recognized under IFRS and is therefore eliminated.

Restatement of the existing capitalization reserve

The summary of the work conducted by the CNC working groups on the specific conditions of IFRS implementation by insurance entities, updated in 2007, stipulates that the existing capitalization reserve must be restated under IFRS, as in the case under French GAAP (CRC 00-05). As the deferred profit-sharing mechanism under IFRS and French GAAP (CRC 00-05) and the management intent are the same in both sets of standards, the treatment of the capitalization reserve is unchanged in IFRS.

The existing capitalization reserve was therefore initially restated as follows:

- elimination of the existing reserve at the opening date;
- subsequent to this elimination, recognition of deferred profit-sharing of €68 million.

These accounting entries were recorded through shareholders' equity.

The cancellation of subsequent variations in the existing capitalization reserve gives rise to the recognition of policyholder benefits via a provision for deferred profit-sharing at the deferred profit-sharing rate. The deferred profit-sharing thus recognized is subject to deferred tax; the restatements are recognized through profit and loss.

The sufficiently cautious nature of the deferred profit-sharing is verified using the liability adequacy test (see point 7.2.8).

Deferred tax

Since the tax amendment of 2011 applicable to changes in the capitalization reserve (non-deduction of allowances, not-taxation of reversals), no deferred tax has been recognized on the share of the capitalization reserve restated in equity.

4.2.9. Classification of contracts

See point 7.2.3 Categories of insurance policies.

4.2.10. Liabilities related to financial contracts without discretionary profit-sharing

Financial contracts without discretionary profit-sharing are financial liabilities that must be measured in accordance with IAS 39. These are unit-linked contracts: the related liabilities are measured at fair value.

4.2.11. Valuation of liabilities related to insurance policies and financial contracts

As authorized by IFRS 4, after taking into account the outcome of the liability adequacy test (see point 7.2.8), liabilities related to insurance policies and financial contracts are measured according to the methods applied in the individual financial statements (subject to any restatement of provisions not accepted by IFRS 4):

- mathematical reserves for EUR policies: these reserves correspond to the companies' obligations to policyholders. For deferred-capital, single- or regular-premium endowment policies and life insurance policies, reserves are determined by capitalizing the sums invested and the bonuses included, at the technical interest rate.
- mathematical reserves for annuities: reserves for civil liability invalidity annuities are calculated using the TD 88-90 mortality table and a technical interest rate equal to 60% of the average French government bond rate, reserves for death annuities (civil liability, life annuities and contractual annuities) are calculating using the TGH05 and TGF05 mortality tables and technical interest rates of 0% to 5% depending on the generation, reserves for personal protection insurance annuities linked to invalidity and work cessation risks are assessed according to continuous invalidity and incapacity laws in France;
- overall management reserve: this reserve covers future management expenses not booked against premiums or taken from investment income. It is calculated in accordance with the Decree of December 29, 1998, amending Article A331-1-1 and with the Tax Instruction of June 23, 1999. It is measured by similar category of policies;
- reserve for interest rate risk: this reserve is recorded to cover potential future commitments related to guaranteed minimum life annuity rates greater than or equal to 4.5% on policies taken out from July 1, 1993 and on premiums paid from June 1, 1995. It is calculated as the difference between the present value of future commitments and the policy's mathematical reserve at the inventory date. Furthermore, in order to incorporate the projected level of net inflows and outflows on policies with significant guaranteed rates, an additional provision was recorded in the amount of €43 million based on the average payout and benefit rates observed over the past three years; it amounted to €36.5 million at end-2014 (€43 million at end-2013);
- reserve for written unearned premiums: recognizes the portion (calculated on an accrual basis) of premiums issued during the financial year that relate to a period after the reporting date; this reserve generally concerns property & casualty and personal protection guarantees;
- reserve for existing risks: this reserve is used to cover, for all outstanding policies, the portion of claim expenses and costs associated with policies not covered by the reserve for unearned premiums;
- provision for claims payable: this reserve is used to cover benefits outstanding, surrenders and claims that have occurred but have not yet been paid at the balance sheet date; For property & casualty and personal protection insurance activities, it includes a provision for unknown claims or late-reported claims determined using statistical methods and a management fee aimed at covering claim liquidation costs;
- reserve for recoveries receivable: recoveries receivable are subject to separate provisions from those recognized for claims payable;
- reserve for deferred profit-sharing recognized in the individual financial statements: this comprises policyholders' share of underwriting and financial profits generated by the company. It is permanently vested by the policyholders and must be incorporated in the mathematical reserves within a maximum period of 8 years;
- reserve for increasing risks: this reserve is recorded to address the residual risk between the inventory date and the contractual term based on single or level premiums on subscription;
- underwriting reserves for unit-linked policies: these reserves correspond to the companies' obligations to policyholders. They are expressed as unit-linked accounts and measured based on the realization value at the balance sheet date of portions of assets recognized as representative of unit-linked policies. For policies offering a floor rate, a special provision is recognized in order to cover the risk of repayment of the negative difference between the value of unit-linked assets at the benefit due date and the net amounts invested on subscription. The put option method is used to calculate the amount of this provision.
- deferred acquisition costs: these consist of the fraction of acquisition costs expensed for the fiscal year, but not deductible for the year in question, and are pro-rated for unearned premiums for the fiscal year.

4.2.12. Shadow accounting

Natixis Assurances has opted to apply shadow accounting (IFRS 4.30). A provision for deferred profit-sharing is recorded to recognize policyholders' entitlement to unrealized capital gains or losses on investments recorded in the balance sheet.

All investments are subject to this mechanism. It should be noted that, for all investments subject to the capitalization reserve, the financial management policy implemented by Natixis Assurances calls for securities to be held to maturity, deferred profit-sharing is recorded on all unrealized capital gains or losses generated on these securities.

The provisions of shadow accounting apply both to insurance policies and to investment contracts with discretionary profit-sharing.

Changes in deferred profit-sharing and deferred tax are taken to equity or profit and loss depending on whether the unrealized capital gains or losses are recorded in equity (AFS) or profit and loss (FVO and Trading).

The summary of the work carried out by the CNC's working groups on the specific conditions of IFRS implementation by insurance entities of January 2007 stipulates that:
"In any assumption, the profit-sharing rate used must on the one hand incorporate payout rates observed in the past and on the other the assumptions used for embedded value."

Considering prospective pay-out ratios for the duration of the 2015-2017 Medium-Term Business Plan and in accordance with the pay-out ratio recorded for 2014, the deferred profit-sharing rate adopted at December 31, 2014 is 92.7% compared to 94.8% at December 31, 2013. This change reflects the improved financial backdrop against which Natixis Assurances does business, as well as the normalization of margins established in accordance with the general conditions of insured contracts. The impact at January 1 of the change in the deferred profit-sharing rate was an expense before tax of approximately €16 million.

Deferred profit-sharing assets and recoverability test

CRC Regulation 2000-05 on the insurance company consolidation rules stipulates that deferred profit-sharing assets may be recorded if it is highly probable that they will be deducted from future profit-sharing.

In its recommendation of December 19, 2008, the CNC recalled the conditions for recognizing deferred profit-sharing assets.

Deferred profit-sharing assets are recorded in the event of overall unrealized capital losses on investments measured at fair value. Only the recoverable amount of deferred profit-sharing is recorded; this amount is determined using a recoverability test.

Deferred profit-sharing may be recovered depending on the intention and ability of companies to steer future compensation of contracts according to resources.

The analysis of the recoverability of deferred profit-sharing is conducted under a process including:

- the assessment of the probability of generating unrealized capital losses at the end of the fiscal year, and thus indirectly the assessment of the ability to hold loss-generating assets, depending on inflows and benefits scenarios (under the assumption of continued use of the assets in question);
- the liability adequacy test conducted under the conditions set by IFRS 4.

Note that in 2014, as in 2013, Natixis Assurances recorded net deferred profit-sharing liabilities.

4.2.13. Equalization provisions

Pursuant to IFRS 4, equalization provisions recognized in the individual financial statements are eliminated. A commission on underwriting income owed to business introducers is recognized where called for in the business introducer agreements (amount payable equal to 50% of the provision for Banque Populaire banks, 100% for leasing, 0% or 4% depending on the generations for payment protection insurance taken out by Caisse d'Epargne customers and 0% for the ABP IARD provision). A deferred tax is recognized on net changes.

4.2.14. Employee benefits

Supplementary pension plans

Natixis Assurances has set up an Article 83 defined-contribution pension plan for its employees, taken out with an external insurer. The plan paid out €766k in respect of fiscal year 2014.

In addition, Natixis Assurance paid out €250k in respect of the pension fund for insurance sector employees.

End-of-career compensation

An insurance policy has been taken out with an external insurer in order to fund end-of-career compensation paid out to retiring ABP Vie employees. No expense was recorded for end-of-career awards in 2014.

In accordance with IAS 19 as revised, unamortized actuarial gains and losses were recorded in non-recyclable reserves. The actuarial gains and losses booked to non-recyclable reserves came to €2,229k, of which €1,355k for the opening of the fiscal year and €874k for changes over the period.

The commitment was measured in accordance with IAS 19 as revised. The total gross commitment amounted to €5,628k. The calculations were carried out individually, with employee benefits recorded on an accruals basis. The following assumptions were used:

- discount rate: 1.30% to 2.28%;
- expected gross return on plan assets (ABP Vie): 1.30%;
- inflation rate: 1.80%;
- rate of wage increase: 1.79% to 2.76%;
- ABP Vie executive turnover rate: 4.30% to 9.95%, depending on the age bracket up to 55 years of age and nil after 55;
- ABP Vie non-executive turnover rate: 3.43% to 5.75%, depending on the age bracket up to 55 years of age and nil after 55;
- BPCE Assurances employee turnover rate: 1.80% to 5.90%, depending on the age bracket up to 50 years of age and 0.50% after 50;
- BPCE APS employee turnover rate: 0.64% to 1.93%, depending on the age bracket up to 50 years of age and 1.29% after 50.

At end-2014, eligible plan assets totaled €1,893k, bringing the total net obligation to €3,735k.

Anniversary leave

Natixis Assurance records a provision for anniversary leave to which employees are entitled under the French collective bargaining agreement for insurance companies. This provision was measured in accordance with IAS 19 as revised. The calculations were carried out individually, with employee benefits recorded on an accruals basis. The following assumptions were used:

- discount rate: 1.00% to 2.28%;
- inflation rate: 1.8%.

The total obligation came to€1,708k, of which €1,331k for the opening of the fiscal year.

4.2.15. Subordinated debt

Subordinated debt and securities are classified as financial debt, whether the debt in question is dated or perpetual.

Subordinated debt and securities are measured at amortized cost, i.e. at its value in the individual financial statements.

4.2.16. Amounts payable to unitholders of consolidated UCITS

Pursuant to IAS 32.18, the share capital issued by a UCITS does not meet the definition of capital, but rather that of debt. Accordingly, "non-controlling interests" in consolidated UCITS are recorded under a special heading in "Other liabilities".

The change in the "income" component of this debt is booked to *"Change in fair value of investments measured at fair value through profit and loss".*

The change in the "equity" component of this debt is taken to equity (group share). Recording this change in profit and loss would generate a discrepancy with the assets, predominantly classified as AFS, whose change in value is taken to equity. This is the principle applied by Natixis Group.

4.3. INCOME STATEMENT

4.3.1. Written premiums

This line records the premiums written during the fiscal year net of cancellation, excluding premiums on financial contracts without discretionary profit-sharing. They are measured at their amount after taxes.

4.3.2. Revenue from financial contracts without discretionary profit-sharing

Revenue from financial contracts without discretionary profit-sharing is recorded under Revenue or income from other activities and corresponds to premium loading. Revenue from financial contracts without discretionary profit-sharing was not material.

4.3.3. Income and expenses from investments

These items mainly comprise interest and rent accrued and received during the fiscal year, amortization of premiums-discounts (for HTM, AFS and FVO categories), dividends received, and management fees on investments.

4.3.4. Capital gains and losses on sales of investments

Selling price

Under IFRS, capital gains and losses on sales of investments are calculated using the FIFO method for the AFS, JVO and Trading categories, depending on the classification of the security sold. This method is identical to the one used in the parent company financial statements.

Purchases and sales of AFS securities

The buying and selling of AFS securities does not give rise to the recognition of capital gains or losses through profit and loss.

Capital gains or losses on securities measured at fair value through profit and loss

Capital gains or losses generated on securities classified as JVO or Trading are recorded under *Change in fair value of financial instruments measured at fair value through profit and loss.*

4.3.5. Consolidated UCITS and SCIs

Income and expenses on consolidated UCITS and SCIs

The contribution of consolidated UCITS and SCIs is presented in investment income insofar as these vehicles are considered as investments of the insurance business.

Specific conditions of UCITS consolidation

Due to the technical difficulty in carrying out a restatement whose impact would be immaterial, there is a discrepancy in some accounting methods for consolidated UCITS:

- capital gains or losses on sales of securities held are calculated using the weighted average price method;
- the bonds held are not subject to premium-discount amortization.

4.3.6. Impact of exchange rate differences on unrealized capital gains or losses

Pursuant to IAS 21, exchange rate differences resulting from the foreign exchange translation of financial instruments are booked:

- to recyclable equity for non-monetary items (equities and other variable-income securities) classified as AFS;
- to profit and loss for other instruments.

4.3.7. Operating expenses

Operating expenses are first recorded in the parent company financial statements under expenses by type of expense (Class 9). They are then divided up by responsibility center based on a case-by-case assessment (which is the case for external expenses), or pro-rated for each center's activity and consumption (which is the case for functional expenses).

Expenses are then broken down using the ABC (Activity Based Costing) method. This method involves in allocating expenses consumed to the various operations contributing to the production of products using resource drivers. The main allocation keys used are headcount and administrative operations.

This allocatlon ensures that operating expenses are allocated to one of the uses provided for in the French Insurance Code, i.e.:

- acquisition costs;
- administrative costs;
- claim management costs;
- investment management costs;
- other underwriting and non-underwriting expenses.

Depending on this category, expenses by category are transferred quarterly to Class 6 accounts in the parent company financial statements and are added to the relevant items of the consolidated income statement.

4.3.8. French employment tax credit (CICE)

French companies have been eligible for a tax credit since January 1, 2013, calculated on the basis of compensation paid (amount not exceeding 2.5 times the legal minimum wage). The rate of the tax credit is 6% for compensation paid in 2014. At December 31, 2014, Natixis Assurances recorded payroll cost savings of €1,534k.

4.3.9. Fees and commissions

Insurance policy investment fees (according to revenue and change in inventories) are recorded under acquisition costs.

Fees on life insurance AuM, fees based on personal protection insurance underwriting income, performance fees on property & casualty and personal protection insurance, and other fees are recorded under administrative costs.

4.3.10. Income tax

Deferred taxes are calculated at a rate of 34.43%. This rate includes the corporation tax of 33.33% and the social security contribution of 3.3% instigated by French Act N°. 99-1 140 of December 29, 1999. In order to account for the instigation, by the French Finance Act of 2014, of an additional contribution of 10.7% for fiscal years 2013, 2014 and 2015 and for entities generating revenue of more than €250 million, the deferred tax rate on the main temporary differences reversing in 2015 increased to 38%.

The tax on corporate added value (CVAE) is classified as an operating expense with taxes and not as income tax.

4.4. SEGMENT REPORTING

The sectors presented in the consolidated financial statements are:

- Life Insurance, Investment Solutions and Pensions;
- Personal Protection Insurance;
- Property & Casualty Insurance (damages to property, financial losses, health and personal accident insurance).

These sectors correspond to different types of products and regulatory environments and are identical to those used in reports submitted to Management.

Until December 31, 2013, the Personal Protection Insurance business also covered financial losses, health and personal accident insurance. These guarantees were transferred to the Property & Casualty Insurance business with the acquisition of BPCE Assurances. Comparative pro forma data have been provided.

Natixis Assurances' geographic areas are:

- France (including the French branch of the Luxembourg subsidiary);
- Luxembourg.

Until June 30, 2014, the French branch of the Luxembourg subsidiary was presented as part of the Luxembourg geographic area. It is now presented in the France geographic area in order to link its revenue and associated operations to the policyholders' country of residence. Comparative pro forma data have been provided.

4.5. STATEMENT OF CASH FLOWS

The statement of cash flows is presented in an indirect approach format.

Investment transactions are classified as Investment activity. However, interest and dividends are allocated to the operating activities in order to match them against the corresponding operating expenses. Inflows and outflows are presented net of reinsurance.

5. Notes to the financial statements

5.1. FINANCIAL INSTRUMENTS

5.1.1. Investments

BREAKDOWN OF INVESTMENTS

(in € thousands)	12/31/2014 Balance sheet value	12/31/2014 % (balance sheet value	12/31/2013 Balance sheet value	12/31/2013 % (balance sheet value
Investment property at amortized cost	-	-	-	-
Investment property at fair value through profit and loss	1,045,766	2.0%	1,035,348	2.2%
Unit-linked investment property	72,564	0.1%	72,970	0.2%
Investment property	**1,118,330**	**2%**	**1,108,318**	**2%**
Held-to-maturity bonds	2,793,033	5%	3,051,791	7%
Available-for-sale bonds	33,943,152	65%	28,923,868	62%
Bonds recorded using the fair value option	1,199,057	2.3%	891,085	1.9%
Bonds	**37,935,242**	**73%**	**32,866,743**	**71%**
Available-for-sale equities	1,392,879	3%	1,641,831	4%
Equities recorded using the fair value option	-	-	-	-
Equities	**1,392,879**	**3%**	**1,641,831**	**4%**
Available-for-sale UCITS	2,867,823	5.5%	2,321,229	5%
UCITS recorded using the fair value option	68,266	0.1%	98,870	0.2%
UCITS held for trading purposes	1,000,374	1.9%	909,595	2%
UCITS	**3,936,463**	**8%**	**3,329,694**	**7%**
Sub-total financial investments (excl. property and loans and receivables)	**43,264,584**	**83%**	**37,838,269**	**81%**
• o/w held-to-maturity financial investments	*2,793,033*	*5%*	*3,051,791*	*7%*
• o/w available-for-sale financial investments	*38,203,854*	*73%*	*32,886,928*	*71%*
• o/w financial investments at fair value through P&L(1)	*2,267,697*	*4%*	*1,899,550*	*4%*
Loans and receivables	457,723	0.9%	428,468	0.9%
Investments representing unit-linked policies recorded using the fair value option	7,409,414	14%	6,972,744	15%
Derivative assets	38,703	0.1%	97,752	0.2%
INSURANCE BUSINESS INVESTMENTS	**52,288,754**	**100%**	**46,445,551**	**100%**
Derivative liabilities and amounts payable on derivatives	- 50,407	-	- 19,244	-

(1) Excluding investment property.

BREAKDOWN OF INVESTMENTS IN AFFILIATES

	12/31/2014		12/31/2013	
(in € thousands)	Balance sheet value	o/w affiliates	Balance sheet value	o/w affiliates
Investment property at amortized cost	-	-	-	-
Investment property at fair value through profit and loss	1,045,766	-	1,035,348	-
Unit-linked investment property	72,564	-	72,970	-
Investment property	**1,118,330**	**-**	**1,108,318**	**-**
Held-to-maturity bonds	2,793,033	47,310	3,051,791	60,586
Available-for-sale bonds	33,943,152	2,196,637	28,923,868	2,809,098
Bonds recorded using the fair value option	1,199,057	392,087	891,085	246,424
Bonds	**37,935,242**	**2,636,034**	**32,866,743**	**3,116,107**
Available-for-sale equities	1,392,879	3,104	1,641,831	-
Equities recorded using the fair value option	-	-	-	-
Equities	**1,392,879**	**3,104**	**1,641,831**	**-**
Available-for-sale UCITS	2,867,823	-	2,321,229	-
UCITS recorded using the fair value option	68,266	-	98,870	-
UCITS held for trading purposes	1,000,374	-	909,595	-
UCITS	**3,936,463**	**-**	**3,329,694**	**-**
Sub-total financial investments (excl. property and loans and receivables)	**43,264,584**	**2,639,138**	**37,838,269**	**3,116,107**
• o/w held-to-maturity financial investments	*2,793,033*	*47,310*	*3,051,791*	*60,586*
• o/w available-for-sale financial investments	*38,203,854*	*2,199,741*	*32,886,928*	*2,809,098*
• o/w financial investments at fair value through P&L[(1)]	*2,267,697*	*392,087*	*1,899,550*	*246,424*
Loans and receivables	457,723	45,030	428,468	25,397
Investments representing unit-linked policies recorded using the fair value option	7,409,414	735,849	6,972,744	705,481
Derivative assets	38,703	3,982	97,752	22,073
INSURANCE BUSINESS INVESTMENTS	**52,288,754**	**3,423,999**	**46,445,551**	**3,869,058**
Derivative liabilities and amounts payable on derivatives	- 50,407	-	- 19,244	-

(1) Excluding investment property

UNREALIZED CAPITAL GAINS OR LOSSES ON FINANCIAL INVESTMENTS

	12/31/2014				12/31/2013			
(in € thousands)	Amortized cost	Fair value	Carrying amount	Unrealized capital gains	Amortized cost	Fair value	Carrying amount	Unrealized capital gains
Investment property	**1,005,066**	**1,118,330**	**1,118,330**	**113,264**	**1,010,238**	**1,108,318**	**1,108,318**	**98,080**
Held-to-maturity bonds[1]	2,793,033	3,406,623	2,793,033	606,673	3,051,791	3,507,302	3,051,791	448,821
Available-for-sale bonds	30,515,002	33,943,152	33,943,152	3,428,150	27,685,967	28,923,868	28,923,868	1,237,901
Bonds recorded using the fair value option	1,071,554	1,199,057	1,199,057	127,503	813,653	891,085	891,085	77,432
Bonds	**34,379,589**	**38,548,832**	**37,935,241**	**4,162,326**	**31,551,410**	**33,322,255**	**32,866,743**	**1,764,154**
Available-for-sale equities	941,002	1,392,879	1,392,879	451,877	1,089,024	1,641,831	1,641,831	552,807
Equities measured using the fair value option	-	-	-	-	-	-	-	-
Equities	**941,002**	**1,392,879**	**1,392,879**	**451,877**	**1,089,024**	**1,641,831**	**1,641,831**	**552,807**
Available-for-sale UCITS	2,504,084	2,867,823	2,867,823	363,739	2,042,823	2,321,229	2,321,229	278,406
UCITS measured using the fair value option	51,004	68,266	68,266	17,263	87,285	98,870	98,870	11,585
UCITS held for trading purposes	1,000,035	1,000,374	1,000,374	339	909,323	909,595	909,595	272
UCITS	**3,555,123**	**3,936,464**	**3,936,464**	**381,341**	**3,039,431**	**3,329,694**	**3,329,694**	**290,263**
Loans and receivables	457,723	457,723	457,723	-	428,468	428,468	428,468	-
Sub-total financial investments (excl. investment property)	**39,333,437**	**44,335,897**	**43,722,307**	**4,995,543**	**36,108,334**	**38,722,248**	**38,266,737**	**2,607,224**

(1) Unrealized capital gains on HTM bonds were reduced by the amount of the unrealized capital loss recognized during the reclassification of AFS securities as HTM securities (in 2009) and not yet amortized, i. e. -€7 million.

IMPACTS OF HEDGING RELATIONSHIPS ON INVESTMENTS

	Carrying amount 12/31/2014			
(in € thousands)	Financial instruments	Impact of derivatives subject to hedge accounting	Impact of other derivatives	Cumulative value of hedged instrument and hedging instrument
Investment property at amortized cost	-	-	-	-
Investment property at fair value through P&L	1,045,766	-	-	1,045,766
Unit-linked investment property	72,564	-	-	72,564
Investment property	**1,118,330**	**-**	**-**	**1,118,330**
Held-to-maturity bonds	2,793,033	-	-	2,793,033
Available-for-sale bonds	33,943,152	514	- 11,598	33,932,068
Bonds recorded using the fair value option	1,199,057	-	749	1,199,806
Bonds	**37,935,242**	**514**	**- 10,849**	**37,924,907**
Available-for-sale equities	1,392,879	-	4,419	1,397,298
Equities recorded using the fair value option	-	-	-	-
Equities	**1,392,879**	**-**	**4,419**	**1,397,298**
Available-for-sale UCITS	2,867,823	-	- 5,788	2,862,035
UCITS recorded using the fair value option	68,266	-	-	68,266
UCITS held for trading purposes	1,000,374	-	-	1,000,374
UCITS	**3,936,463**	**-**	**- 5,788**	**3,930,675**
Sub-total financial investments (excl. property and loans and receivables)	**43,264,584**	**514**	**- 12,218**	**43,252,880**
• o/w held-to-maturity financial investments	*2,793,033*	*-*	*-*	*2,793,033*
• o/w available-for-sale financial investments	*38,203,854*	*514*	*- 12,967*	*38,191,401*
• o/w financial investments at fair value through P&L[1]	*2,267,697*	*-*	*749*	*2,268,446*
Loans and receivables	457,723	-	-	457,723
Investments representing unit-linked policies recorded at fair value through profit and loss	7,409,414	-	-	7,409,414
Other hedging derivatives	-	-	-	-
INSURANCE BUSINESS INVESTMENTS	**52,250,051**	**514**	**- 12,218**	**52,238,347**

(1) Excluding investment property.

At the maturity of the Forward OAT, which is subject to hedge accounting, Natixis Assurances will receive a bond with a par value of €5 million.

(in € thousands)	Carrying amount 12/31/2013 Financial instruments	Impact of derivatives subject to hedge accounting	Impact of other derivatives	Cumulative value of hedged instrument and hedging instrument
Investment property at amortized cost	-	-	-	-
Investment property at fair value through P&L	1,035,348	-	-	1,035,348
Unit-linked investment property	72,970	-	-	72,970
Investment property	**1,108,318**	-	-	**1,108,318**
Held-to-maturity bonds	3,051,791	-	-	3,051,791
Available-for-sale bonds	28,923,868	-	73,909	28,997,777
Bonds recorded using the fair value option	891,085	-	2,710	893,794
Bonds	**32,866,743**	-	**76,619**	**32,943,362**
Available-for-sale equities	1,641,831	-	- 170	1,641,661
Equities recorded using the fair value option	-	-	-	-
Equities	**1,641,831**	-	**- 170**	**1,641,661**
Available-for-sale UCITS	2,321,229	-	2,059	2,323,288
UCITS recorded using the fair value option	98,870	-	-	98,870
UCITS held for trading purposes	909,595	-	-	909,595
UCITS	**3,329,694**	-	**2,059**	**3,331,753**
Sub-total financial investments (excl. property and loans and receivables)	**37,838,269**	-	**78,508**	**37,916,777**
• o/w held-to-maturity financial investments	*3,051,791*	-	-	*3,051,791*
• o/w available-for-sale financial investments	*32,886,928*	-	*75,798*	*32,962,727*
• o/w financial investments at fair value through P&L(1)	*1,899,550*	-	*2,710*	*1,902,259*
Loans and receivables	428,468	-	-	428,468
Investments representing unit-linked policies recorded at fair value through profit and loss	6,972,744	-	-	6,972,744
Other hedging derivatives	-	-	-	-
INSURANCE BUSINESS INVESTMENTS	**46,347,799**	-	**78,508**	**46,426,307**

(1) Excluding investment property

SECURITIES LENDING AND REPOS

Natixis carried out securities lending and repo transactions for a respective amount of €2,827 million and €2,065 million. Some of these transactions were conducted with affiliates:

	12/31/2014		12/31/2013	
(in € thousands)	Balance sheet value	o/w affiliates	Balance sheet value	o/w affiliates
Loans	2,827,368	2,827,368	2,830,350	2,830,350
Repos	2,065,099	201,839	2,386,927	256,342

5.1.2. Financial liabilities

PRESENTATION OF FINANCIAL LIABILITIES

Category of instruments classified as financial liabilities (in € thousands)	Carrying amount 12/31/2014			Carrying amount 12/31/2013		
	Fair value	Carrying amount	% (carrying amount)	Fair value	Carrying amount	% (carrying amount)
Liabilities related to financial contracts with discr. profit-sharing – excl. UL contracts		16,140,336	81%		15,569,690	84%
Liabilities related to financial contracts with discr. profit-sharing - unit-linked contracts	(2)	2,646,547	13%	(2)	2,285,277	12%
Instruments classified as financial liabilities under local standards[1]		**18,786,883**	**94%**		**17,854,967**	**96%**
Liabilities related to financial contracts w/o discr. profit-sharing – excl. UL policies	-	-	0%	-	-	0%
Subordinated debt and other financial debt	1,104,936	1,068,178	5%	730,677	702,234	4%
Instruments classified as financial liabilities at amortized cost	**1,104,936**	**1,068,178**	**5%**	**730,677**	**702,234**	**4%**
Liabilities related to financial contracts w/o discr. profit-sharing - unit-linked contracts	11,380	11,380	0.1%	12,531	12,531	0.1%
Instruments classified as financial liabilities using the fair value option	**11,380**	**11,380**	**0.1%**	**12,531**	**12,531**	**0.1%**
Derivatives classified as liabilities and amounts payable on derivatives	**50,407**	**50,407**	**0.3%**	**19,244**	**19,244**	**0.1%**
TOTAL FINANCIAL LIABILITIES	**-**	**19,916,848**	**100%**	**-**	**18,588,976**	**100%**

(1) According to the provisions of IFRS 4.
(2) The fair value of investment contracts with discretionary profit-sharing has not been determined.
The regulatory framework for the calculation of the fair value of insurance policies and financial contracts with discretionary profit-sharing has not been defined; it was the focus of extensive debate during the preparatory work for Phase II of the standard on insurance policies.

5.1.3. Offsetting financial assets and financial liabilities

FINANCIAL ASSETS AND LIABILITIES SUBJECT TO NETTING OR TO AN ENFORCEABLE MASTER NETTING OR SIMILAR AGREEMENT

Financial assets offset or covered by a master netting agreement (in € thousands)	12/31/2014					12/31/2013				
	Gross amount of financial assets recognized in the balance sheet	Gross amount of offset financial liabilities	Net amount of financial assets recognized in the balance sheet	Amounts not offset related to guarantees received	Net exposure	Gross amount of financial assets recognized in the balance sheet	Gross amount of offset financial liabilities	Net amount of financial assets recognized in the balance sheet	Amounts not offset related to guarantees received	Net exposure
Derivatives	30,706	8,760	21,946	-	21,946	128,168	37,507	90,661	-	90,661
Repurchase agreements	-	-	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-	-	-
Total	**30,706**	**8,760**	**21,946**	**-**	**21,946**	**128,168**	**37,507**	**90,661**	**-**	**90,661**

Financial liabilities subject to netting or an enforceable master netting agreement *(in € thousands)*	12/31/2014					12/31/2013				
	Gross amount of financial liabilities recognized in the balance sheet	Gross amount of offset financial assets	Net amount of financial liabilities recognized in the balance sheet	Amounts not offset related to guarantees received	Net exposure	Gross amount of financial liabilities recognized in the balance sheet	Gross amount of offset financial assets	Net amount of financial liabilities recognized in the balance sheet	Amounts not offset related to guarantees received	Net exposure
Derivatives	8,760	8,760	-	-	-	37,507	37,507	-	-	-
Repurchase agreements	2,168,442	-	2,168,442	2,120,371	48,071	2,409,436	-	2,409,436	2,311,241	98,195
Other financial instruments	-	-	-	-	-	-	-	-	-	-
Total	**2,177,202**	**8,760**	**2,168,442**	**2,120,371**	**48,071**	**2,446,943**	**37,507**	**2,409,436**	**2,311,241**	**98,195**

Guarantees received for repurchase agreements consist of financial instruments and not cash.

5.1.4. Income on financial instruments (net of expenses)

Non-itemized management expenses *(in € thousands)*	2014	2013
External investment management expenses	- 45,499	- 40,022
Internal investment management expenses	- 4,414	- 4,517
Management expenses	**- 49,913**	**- 44,539**

Investment property *(in € thousands)*	2014	2013
Investment income	66,080	70,406
Investment expenses	- 13,260	- 15,267
Management expenses	- 3,097	- 3,217
Change in fair value excluding disposals	8,050	16,518
Gains or losses on disposals	- 5,414	- 1,064
Change in impairments	-	-
Financial income (net of expenses)	**52,359**	**67,376**

Held-to-maturity investments *(in € thousands)*	2014	2013
Investment income	155,624	173,455
Investment expenses	-	-
Capital gains or losses on disposals net of impairment reversals	988	- 2,717
Change in impairments	- 444	- 364
Financial income (net of expenses)	**156,168**	**170,374**

Available-for-sale investments *(in € thousands)*	2014	2013
Investment income	970,911	916,479
Investment expenses	-	-
Capital gains or losses on disposals net of impairment reversals	252,105	255,720
Change in impairments	- 24,690	- 56,460
Financial income (net of expenses)	**1,198,326**	**1,115,739**

Available-for-sale investments (incl. investments accounted for by the equity method) *(in € thousands)*	**2014**	**2013**
Valuation gain or loss taken to equity	2,393,192	110,290
Impact of transfers of realized profits or losses to the income statement	239,968	- 241,733
Total change in fair value (equity)	**2,153,224**	**- 131,444**

Investments recorded under the fair value option *(in € thousands)*	**2014**	**2013**
Investment income	58,612	58,109
Investment expenses	-	-
Change in fair value excluding disposals	55,748	40,672
Unit-linked adjustment	481,578	424,882
Gains or losses on disposals	16,141	35,968
Change in amount payable to consolidated UCITS unitholders	- 3,831	- 3,000
Financial income (net of expenses)	**608,248**	**556,631**

Investments held for trading purposes including derivatives *(in € thousands)*	**2014**	**2013**
Investment income	23,390	11
Investment expenses	- 49,531	- 28,537
Change in fair value excluding disposals	- 68,615	61,634
Gains or losses on disposals	- 4,198	23,821
Financial income (net of expenses)	**- 98,954**	**56,929**

Loans and receivables *(in € thousands)*	**2014**	**2013**
Investment income	12,655	9,689
Investment expenses	- 16,194	- 5,655
Capital gains or losses on disposals net of impairment reversals	383	84
Change in impairments	-	-
Financial income (net of expenses)	**- 3,156**	**4,118**

Total insurance business investments *(in € thousands)*	**2014**	**2013**
Non-itemized management expenses	- 49,913	- 44,539
Investment property	52,359	67,376
Held-to-maturity investments	156,168	170,374
Available-for-sale investments	1,198,326	1,115,739
Investments recorded under the fair value option	608,248	556,631
Investments held for trading purposes	- 98,954	56,929
Loans and receivables	- 3,156	4,118
Financial income, net of expenses, excl. financing costs	**1,863,078**	**1,926,628**

Of the management expenses paid by Natixis Assurances, €40 million in management fees and commissions were paid to Natixis Global Asset Management (NGAM).

5.1.5. Provisions for impairment of investments

Provisions for permanent or significant impairment *(in € thousands)*	12/31/2013	Allowance	Reversal on disposal	Reversal of unused provision[1]	12/31/2014
Held-to-maturity investments	3,657	444	237	884	2,980
Available-for-sale investments	516,762	24,690	135,818	2	405,632
• o/w bonds	*902*	*58*	*831*	*2*	*127*
• o/w equities and UCITS	***515,860***	***24,632***	***134,987***	-	***405,505***
Total - Provisions for impairment	**520,419**	**25,134**	**136,055**	**886**	**408,612**

(1) Obsolete provision or partial reimbursement.

5.1.6. Financial instruments recorded at fair value

TECHNIQUES USED TO DETERMINE FAIR VALUE

Refer to point 5.2.4 for the basic principles of investment valuation.

The following three methods are used to determine investment valuation:

Method	Definition used in 2013	Definition used in 2014
Level 1	The value is based on prices listed on an active market for a similar security	
Level 2	The value is based firstly on securities whose price is calculated based on the value of market inputs at the valuation date (for similar securities) and secondly on fixed-income securities whose prices are based on prices determined by...	
	…1 to 4 market contributors	2 to 4 market contributors
Level 3		…by a single market contributor
	Where there are no directly observable market prices: securities whose price is calculated using assumptions that market participants would be liable to use to value a similar security.	

Investments representing unit-linked policies are predominantly UCITS. The fair value of UCITS is the net asset value provided by the fund manager.

Financial instruments recognized at fair value (in € thousands)	Total fair value	Fair value determined using quoted prices Level 1	Fair value determined using valuation techniques based on market data Level 2	Fair value determined using valuation techniques not based on market data Level 3	Breakdown of securities subject to valuation techniques
12/31/2014					
Investment property	**1,118,330**	-	**1,118,330**	-	-
Bonds	33,943,152	27,415,702	4,016,089	2,511,360	- ABS, bonds valued by 2 to 4 contributors, CODs (Lev. 2) - 165 bonds valued by fewer than 2 contributors (Level 3)
Equities	1,362,365	1,337,687	24,678	-	Property companies (Level 2)
UCITS	2,867,823	2,269,816	522,274	75,733	- illiquid SCPIs (real estate investment trusts), liquid FCPRs (venture capital funds), alternative investment funds not quoted daily (Level 2) - 9 illiquid FCPRs (Level 3)
Investments in affiliates	30,514	-	27,410	3,104	- Ofivalmo Partenaires/SCI Foncière 2 (Level 2) - Inter Mutuelle Assistance and Surassur (Level 3)
Available-for-sale financial assets	**38,203,854**	**31,023,205**	**4,590,451**	**2,590,197**	-
Bonds	1,199,057	-	392,087	806,970	- 69 bonds valued by fewer than 2 contributors (Level 3)
UCITS	1,068,640	1,007,765	60,875	-	- Illiquid SCPIs and FCPRs (Lev. 2)
Financial assets at fair value through profit and loss	**2,267,697**	**1,007,765**	**452,962**	**806,970**	-
Derivative assets	38,703	14,478	24,225	-	- Calls/puts (Level 1) - Caps, interest rate and currency swaps, Forward OATs (Level 2)
Derivative liabilities and related payables	- 50,407	- 10,063	- 40,344	-	
Total financial assets/ liabilities (excl. inv. prop.)	**40,459,847**	**32,035,386**	**5,027,294**	**3,397,168**	-
% N	100%	79.2%	12.4%	8.4%	-
% N- 1	100%	79.4%	20.6%	0.0%	-
12/31/2013					
Investment property	**1,108,318**	-	**1,108,318**	-	-
Bonds	28,923,868	23,224,556	5,699,252	60	- Illiquid bonds and ABS (Level 2)
Equities	1,612,639	1,612,639	0	-	-
UCITS	2,321,229	1,939,199	381,850	179	- Illiquid SCPIs, FCPRs, relatively 1 investment fund and Natixis; - 3 AIFs (Level 3)
Investments in affiliates	29,192	-	29,192	-	- Ofivalmo Partenaires, BIAT and SCI Foncière 2 (Level 2)
Available-for-sale financial assets	**32,886,928**	**26,776,394**	**6,110,295**	**239**	-
Bonds	891,085	-	891,085	-	
UCITS	1,008,465	917,873	90,592	-	- Illiquid SCPIs (Level 2)
Financial assets at fair value through profit and loss	**1,899,550**	**917,873**	**981,677**	-	-
Derivative assets	97,752	2,059	95,693	-	- Puts and calls (Level 1); - Caps, inflation and currency swaps (Level 2)
Derivative liabilities and related payables	- 19,244	- 170	- 19,074	-	
Total financial assets and liabilities (excl. investment property)	**34,864,986**	**27,696,156**	**7,168,591**	**239**	-
% N	100%	79.4%	20.6%	0.0%	-
% N- 1	100%	99.4%	0.6%	0.0%	-

CHANGES IN LEVELS AND VALUATION TECHNIQUES USED

The change in scope was due to the consolidation of BPCE Assurances. Reclassifications from Level 2 to 3 were mainly due to the change in method carried out in June 2014: bonds, whose price is determined by a single contributor, are no longer classified as Level 2 but as Level 3; funds whose NAV is not regularly quoted are also classified as Level 3 (versus Level 2 in 2013).

(in € thousands)	Level 1	Level 2	Level 3	Total
Unchanged	26,727,998	1,163,360	26	27,891,384
Acquisition	3,993,020	2,733,224	946,082	7,672,326
Change in consolidation scope	947,236	44,525	10,327	1,002,088
From 1 to 2	-	1,085,990	-	1,085,990
From 1 to 3	-	-	26,752	26,752
From 2 to 1	367,132	-	-	367,132
From 2 to 3	-	-	2,413,980	2,413,980
From 3 to 1	-	-	-	-
From 3 to 2	-	195	-	195
Total	**32,035,386**	**5,027,294**	**3,397,168**	**40,459,847**

CHANGE IN SECURITIES PRICED ACCORDING TO LEVEL 3

(in € thousands)	At January 1 *Level 3*	Gains and losses recognized over the period		Transactions carried out over the period		Reclassifications over the period			At December 31 *Level 3*
		In the income statement	In equity	Purchases	Sales	From level 3	To level 3	Others	
Financial assets held for trading purposes	-	-	-	-	-	-	-	-	-
Financial assets designated at FV through P&L	-	-	-	263,797	-	-	543,173	-	806,970
Available-for-sale financial assets	239	- 56	- 6	682,634	-	- 179	1,897,559	10,006	2,590,198
Total	**239**	**- 56**	**- 6**	**946,431**	**-**	**- 179**	**2,440,732**	**10,006**	**3,397,168**

5.2. DERIVATIVES

5.2.1. Derivatives recorded under hedge accounting

Natixis Assurances subscribed for a Forward OAT in 2014 (nominal amount: €5 million; maturity: August 2018). This transaction was recognized as a cash flow hedge. The derivative generated an unrealized capital gain of €514,000 at December 31, 2014. The hedge was recognized as effective; the offsetting entry to the unrealized capital loss was booked to recyclable shareholders' funds.

5.2.2. Derivatives not subject to hedge accounting

Categories of instruments *(in € thousands)*	Notional value schedule at 12/31/2014			Total notional value	Credit rating					Fair value
	< 1	1 - 5	> 5 years	12/31/2014	AAA	AA	A	BBB	not rated	12/31/2014
Int. rate swaps	422,000	130,000	-	552,000	-	-	552,000	-	-	- 386
Currency swaps	-	37,244	117,349	154,593	-	-	154,593	-	-	- 32,410
Swaps	**422,000**	**167,244**	**117,349**	**706,593**	-	-	**706,593**	-	-	**- 32,797**
Caps bought(1)	400,000	3,775,000	4,400,000	8,575,000	-	-	6,475,000	2,100,000	-	30,706
Caps sold(1)	400,000	2,500,000	4,400,000	7,300,000	na	na	na	na	na	- 8,760
Equity puts bought	366,835	-	-	366,835	na	na	na	na	na	14,008
Equity puts sold	351,045	-	-	351,045	na	na	na	na	na	- 3,055
Equity calls sold	558,777	-	-	558,777	na	na	na	na	na	- 6,535
Options	**2,076,656**	**6,275,000**	**8,800,000**	**17,151,656**	-	-	**6,475,000**	**2,100,000**	-	**26,363**
Currency futures	471,862	-	-	471,862	-	-	471,862	-	-	- 5,784
Others	**471,862**	-	-	**471,862**	-	-	**471,862**	-	-	**- 5,784**
TOTAL	**2,970,518**	**6,442,244**	**8,917,349**	**18,330,111**	-	-	**7,653,454**	**2,100,000**	-	**- 12,218**

(1) The fair value of caps is presented net of accrued premiums. Of these caps, those issued by Natixis represented a total notional amount of €1,850 million and a total fair value of +4 million.

5.3. FINANCIAL RISKS

5.3.1. Risk management method

In life insurance, a review of commitments recorded as balance sheet liabilities makes it possible to determine the company's various constraints and to define the allocation of assets with respect to identified risks associated with insurance policies. The aim for insurance companies is to optimize their asset allocation, with the key objective being to funnel assets into instruments offering regular returns compatible with the commitments recorded as balance sheet liabilities and thus maintain the companies' solvency.

One of the methods used is to impose constraints on the fixed income portfolio in terms of ratings and duration, in order to comply with the insurer's obligations in extreme market and surrender situations.

Equities and property assets serve to diversify the portfolio and improve its long-term return. However, the proportion of such assets in the portfolio is also limited in the short term by the obligation to record a provision liquidity risks (in the individual financial statements) and by commercial, contractual or regulatory requirements resulting from the rates of return on customer policies.

The choice of distribution between investments subject to Article R. 332-19 and R. 332-20 is based on several factors:

- the available margin in terms of diversification;
- the maximum accounting risk compatible with the objective of protecting equity and book income.

5.3.2. Credit risk

The monitoring and management of counterparty risk is carried out in compliance with Natixis Group standards and internal limits, as determined by the Risk Committee, as well as the regulatory constraints imposed on insurance companies.

Credit risk is monitored by Natixis Asset Management, which is responsible for managing the portfolio and reporting to the Finance Committee. In addition, a Credit Committee between Natixis Assurance and Natixis Asset Management meets quarterly.

BREAKDOWN BY TYPE AND BUSINESS SECTOR OF FINANCIAL ASSETS EXPOSED TO CREDIT RISK

	Business sectors at 12/31/2014					Business sectors at 12/31/2013				
Breakdown of bonds *(in € thousands)*	Government securities	Quasi-government	Private sector – Financial[2]	Private sector – Non-financial	Total	Government securities	Quasi-government	Private sector – Financial[2]	Private sector – Non-financial	Total
Held to maturity bonds	1,235,964	162,428	512,689	881,952	2,793,033	1,232,260	282,510	638,909	898,112	3,051,791
Available for sale bonds	11,127,860	1,186,756	12,218,063	9,410,472	33,943,152	9,300,011	1,047,011	11,852,570	6,724,277	28,923,868
Bonds recorded using the fair value option	-	-	1,199,057	-	1,199,057	-	-	891,085	-	891,085
TOTAL BONDS	**12,363,824**	**1,349,184**	**13,929,810**	**10,292,424**	**37,935,242**	**10,532,270**	**1,329,521**	**13,382,564**	**7,622,389**	**32,866,743**
% N	**32.6%**	**3.6%**	**36.7%**	**27.1%**	**100%**	**32.0%**	**4.0%**	**40.7%**	**23.2%**	**100%**
• o/w maturity < 1 yr[1]	440,917	125,043	4,113,345	590,529	5,269,834	515,225	217,545	4,226,305	627,359	5,586,434
• o/w maturity 1 to 5 years[1]	1,697,132	430,733	4,643,355	3,702,881	10,474,100	1,264,178	403,495	4,533,804	2,905,798	9,107,275
• o/w maturity > 5 yrs[1]	10,225,776	793,409	5,173,109	5,999,014	22,191,307	8,752,868	708,481	4,622,454	4,089,232	18,173,034

(1) Contractual maturity or exercise date of issuer call (where applicable).

(2) o/w 24% rated AA or AAA (2013: 31%) and o/w 77% rated A or AA or AAA (2013: 77%).

BREAKDOWN BY TYPE AND CREDIT RATING OF FINANCIAL ASSETS EXPOSED TO CREDIT RISK

	Credit ratings at 12/31/2014												12/31/2013
Breakdown of bonds *(in € thousands)*	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not rated[2]	Total	Total
Held to maturity bonds	98,368	1,022,661	578,187	1,022,997	60,225	7,743	2,010	323	-	-	519	**2,793,033**	**3,051,791**
Available for sale bonds	2,382,720	12,257,585	10,087,010	7,442,992	734,085	38,115	-	-	-	-	1,000,644	**33,943,152**	**28,923,868**
Bonds recorded using the FVO	15,479	53,370	1,036,827	93,381	-	-	-	-	-	-	-	**1,199,057**	**891,085**
TOTAL BONDS	**2,496,567**	**13,333,615**	**11,702,024**	**8,559,370**	**794,310**	**45,858**	**2,010**	**323**	**-**	**-**	**1,001,164**	**37,935,242**	**32,866,743**
% N	**7%**	**35%**	**31%**	**23%**	**2.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.6%**	**100%**	**-**
% N- 1	**9%**	**35%**	**28%**	**23%**	**2.3%**	**0.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.4%**	**-**	**100%**
• o/w maturity < 1 yr (1)	551,635	551,103	3,102,885	759,520	229,236	34,929	168	-	-	-	40,358	**5,269,834**	**5,586,434**
• o/w maturity 1 to 5 years (1)	599,942	2,082,264	3,675,933	3,406,161	387,988	3,359	565	86	-	-	317,802	**10,474,100**	**9,107,275**
• o/w maturity > 5 yrs (1)	1,344,990	10,700,248	4,923,206	4,393,690	177,086	7,570	1,277	237	-	-	643,004	**22,191,307**	**18,173,034**

(1) Contractual maturity or exercise date of issuer call (where applicable).

(2) The main unrated securities are securitization funds and conventional bonds issued notably by Terisam, Altarea and Porsche. The increase in the amount of these securities can primarily be attributed to the development of private placements in the Natixis Assurances portfolio.

BREAKDOWN BY TYPE AND CREDIT RATING OF FINANCIAL ASSETS EXPOSED TO CREDIT RISK

Breakdown of bonds *(in € thousands)*	Credit ratings at 12/31/2013												12/31/2012
	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not rated[2]	Total	Total
Held to maturity bonds	108,884	1,125,668	464,711	1,280,873	60,208	8,349	2,865	122	-	-	110	**3,051,791**	**3,532,879**
Available for sale bonds	2,911,267	10,355,627	8,139,094	6,309,855	689,134	73,313	611	0	-	-	444,967	**28,923,868**	**26,948,469**
Bonds recorded using the fair value option	66,949	125,520	579,934	118,681	-	-	-	-	-	-	-	**891,085**	**712,222**
TOTAL BONDS	**3,087,100**	**11,606,815**	**9,183,739**	**7,709,409**	**749,342**	**81,663**	**3,476**	**122**	**-**	**-**	**445,077**	**32,866,743**	**31,193,570**
% N	**9%**	**35%**	**28%**	**23%**	**2.3%**	**0.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.4%**	**100%**	**-**
% N- 1	**13%**	**35%**	**29%**	**20%**	**2.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**		**100%**
• o/w maturity < 1 yr[1]	564,917	568,122	2,940,357	1,131,271	272,543	64,544	1,761	90	-	-	42,828	**5,586,434**	**5,614,743**
• o/w maturity 1 to 5 years[1]	1,132,226	1,997,848	2,601,605	2,918,102	289,097	9,666	563	15	-	-	158,152	**9,107,275**	**8,023,383**
• o/w maturity > 5 yrs[1]	1,389,958	9,040,845	3,641,777	3,660,036	187,702	7,452	1,152	16	-	-	244,097	**18,173,034**	**17,555,444**

(1) Contractual maturity or exercise date of issuer call (where applicable).

(2) The main unrated securities are securitization funds and conventional bonds.

CARRYING AMOUNT OF SOVEREIGN DEBT SECURITIES ISSUEDC BY EURO ZONE PERIPHERY COUNTRIES (in € thousands)

		Balance sheet value[1]	
IFRS category	**Country**	**2014**	**2013**
AFS	Ireland	10,921	11,161
	Italy	937,474	991,139
	Portugal	2,153	38,321
	Spain	349,309	393,906
	TOTAL	**1,299,857**	**1,434,528**
HTM	Italy	362,957	367,906
	TOTAL	**362,957**	**367,906**
JVO	**TOTAL**	-	-
TOTAL PERIPHERY COUNTRY SOVEREIGNS		**1,662,814**	**1,802,435**

(1) Net carrying amount of the provision for permanent impairment, where applicable, without applying contractual profit-sharing rules to profits and without deferred tax.

At end-2014, the fair value of AFS securities in the table above was exclusively determined using quoted prices (Level 1), with the exception of a Portuguese security (Level 2).

Net exposure to deferred profit-sharing and deferred taxes in respect of euro zone periphery country sovereign bonds was €80 million at end-2014 versus €94 million at end-2013.

5.3.3 Liquidity risk

BREAKDOWN OF FINANCIAL DEBT BY CONTRACTUAL MATURITY

Category of financial debt[1] *(in € thousands)*	Breakdown of carrying amount at 12/31/2014 by maturity			Carrying amount 12/31/2014	Carrying amount 12/31/2013
	< 1 year	1-5 years	> 5 years		
Dated subordinated debt taken out with Natixis or Groupe BPCE entities	61,736	125,000	83,000	269,736	271,771
Dated subordinated debt taken out with non-Group entities	-	-	-	-	-
TOTAL DATED SUBORDINATED DEBT	**61,736**	**125,000**	**83,000**	**269,736**	**271,771**
Perpetual subordinated debt issued by Natixis or Groupe BPCE entities[2]	745	-	273,500	274,245	274,339
Perpetual subordinated debt issued by non-Group companies[3]	69	-	251,000	251,069	-
TOTAL PERPETUAL SUBORDINATED DEBT	**813**	**-**	**524,500**	**525,313**	**274,339**
TOTAL SUBORDINATED DEBT	**62,549**	**125,000**	**607,500**	**795,049**	**546,110**
Other financial debt issued by Natixis or Groupe BPCE entities	119,129	154,000	-	273,129	156,124
Other financial debt issued by non-Group companies	-	-	-	-	-
TOTAL FINANCIAL DEBT	**181,678**	**279,000**	**607,500**	**1,068,178**	**702,234**

(1) Short-term debt is defined as having a maturity of less than one year and the contractual maturity of financial contracts is presented in the section on interest rate risk (point 6.3.5).

(2) Perpetual subordinated debt with a 10-year call (€31.5 million at end-2015, €95 million at end-2016, €20 million at end-2017, €22 million at end-2022).

(3) Perpetual subordinated debt with an 11-year call (€251 million at end-2025).

5.3.4. Market risk

EQUITY RISK EXPOSURE BY GEOGRAPHIC AREA

Breakdown of equities by geographic area

Carrying amount at 12/31/2014 *(in € thousands)*	Equities			Non-consolidated UCITS *(breakdown in table below)*	Total
	Euro zone	Europe excl. euro zone	International		
Available-for-sale equities and UCITS	1,392,879	-	-	**2,867,823**	**4,260,703**
Equities and UCITS recorded under the fair value option				**68,266**	**68,266**
Equities and UCITS held for trading purposes				**1,000,374**	**1,000,374**
TOTAL EQUITIES AND UCITS	**1,392,879**	**-**	**-**	**3,936,464**	**5,329,343**
% N	100.0%	0.0%	0.0%	-	-
% N- 1	100.0%	0.0%	0.0%	-	-

AMF classification of diversified UCITS

Carrying amount 12/31/2014 *(in € thousands)*	Euro zone equities	International equities	Bonds	Money market instruments	AIFs and diversified funds	Venture capital funds	Units of securitization funds and loan funds	Real estate funds	Total non-conslidated UCITS 12/31/2014
Available for sale UCITS	243,689	1,065,224	415,885	142,005	661,554	129,176	12,196	198,095	2,867,823
UCITS recorded under the FVO	-	-	-	-	7,391	41,595	-	19,281	68,266
UCITS held for trading purposes	-	-	-	1,000,374	-	-	-	-	1,000,374
TOTAL NON-CONSOLIDATED	**243,689**	**1,065,224**	**415,885**	**1,142,378**	**668,945**	**170,771**	**12,196**	**217,375**	**3,936,464**
% N	6%	27%	11%	29%	17%	4%	0.3%	6%	100%
% N- 1	7%	31%	8%	28%	16%	6%	0.2%	5%	100%

EXPOSURE TO PROPERTY RISK BY GEOGRAPHIC AREA AND CATEGORY

The properties referred to include the properties of the consolidated SCI and SPPICAV. They do not include non-consolidated SCPI securities.

Breakdown of investment property by geographic area *(in € thousands)*	Paris area		Other geographic areas		Total	
	2014	2013	2014	2013	2014	2013
Offices at fair value through profit and loss	847,020	837,849	93,800	93,920	940,820	931,769
Other categories at fair value through profit and loss	1,450	1,390	176,060	175,160	177,510	176,549
Property at fair value through profit and loss	**848,470**	**839,239**	**269,860**	**269,079**	**1,118,330**	**1,108,318**
Other categories at amortized cost	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	**848,470**	**839,239**	**269,860**	**269,079**	**1,118,330**	**1,108,318**

FOREIGN EXCHANGE RISK

Breakdown of financial assets and liabilities by currency(1) *(in € thousands)*	12/31/2014		12/31/2013	
	Carrying amount	% of total	Carrying amount	% of total
Financial assets denominated in EUR	51,874,027	99.2%	46,164,559	99.4%
Financial assets denominated in USD(2)	250,098	0.48%	164,542	0.35%
Financial assets denominated in other currencies(3)	164,629	0.31%	116,450	0.25%
TOTAL FINANCIAL ASSETS	**52,288,754**	**100%**	**46,445,551**	**100%**
Financial liabilities denominated in EUR	19,916,848	100%	18,588,976	100%
TOTAL FINANCIAL LIABILITIES	**19,916,848**	**100%**	**18,588,976**	**100%**

(1) Excluding currency futures bought or sold for hedging purposes.
(2) o/w €37.9 million hedged with currency swaps.
(3) Fully hedged with currency swaps.
(4) Financial liabilities (financial debt and financial contracts) are denominated in EUR.

5.3.5. Interest rate risk

EXPOSURE OF FINANCIAL ASSETS

The exposure of Natixis Assurances' liabilities to the fixed income markets is presented in the table below.

Category of financial assets[1] *(Excluding investments in unit-linked contracts, in € thousands)*	Breakdown of carrying amount by maturity at 12/31/2014[3] < 1 year	1-5 years	> 5 years	Carrying amount 12/31/2014	Carrying amount 12/31/2013
Held-to-maturity bonds	483,555	1,283,948	921,633	2,689,137	2,957,134
Available-for-sale bonds	1,874,774	7,659,082	17,768,325	27,302,180	22,624,257
Bonds recorded under the fair value option	-	192,114	56,603	248,717	154,861
Unlisted bonds (amortized cost)	-	-	-	-	-
FIXED-RATE BONDS	**2,358,329**	**9,135,145**	**18,746,560**	**30,240,034**	**25,736,252**
Fixed-rate loans and receivables	413,223	20,000	24,500	457,723	428,468
Other net financial assets exposed to fair value risk[2]	-274	-3,224	-6,837	-10,335	76,619
FIXED-RATE FINANCIAL ASSETS	**2,771,279**	**9,151,920**	**18,764,223**	**30,687,422**	**26,241,339**
% N	***7.2%***	***23.8%***	***48.9%***	***80.0%***	-
% N-1	***7.7%***	***22.0%***	***46.7%***	-	***78.6%***
Bonds held to maturity	19,414	76,855	7,627	103,896	94,657
Available-for-sale bonds	2,788,150	772,787	3,080,035	6,640,972	6,299,611
Bonds recorded under the fair value option	103,942	489,314	357,085	950,340	736,224
Unlisted bonds (amortized cost)	-	-	-	-	-
VARIABLE-RATE BONDS	**2,911,505**	**1,338,955**	**3,444,747**	**7,695,207**	**7,130,491**
Variable-rate loans and receivables	-	-	-	-	-
Other financial assets exposed to cash flow risk[2]	-	-	-	-	-
VARIABLE-RATE FINANCIAL ASSETS	**2,911,505**	**1,338,955**	**3,444,747**	**7,695,207**	**7,130,491**
% N	***7.6%***	***3.5%***	***9.0%***	***20.0%***	-
% N-1	***11.5%***	***3.6%***	***8.5%***	-	***21.4%***
FINANCIAL ASSETS EXPOSED TO INTEREST RATE RISK	**5,682,784**	**10,490,876**	**22,208,971**	**38,382,630**	**33,371,830**

(1) Short-term receivables are deemed to have a maturity of less than one year.

(2) Fair value of caps and currency swaps.

(3) Contractual maturity or exercise date of issuer call (where applicable).

EXPOSURE OF LIABILITIES

The exposure of Natixis Assurances' liabilities to the fixed income markets is presented in the table below.

Category of liabilities[1] *(in € thousands)*	Breakdown of projected liability flows at 12/31/2014 by estimated maturity			Projected liability flows 12/31/2014[2]	Carrying amount of liabilities at 12/31/2014
	< 1 year	1-5 years	> 5 years		
Underwriting liabilities in EUR	2,728,938	9,172,688	30,735,017	42,636,643	35,870,680
Unit-linked underwriting liabilities	577,015	1,974,649	8,255,589	10,807,253	7,458,969
Total underwriting liabilities	**3,305,953**	**11,147,338**	**38,990,605**	**53,443,896**	**43,329,649**
Subordinated debt and other financial debt	181,678	279,000	502,500	963,178	963,178
FIXED-RATE LIABILITIES	**3,487,631**	**11,426,338**	**39,493,105**	**54,407,074**	**44,292,827**
Subordinated debt			105,000	105,000	105,000
VARIABLE-RATE LIABILITIES	**-**	**-**	**105,000**	**105,000**	**105,000**
LIABILITIES EXPOSED TO INTEREST RATE RISK	**3,487,631**	**11,426,338**	**39,598,105**	**54,512,074**	**44,397,827**

The carrying amount of liabilities comprises the amount of liabilities related to the Investment Solutions business (excl. Personal Protection Insurance and Property & Casualty Insurance).

(1) Short-term payables are deemed to have a maturity of less than one year.

(2) Projected insurance liability flows comprise projected cash outflows. These flows consist of surrenders, deaths and projected maturities of insurance policies and financial contracts, including deferred taxes and deferred-profit sharing to be allocated to contracts between the closing date and the estimated exit date; they comprise the repayment of the principal for financial debt; they are not discounted. It is therefore normal for projected flows to exceed the carrying amount of liabilities.

5.3.6. Sensitivity of assets and liabilities to market and interest rate risks

Sensitivity to market risks

Equities market

A sensitivity analysis involves measuring the impact of a 10% variation in the equities market. This analysis was conducted for each line in the Natixis Assurances portfolio. The scope of review included equities, UCITS, structured products and convertible bonds.

The sensitivity of each line was determined according to its "β" calculated over the year ended. This "β" was used to simulate the variation in the level of unrealized capital gains or losses.

The impact on the provision for permanent impairment could then be determined, with the provision for impairment recorded in the financial statements at December 31 having been set beforehand. The change in the provision for permanent impairment and the change in FVO unrealized capital gains or losses had an impact on income; the change in AFS unrealized capital gains or losses had an impact on equity.

The impact of equity derivatives held in consolidated UCITS was assumed to be nil overall (insignificant amounts).

Real estate market

A sensitivity analysis involves measuring the impact of a 10% variation in the real estate market. The impact was estimated globally for the properties of the consolidated SCI and OPCIs (impact on income) and SCPI securities held (impact

Sensitivity of financial assets before deferred policyholders' bonus and deferred taxes (in €m)	12/31/2014 Impact on fair value of investments	12/31/2014 Impact on income	12/31/2014 Impact on equity	12/31/2013 Impact on fair value of investments	12/31/2013 Impact on income	12/31/2013 Impact on equity
Before impact of hedging derivatives						
+10% variation in the equities market	249.5	3.5	246.0	212.2	2.3	209.9
-10% variation in the equities market	- 250.0	- 8.0	- 241.9	- 212.5	- 4.7	- 207.8
After impact of hedging derivatives						
+10% variation in the equities market	249.0	3.0	246.0	212.2	2.3	209.9
-10% variation in the equities market	- 249.5	- 7.5	- 241.9	- 212.5	- 4.7	- 207.8
Before and after impact of hedging derivatives						
+10% var. in the real estate market	123.1	106.5	16.6	118.1	105.4	12.7
-10% var. in the real estate market	- 123.1	- 109.1	- 14.0	- 118.1	- 107.7	- 10.3

Sensitivity of financial assets after deferred policyholders' bonus and deferred taxes (in €m)	12/31/2014 Impact on fair value of investments	12/31/2014 Impact on income	12/31/2014 Impact on equity	12/31/2013 Impact on fair value of investments	12/31/2013 Impact on income	12/31/2013 Impact on equity
Before impact of hedging derivatives						
+10% variation in the equities market	249.5	0.2	11.8	212.2	0.1	7.2
-10% variation in the equities market	- 250.0	- 0.4	- 11.6	- 212.5	- 0.2	- 7.1
After impact of hedging derivatives						
+10% variation in the equities market	249.0	0.1	11.8	212.2	0.1	7.2
-10% variation in the equities market	- 249.5	- 0.4	- 11.6	- 212.5	- 0.2	- 7.1
Before and after impact of instruments derivatives						
+10% var. in the real estate market	123.1	5.1	0.8	118.1	3.6	0.4
-10% var. in the real estate market	- 123.1	- 5.2	- 0.7	- 118.1	- 3.7	- 0.4

The impacts of equity and real estate market variations on income and equity are presented net of deferred profit-sharing and deferred tax.

The impacts of a +/-10% variation in the equities market on the fair value of investments were higher than in 2013 due to the increase in the amount of the absolute value of shares in the portfolio.

Sensitivity to interest rate risks

The sensitivity analysis involved measuring the impact of a 1% variation in interest rates without a deformation of the yield curve. This analysis was conducted for each line in Natixis Assurances' main fixed income portfolios (ABP Vie, ABP Prévoyance and BPCE Assurances), i.e. 92% of the total value.

Sensitivity of financial assets before deferred policyholders' bonus and deferred taxes *(in €m)*	12/31/2014			12/31/2013		
	Impact on fair value of investments(1)	Impact on income	Impact on equity	Impact on fair value of investments(1)	Impact on income	Impact on equity
Before impact of derivatives						
Variation of +1% in bond yields	- 1,904	- 26.1	- 1,731	- 1,522	- 27.3	- 1,341
Variation of -1% in bond yields	2,108	8.2	1,939	1,681	24.1	1,490
After impact of derivatives						
Variation of +1% in bond yields	- 1,868	10.3	- 1,731	- 1,456	38.8	- 1,341
Variation of -1% in bond yields	2,104	4.2	1,939	1,638	- 19.5	1,490

(1) Including on HTM bonds.

Sensitivity of financial assets after deferred policyholders' bonus and deferred taxes *(in €m)*	12/31/2014			12/31/2013		
	Impact on fair value of investments(1)	Impact on income	Impact on equity	Impact on fair value of investments(1)	Impact on income	Impact on equity
Before impact of derivatives						
Variation of +1% in bond yields	- 1,904	- 1.3	- 82.9	- 1,522	- 0.9	- 45.7
Variation of -1% in bond yields	2,108	0.4	92.8	1,681	0.8	50.8
After impact of derivatives						
Variation of +1% in bond yields	- 1,868	0.5	- 82.9	- 1,456	1.3	- 45.7
Variation of -1% in bond yields	2,104	0.2	92.8	1,638	- 0.7	50.8

(1) Including on HTM bonds.

The impacts of interest rate variations on income and equity are presented net of deferred profit-sharing and deferred tax.

The change in the impact of an interest rate variation of +1% or -1% on fair value and on equity between 2013 and 2014 was in line with the change in the profile of interest rate-sensitive securities held by Natixis Assurances. As a result of the financial strategy implemented in 2014 (seeking a pick-up on investments in the fixed income bucket by aiming to optimize future returns and duration), the portfolio's average sensitivity increased (impact of about +1%):

- average increase of 23% in the impact on fair value compared to 2013;
- average increase of 27% in the impact on equity.

Interest rate variations had less of an impact on income in 2014 than in 2013, as structured products were less sensitive to a 1% interest rate decline.

The change in the impact of hedging instruments between 2013 and 2014 can be attributed to the steep drop in interest rates.

5.4. HEDGE ACCOUNTING

Futures and options held by Natixis Assurances insurance companies are held for performance or investment-divestment purposes, in accordance with regulations.

A forward OAT purchase aimed at guaranteeing the return of some future investments has been booked as a cash flow hedge.

5.5. RISKS ASSOCIATED WITH UNIT-LINKED POLICIES

Reconciliation of unit-linked policies and contracts *(in € thousands)*	**Unit-linked policies and contracts at 12/31/2014**	**Unit-linked policies and contracts at 12/31/2013**
Consolidated SCI representing unit-linked policies and contracts	72,564	72,970
Other investments representing unit-linked policies and contracts	7,409,414	6,972,744
TOTAL CARRYING AMOUNT OF ASSETS REPRESENTING UNIT-LINKED POLICIES AND CONTRACTS (a)	**7,481,978**	**7,045,714**
Underwriting reserves for unit-linked insurance policies	4,801,042	4,703,501
Liabilities of unit-linked financial contracts	2,657,927	2,297,808
TOTAL LIABILITIES RELATED TO UNIT-LINKED POLICIES AND CONTRACTS EXCLUDING FLOOR GUARANTEE (b)	**7,458,969**	**7,001,309**
o/w unit-linked loss reserves (c)	-	-
Reserve for floor guarantee	722	1,497
TOTAL LIABILITIES RELATED TO UNIT-LINKED POLICIES AND CONTRACTS	**7,459,691**	**7,002,806**
Over- or under-coverage linked to temporary investment gap (a) - (b)	***23,009***	***44,405***
Over- or under-coverage excluding unit-linked loss reserve (a) - (b) + (c)	***23,009***	***44,405***

6. Notes on insurance policies and financial contracts

6.1. INSURANCE POLICIES AND FINANCIAL CONTRACTS

Carrying amount *(in € thousands)*	**12/31/2014**	**12/31/2013 pro forma**	**12/31/2013**
Underwriting liabilities related to insurance policies	25,842,004	23,933,419	23,060,609
Underwriting liabilities related to financial contracts	18,798,263	17,867,498	17,867,498
Deferred policyholders' bonus liability	3,419,342	1,325,921	1,325,921
Liabilities related to contracts	**48,059,609**	**43,126,838**	**42,254,028**
Share of cessionnaires and retrocessionnaires	- 7,623,504	- 7,239,946	- 7,186,338
Deferred policyholders' bonus assets	-	-	-
TOTAL ASSETS AND LIABILITIES RELATED TO CONTRACTS	**40,436,105**	**35,886,892**	**35,067,690**

The addition of BPCE Assurances to the consolidation scope had an impact of €819 million on assets and liabilities related to contracts at January 1.

6.1.1. Underwriting reserves related to insurance policies

LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS SECTOR AND GEOGRAPHIC AREA

Carrying amount (in € thousands)	Life insurance / Investment Solutions / Pensions			Personal protection insurance[(1)]			Property & Casualty Insurance			Total Insurance		
	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013
Mathematical reserves	18,869,716	17,244,605	17,244,605	38,010	31,793	31,793	-	-	-	18,907,726	17,276,398	17,276,398
Reserves for unearned premiums	-	-	-	4,432	5,397	15,626	292,963	267,517	-	297,395	272,914	15,626
Loss reserves (a)	277,800	251,606	251,606	239,804	212,090	216,159	664,101	602,647	-	1,181,705	1,066,343	467,765
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-	-	-	-	-
Profit-sharing reserves	582,828	553,479	553,479	-	-	-	-	-	-	582,828	553,479	553,479
Other provisions	-	-	-	49,281	43,840	43,840	22,027	16,943	-	71,308	60,783	43,840
Gross underwriting reserves - Insurance policies excluding unit-linked policies	**19,730,344**	**18,049,690**	**18,049,690**	**331,528**	**293,120**	**307,418**	**979,090**	**887,107**	-	**21,040,962**	**19,229,917**	**18,357,108**
Gross underwriting reserves - Unit-linked insurance policies	**4,801,042**	**4,703,501**	**4,703,501**	-	-	-	-	-	-	**4,801,042**	**4,703,501**	**4,703,501**
Mathematical reserves and profit-sharing reserves ceded	4,541,481	4,338,167	4,338,167	-	-	-	-	-	-	4,541,481	4,338,167	4,338,167
Reserves for unearned premiums and other provisions provisions ceded	-	-	-	36,061	32,221	32,779	13,884	9,635	-	49,945	41,856	32,779
Loss reserves ceded (b)	68,338	64,962	64,962	109,970	91,624	95,431	46,200	48,338	-	224,508	204,924	160,393
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-	-	-	-	-
Share of cessionnaires and retrocessionnaires in gross underwriting reserves - Insurance policies excluding unit-linked policies	**4,609,819**	**4,403,129**	**4,403,129**	**146,032**	**123,844**	**128,210**	**60,083**	**57,973**	-	**4,815,934**	**4,584,947**	**4,531,339**
Share of reinsurers in underwriting reserves - Unit-linked insurance policies	**2,249,543**	**2,233,741**	**2,233,741**	-	-	-	-	-	-	**2,249,543**	**2,233,741**	**2,233,741**
TOTAL NET LIABILITIES RELATED TO INSURANCE POLICIES	**17,672,024**	**16,116,321**	**16,116,321**	**185,497**	**169,275**	**179,208**	**919,006**	**829,134**	-	**18,776,527**	**17,114,731**	**16,295,529**

(1) Life and Non-Life.

(a) o/w gross IBNR	-	-	-	*54,748*	*40,574*	*39,698*	*239,050*	*215,653*	-	*293,798*	*256,227*	*39,698*
(b) o/w IBNR ceded	-	-	-	*25,943*	*17,242*	*17,851*	*12,794*	*10,381*	-	*38,737*	*27,624*	*17,851*

All insurance policies belong to the "France" geographic area

6.1.2. Liabilities related to financial contracts

LIABILITIES RELATED TO FINANCIAL CONTRACTS BY BUSINESS SECTOR AND GEOGRAPHIC AREA

	Life insurance / Investment Solutions / Pensions			Personal protection insurance and property & casualty insurance			Total financial contracts		
Carrying amount *(in € thousands)*	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013
Mathematical reserves (b)	15,509,477	14,964,210	14,964,210	-	-	-	15,509,477	14,964,210	14,964,210
Reserves for unearned premiums	-	-	-	-	-	-	-	-	-
Loss reserves (a) (c)	190,045	188,132	188,132	-	-	-	190,045	188,132	188,132
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-	-
Policyholders' bonus	440,814	417,348	417,348	-	-	-	440,814	417,348	417,348
Other provisions	-	-	-	-	-	-	-	-	-
Gross liabilities related to financial contracts with discretionary policyholders' bonus excluding unit-linked contracts	**16,140,336**	**15,569,690**	**15,569,690**	-	-	-	**16,140,336**	**15,569,690**	**15,569,690**
Gross liabilities related to financial contracts without discretionary policyholders' bonus excluding unit-linked contracts	-	-	-	-	-	-	-	-	-
Gross liabilities related to unit-linked financial contracts (d)	**2,657,927**	**2,297,808**	**2,297,808**	-	-	-	**2,657,927**	**2,297,808**	**2,297,808**
Mathematical reserves and policyholders' bonus reserves ceded	436,760	319,913	319,913	-	-	-	436,760	319,913	319,913
Reserves for unearned premiums ceded, other provisions ceded	-	-	-	-	-	-	-	-	-
Loss reserves ceded	-	-	-	-	-	-	-	-	-
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-	-
Share of cessionnaires in financial contracts with discretionary policyholders' bonus excluding unit-linked contracts	**436,760**	**319,913**	**319,913**	-	-	-	**436,760**	**319,913**	**319,913**
Share of cessionnaires in financial contracts without discretionary ppolicyholders' bonus excluding unit-linked contracts	-	-	-	-	-	-	-	-	-
Share of cessionnaires in liabilities related to unit-linked financial contracts	**121,267**	**101,345**	**101,345**	-	-	-	**121,267**	**101,345**	**101,345**
TOTAL NET LIABILITIES RELATED TO FINANCIAL CONTRACTS	**18,240,236**	**17,446,240**	**17,446,240**	-	-	-	**18,240,236**	**17,446,240**	**17,446,240**
(a) o/w IBNR = 0									
(b) o/w gross EUR mathematical reserves - Luxembourg	*2,365,374*	*1,668,202*	*2,163,271*	-	-	-	*2,365,374*	*1,668,202*	*2,163,271*
(c) o/w gross unit-linked loss reserves - Luxembourg	-	-	-	-	-	-	-	-	-
(d) o/w gross unit-linked mathematical reserves - Luxembourg	*801,827*	*644,981*	*1,262,180*	-	-	-	*801,827*	*644,981*	*1,262,180*
(d) o/w gross unit-linked loss reserves - Luxembourg	-	-	-	-	-	-	-	-	-
Liabilities sold - Luxembourg	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES - LUXEMBOURG	**3,167,201**	**2,313,183**	**3,425,451**	-	-	-	**3,167,201**	**2,313,183**	**3,425,451**

In 2014, the Luxembourg geographic sector only included the Luxembourg registered office of subsidiary Natixis Life; in 2013, it also included the French subsidiary of Natixis Life; the 2013 pro forma column takes this presentation change into account.

6.1.3. Change in underwriting reserves - Life Insurance, Investment Solutions, Pensionse

6.1.3.1. Change in gross values

(in € thousands)	FY 2014 Assurance	Financial contracts	Total Life insurance/ Investment solutions/ Pensions
Underwriting reserves and gross financial liabilities at January 1	**22,753,191**	**17,867,498**	**40,620,689**
Net pure premiums	2,520,216	1,804,717	4,324,933
Claim expense	- 1,556,167	- 1,358,440	- 2,914,607
Revaluation of reserves (interest income, deferred profit-sharing, unit-linked adjustments and other flows)	654,940	643,695	1,298,635
Internal transfers	159,206	- 159,206	-
Changes in consolidation scope and changes in accounting method	-	-	-
UNDERWRITING RESERVES AND GROSS FINANCIAL LIABILITIES AT DECEMBER 31	**24,531,386**	**18,798,263**	**43,329,649**

Internal transfers comprising product reclassifications due in particular to the review of the product catalogue in the contract management system, as well as changes in contracts carried out as a result of the Fourgous amendment (approximately €33 million from financial to insurance).

6.1.4. Change in loss reserves in personal protection insurance branch

6.1.4.1. Change in gross values

BREAKDOWN IN CLAIMS EXPENSE AND PAYMENTS BETWEEN PREVIOUS FISCAL YEARS AND FISCAL YEAR IN PROGRESS

	Personal protection insurance			Property & casualty insurance		
(in € thousands)	2014	2013 pro forma	2013	2014	2013 pro forma	2013
Gross loss reserves - direct business at January 1	**212,090**	**179,194**	**183,466**	**602,647**	**538,097**	-
Claims expense for year in progress	134,291	110,199	103,914	464,701	418,213	-
Bonuses/penalties on previous years	-37,840	-37,798	-39,130	-42,710	-38,381	-
Claims expense on PPI - Caisse d'Epargne network	52,692	53,822	53,822	-	-	-
TOTAL CLAIMS EXPENSE	**149,143**	**126,223**	**118,606**	**421,991**	**379,831**	-
Payments on claims for year in progress	32,916	28,011	25,360	217,885	116,266	-
Payments on claims for previous years	41,335	34,778	30,595	142,893	199,596	-
Payments on claims for PPI - CE network	46,686	38,487	38,487	-	-	-
TOTAL PAYMENTS	**120,937**	**101,276**	**94,442**	**360,777**	**315,862**	-
Newly consolidated entities	-	-	-	-	-	-
Change in coinsurance loss provisions, acceptances, provision for claim management and other expenses	-492	7,949	8,530	240	581	-
TOTAL GROSS LOSS RESERVES AT DECEMBER 31	**239,805**	**212,090**	**216,159**	**664,100**	**602,647**	-

6.1.4.2. Change in share of reinsurers

(in € thousands)	Personal Protection Insurance 2014	Personal Protection Insurance 2013 pro forma	Personal Protection Insurance 2013	Property & Casualty Insurance 2014	Property & Casualty Insurance 2013 pro forma	Property & Casualty Insurance 2013
Share of reinsurers in loss reserves (direct business) at January 1	**91,624**	**75,677**	**78,965**	**48,338**	**56,874**	**-**
Share of reinsurers in total claims expense	67,536	58,377	58,377	9,774	- 2,122	-
Share of reinsurers in payments on claims	- 52,163	- 41,983	- 41,983	- 11,912	- 6,935	-
Portfolio acquisitions/disposals	3,025	0	0	-	-	-
Change in share of reinsurers in provisions for other claims	- 51	- 449	71	-	520	-
TOTAL SHARE OF REINSURERS IN LOSS RESERVES AT DECEMBER 31	**109,970**	**91,624**	**95,431**	**46,200**	**48,338**	**-**

6.2. INSURANCE RISKS

6.2.1. Main assumptions

Main policy features and account-closing assumptions	2014	2013
Assumptions related to underwriting reserves - life insurance, investment solutions, pensions		
Average minimum guaranteed rate on insurance policies	0.00%	0.00%
• *o/w average minimum guaranteed rate excluding unit-linked policies*	*0.00%*	*0.00%*
Average deferred policyholder' bonus rate (excluding unit-linked policies)	99.3%	99.4%
Assumptions on liabilities of financial contracts with discretionary policyholders' bonus		
Average minimum guaranteed rate on financial contracts with deferred-policyholder' bonus	0.54%	0.54%
• *o/w average minimum guaranteed rate excluding unit-linked contracts*	*0.59%*	*0.58%*
Average deferred policyholder' bonus rate (excluding unit-linked contracts)	97.6%	97.4%
Assumptions on liabilities of financial contracts without discretionary policyholder's bonus		
Average minimum guaranteed rate on financial contracts without deferred-policyholders' bonus	-	-
• *o/w average minimum guaranteed rate excluding unit-linked contracts*	*NA*	*NA*
Average churn rate	3.50%	2.40%
• *o/w average churn rate excluding unit-linked contracts*	*NA*	*NA*
Assumptions related to underwriting reserves - Personal Protection Insurance and Property & Casualty Insurance		
Discount rate on loss reserves	-	-
Discount rate on reserves for incapacity/invalidity, funeral services and dependency	1.19% - 2.50%	1.47% - 2.50%
Average cost of settled claims - personal protection insurance (excluding PPI)	€3,800	€3,600
Average cost of settled claims - property & casualty insurance (excluding payment instrument insurance and health insurance)	€300	€290
Average cost of settled claims - payment instrument insurance and health insurance	€7	€10

6.2.2. Presentation of risk management policy

The risk management policy applicable to savings contracts and life insurance policies is presented with the financial risk management policy in point 6.3.1.

Personal protection insurance and property & casualty insurance policies cover the following risks:

- death due to accident or illness, work cessation, invalidity, loss of employment and loss of autonomy;
- auto insurance, multi-risk home insurance, personal accident insurance, legal protection, loss or theft of payment instruments and various property & casualty guarantees.

Natixis Assurances uses reinsurance to limit its exposure, in particular to the following risks:

- risk of dispersion of guaranteed capital on coverage of death, personal accidents and loss of autonomy;
- risk related to the frequency of claims for cessation of work, invalidity and loss of autonomy;
- risk linked to weather-related events and natural disasters in property & casualty insurance;
- risk linked to the amount of civil liability and property damage claims;
- mortality and financial risk for the floor guarantee of unit-linked policies.

The reinsurance plan is distributed among several reinsurers, thus limiting the risk associated with any given reinsurer. The plan comprises the following treaties:

- 15% quota-share on the general fund for the life insurance and endowment policies of ABP Vie and Natixis Life;
- 50% quota-share on the unit-linked AuM of ABP Vie life insurance and endowment policies;
- complete cession of the floor guarantee of unit-linked policies;
- quota share and capital surplus on death benefit, work cessation, invalidity and loss of employment for payment protection insurance;
- capital surplus on death benefit, claim surplus on work cessation, combined with basic reinsurance with a quota-share capped at 45%;
- 90% quota share on loss of autonomy;
- coverage in the event of an epidemic or pandemic via a claim surplus treaty on the portfolio of guarantees covering death due to accident or illness;
- various treaties covering personal accidents;
- coverage of weather-related events;
- 50% quota-share and stop-loss on coverage of natural disasters;
- unlimited coverage of terrorist attacks;
- coverage of property damage within the limits of the tenant risk pool to which BPCE Assurances belongs;
- GEMA treaties providing unlimited auto insurance coverage and up to €350 million for non-auto civil liability;
- claim surplus with aggregate covering mid-range civil liability and property damage claims;
- treaty covering increases in annuities due to civil liability.

6.2.3. Categories of insurance policies taken out

6.2.3.1. Savings contracts

Discretionary nature of profit-sharing

The profit-sharing clause of Natixis Assurances savings contracts is always discretionary within the meaning of IFRS 4.

For contracts paying out minimum bonus of less than 100% of investment income, bonus is discretionary because a higher return can be paid.

For contracts paying out 100% of investment income, profit-sharing is also discretionary due to the profit-sharing reserve, used to increase the value of mathematical reserves within the regulatory 8-year limit and given the company's freedom to recognize capital gains or not.

Multi-vehicle contracts

Multi-vehicle contracts are not separated from the EUR fund for unit-linked vehicles due to their commercial substance: at any time, policyholders can switch between different vehicles at a non-prohibitive cost.

Classification of contracts

For the reasons explained above, most savings contracts are classified as financial contracts with discretionary profit-sharing.

Contracts subject to Articles 82 and 83 of the Madelin Act, and the child savings plan, are classified as insurance policies due to the presence of insurance risk: the saving phase cannot be separated from the service phase in the former case, and premiums are exonerated in the event of death for company savings plans.

Multi-vehicle contracts are classified as insurance policies where they offer a floor guarantee in the event of death and as financial contracts with discretionary profit-sharing otherwise.

Multi-vehicle contracts without EUR funds are classified as unit-linked financial contracts without discretionary profit-sharing.

6.2.3.2. Personal protection insurance and property & casualty insurance policies

Personal protection insurance and property & casualty insurance policies primarily cover accidental death and death due to other causes, incapacity/invalidity, loss of employment, loss of autonomy, auto, multi-risk home, health, legal expenses and payment instrument guarantees. As insurance risk is transferred for such policies, they are classified as insurance policies.

6.2.4. Presentation of risk concentration

There were no changes of a legal or other nature that had a material impact on insured risks during the fiscal year.

Accidental death policies

The data presented below exclude the Caisse d'Epargne network, whose capital at risk related to payment protection insurance and for which Natixis Assurances is not the lead insurer amounted to €43,804 million (€24,013 million net of reinsurance).

BREAKDOWN BY TRANCHE OF CAPITAL AT RISK RELATED TO ACCIDENTAL DEATH POLICIES

(in € thousands)	Gross provisions	Net provisions
Provision for unearned written premiums and mathematical reserves - 2014	35,545	33,647

(in €m)	Tranche 1(*)	Tranche 2(*)	Tranche 3(*)	Total
Capital at risk - 2014	33,155	62,626	36,095	131,876
% N	*25.1%*	*47.5%*	*27.4%*	*100%*
% N- 1	*25.5%*	*50.0%*	*24.5%*	*100%*

(*) Tranche 1 mainly corresponds to policies with capital at risk (CR) of less than €23,000, Tranche 2 to policies with CR of €23,000 to €100,000, and Tranche 3 to policies with CR of more than €100,000 .

Floor guarantee on death benefit for unit-linked policies

The floor guarantee reserve is calculated using the put method. In light of financial market developments, the provision came to €0.7 million at end-2014 (€1.4 million at end-2013).

This guarantee is reinsured with a quota-share of 100%. Reinsurance premiums paid in respect of the fiscal year (€4.2 million) very substantially covered the claims paid by reinsurers (€0.09 million).

Capital at risk (unrealized capital losses on all EUR funds + unit-linked policies) totaled €3.9 million at end-2014 versus €6.2 million at end-2013.

6.2.5. Sensitivity analysis of insurance policies and financial contracts

6.2.5.1. Sensitivity of insurance policies and financial contracts - life insurance, investment solutions, pensions

Strictly speaking, insurance policies and financial contracts do not have insurance risks, with the exception of:

- the floor guarantee on unit-linked contracts (see point 7.2.4);
- life annuity risk (not material relative to other products).

These contracts are primarily exposed to financial risks (see 6.3).

The main features of the savings contracts presented in point 7.2.1 are the minimum guaranteed rate, profit-sharing rate and surrender rate.

Income and equity sensitivity to a change in these features is relatively low.

The minimum guaranteed rate on savings contracts is currently significantly lower than the rate paid. As the profit-sharing rate is close to 100% (98%), the sensitivity of the financial margin to a change in this rate must be placed in perspective. Finally, the variation in the surrender rate has only a limited impact on the financial position, and is limited by the taxation and age of the insured population.

6.2.5.2. Sensitivity of personal protection insurance and property & casualty insurance policies

Income and equity are not highly sensitive to the variation of personal protection and property & casualty insurance risks.

The claims/premiums ratio by year of occurrence (gross claims/premiums) observed on the portfolio of policies was stable overall in terms of risk and below claims experience in recent years. Policies in the launch phase are also subject to conservative provisioning.

Reinsurance cessions by risk help curb the main fluctuations (see 7.2.2).

Furthermore, any significant frequency gaps and the few products that exceed claims experience are regularly monitored.

In addition, most policies currently sold can be subject to an annual price revision in the event of a technical imbalance.

6.2.6. Credit risk associated with reinsurance policies

(in € thousands)	Credit rating *(Standard & Poor's)*	Provisions ceded		Current account balance	Amount guaranteed[1]	Amount not guaranteed[2]	Exposure as a % of equity[3]
		Amount	%				
London Life	AA-	3,445,483	45%	- 907	3,446,736		
RGA Re	BBB+	1,508,901	20%	8,062	1,513,622	- 3,341	- 0.23%
Hannover Life Re	AA-	1,488,153	20%	-800	1,490,301		
Mapfre Re	BBB-	1,013,689	13%	-466	1,015,054		
CNP	A	89,860	1%	687	90,567		
CCR	AA	33,174	0.4%	7,824	11,650	- 29,348	- 2.01%
Surassur (BPCE)	NR	15,461	0.2%	824	14,733	- 1,551	- 0.11%
Other Cessionnaires	from BBB to AA-	28,811	0.4%	- 15,703	43,713		
TOTAL		**7,623,532**	**100%**	**- 479**	**7,626,375**	**- 34,241**	**- 2.34%**

(1) Cash deposits, pledged securities, etc.
(2) Provisions ceded + current account balance - amount guaranteed.
(3) Amount not guaranteed/equity.

Treaties covering risks of natural disaster entered into with CCR are not subject to deposits or pledges, as these risks are subject to unlimited backing by the French State. Including this guarantee, the unguaranteed amount represents 0.98% of equity.

It should also be noted that CCR is wholly-owned by the French State and that the unguaranteed amount excluding CCR represents 0.33% of equity.

6.2.7. Hidden unseparated options

The main hidden unseparated options in insurance policies are:

- surrender option: the potential impact is incorporated into the liability adequacy test by modeling policyholder behavior;
- guaranteed rates on flexible premiums: given the scope of the policies in question, this option is not material.

6.2.8. Liability adequacy test

Under IFRS 4.15, a liability adequacy test must be carried out at each reporting date in order to ensure that the insurance liabilities as presented in the consolidated financial statements are sufficient to cover future cash flows estimated at that date. If not, potential losses are fully recognized in the income statement.

This test involved:

- the generation of stochastic economic models;
- asset/liability modeling taking into account:
  - policyholder behavior in terms of surrenders;
  - the distribution policy;
  - the run-off of liabilities.

The test covers the scope of ABP Vie's liabilities, which account for 89% of Natixis Assurances' insurance liabilities. The simulations were carried out using the model developed for Solvency 2 calculations using the Moses software tool.

According to the liability adequacy test, insurance liabilities as presented in the consolidated financial statements are sufficient to cover estimated future cash flows.

7. Other notes

7.1. BALANCE SHEET

GOODWILL

Breakdown of goodwill by consolidated entity *(in € thousands)*	Gross value	Impairment	Net value
ABP Vie	16,412	-	16,412
Adir	1,680	-	1,680
Natixis Life	1,235	-	1,235
TOTAL	**19,327**	**-**	**19,327**

On acquiring BPCE Assurances, Natixis Assurances recorded goodwill of €153 million booked against shareholders' funds.

Acquisitions between entities under joint control (i.e. Natixis Assurances and BPCE Assurances are entities ultimately controlled by the same entity: BPCE) are excluded from the scope of IFRS 3. In such case, it is the responsibility of the entity publishing its financial statements to define the accounting principle used to recognize this type of transaction.

In this specific case, Natixis Assurances, a subsidiary of Natixis SA, is required to apply the accounting principles adopted by its parent company, i.e.:

"Combinations between entities or operations under joint control are understood to be combinations in which several operations are combined and all interested parties (entities or operations) are ultimately controlled by the same party or parties for a relatively long period preceding the combination. Such combinations do not fall within the scope of IFRS 3R.

Barring clarification of IFRS 3R on the accounting treatment of business combinations under joint control, Natixis applies a method based on historic carrying amount to such transactions. According to this method, the difference between the price paid and Natixis' share in the historic carrying amounts of the assets and liabilities of the acquired entity is recorded as a deduction from shareholders' equity.

In effect, in using this method, any goodwill and valuation differences resulting from the application of the purchase method are booked against shareholders' funds. The carrying amounts used are those listed in the consolidated financial statements of the ultimate parent company at the date of completion of the transaction.

Entities considered to be under joint control include, in particular, two entities controlled by Natixis and those involving an entity controlled by Natixis and an entity controlled by BPCE."

(Natixis 2013 Registration Document).

COMPOSITION OF AFS RESERVES

BREAKDOWN OF AFS RESERVES - GROUP SHARE *(in € thousands)*	2014	2013
Revaluation reserve - fixed-income securities	3,435,204	1,250,150
Revaluation reserve - fixed-income securities - reclassified securities	- 6,917	- 6,690
Revaluation reserve – variable-income securities	814,467	835,030
Revaluation reserve	**4,242,753**	**2,078,490**
Deferred profit-sharing reserve	- 3,863,744	- 1,944,874
Deferred tax reserve	- 129,992	- 45,730
IMPACT OF REVALUATION OF AFS FINANCIAL ASSETS	**249,018**	**87,885**
Revaluation reserve - CFH derivatives	514	-
Deferred profit-sharing reserve - CFH derivatives	- 476	-
Deferred tax reserve - CFH derivatives	- 13	-
IMPACT OF REVALUATION OF HEDGING DERIVATIVES	**25**	-
RECYCLABLE REVALUATION RESERVE NET OF SHADOW ACCOUNTING ADJUSTMENTS	**249,042**	**87,885**

CONTINGENCY RESERVES

BREAKDOWN OF CONTINGENCY RESERVES *(in € reserves)*	12/31/2014	12/31/2013
Provisions for taxes	-	-
Provision for claims and litigation	24,976	8,916
Provision for long-service awards, end-of-career awards and anniversary leave	5,598	2,470
Other provisions	931	-
TOTAL CONTINGENCY RESERVES	**31,505**	**11,386**

The addition of BPCE Assurances and BPCE APS to the consolidation scope had an impact of €2.7 million on contingency reserves at January 1, of which €2.4 million in provisions for long-service awards, end-of-career awards and anniversary leave.

SEGMENT ASSETS AND LIABILITIES

Insurance policy underwriting reserves and liabilities related to financial contracts are presented by business sector and geographic area in 6.1.

Receivables and payables arising from insurance or reinsurance liabilities are presented below by business sector and geographic area.

Receivables Carrying amount *(in € thousands)*	Life insurance/ Investment Solutions/ Pensions			Personal Protection Insurance			Property & Casualty Insurance			Total Insurance		
	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013
Insurance and accepted reinsurance receivables (a)	40,907	48,196	48,196	121,134	130,272	129,498	367,256	329,260	-	529,296	507,728	177,694
Reinsurance cession receivables (b)	1,537	111	111	8,482	261	261	-	-	-	10,019	372	372
TOTAL	**42,443**	**48,307**	**48,307**	**129,616**	**130,533**	**129,759**	**367,256**	**329,260**	**-**	**539,315**	**508,100**	**178,066**
(a) o/w Luxembourg area insurance receivables	*24,236*	*28,815*	*35,842*	-	-	-	-	-	-	*24,236*	*28,815*	*35,842*
(b) o/w Luxembourg area reinsurance receivables	-	-	-	-	-	-	-	-	-	-	-	-

Amounts payable Carrying amount *(in € thousands)*	Life insurance/ Investment Solutions/ Pensions			Personal Protection Insurance			Property & Casualty Insurance			Total Insurance		
	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013
Insurance and accepted reinsurance payables (a)	66,588	76,217	76,217	85,421	98,780	98,668	59,770	63,130	-	211,779	238,127	174,885
Reinsurance cession liabilities (b)	7,420,356	7,049,306	7,049,306	161,821	145,586	144,621	2,026	3,451	-	7,584,203	7,198,343	7,193,927
TOTAL	**7,486,943**	**7,125,523**	**7,125,523**	**247,242**	**244,366**	**243,289**	**61,796**	**66,581**	**-**	**7,795,982**	**7,436,470**	**7,368,812**
(a) o/w Luxembourg area insurance payables	*27,789*	*29,340*	*32,572*	-	-	-	-	-	-	*27,789*	*29,340*	*32,572*
(b) o/w Luxembourg area reinsurance payables	*355,386*	*247,473*	*320,996*	-	-	-	-	-	-	*355,386*	*247,473*	*320,996*

By convention, 100% of ABP Prévoyance receivables and payables are included in the Personal Protection Insurance scope.

7.2. COMMITMENTS GIVEN AND RECEIVED

Commitments *(in € thousands)*	2014	2013
BPCE guarantee on securities lending transactions	3,014,487	3,000,000
Authorized overdraft with Natixis	5,000	5,000
Securities pledged as collateral by cessionnaires and retrocessionnaires	56,235	16,891
COMMITMENTS RECEIVED	**3,075,722**	**3,021,891**
Investments not yet paid-up (venture capital funds and securitization funds)	1,045,731	111,424
COMMITMENTS GIVEN	**1,045,731**	**111,424**
Other types of commitments (TBD)	-	-
OTHER TYPES OF COMMITMENTS	-	-

7.3. INCOME STATEMENT

EARNED PREMIUMS BY BUSINESS SECTOR AND GEOGRAPHIC AREA

	Life insurance/ Investment Solutions/ Pensions			Personal Protection Insurance			Property & Casualty Insurance			Total Insurance		
(in € thousands)	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013	12/31/2014	12/31/2013 pro forma	12/31/2013
Earned premiums	4,355,452	3,294,919	3,294,919	627,218	545,510	605,990	762,723	704,583	-	5,745,393	4,545,011	3,900,909
• o/w France area earned premiums	*3,158,436*	*2,770,831*	*2,617,930*	*627,218*	*545,510*	*605,990*	*762,723*	*704,583*	-	*4,548,377*	*4,020,923*	*3,223,920*
• o/w Luxembourg area earned premiums	*1,197,016*	*524,088*	*676,989*	-	-	-	-		-	*1,197,016*	*524,088*	*676,989*

The 2013 pro forma column covers three items:

- the addition of BPCE Assurances to the consolidation scope;
- the redefinition of activities and reclassification of personal accident and payment instrument insurance from the Personal Protection Insurance business to the Property & Casualty Insurance business;
- the Luxembourg region only includes the Luxembourg registered office of Natixis Life (the French branch of Natixis Life is now included in the France area, pursuant to IFRS 8).

INCOME STATEMENT BY BUSINESS SECTOR

	Life insurance/ Investment Solutions/ Pensions		Personal Protection Insurance		Property & Casualty Insurance		Others		Total Assurance	
(in €m)	2014	2013 pro forma	2014	2013 pro forma	2014	2013 pro forma	2014	2013 pro forma	2014	2013 pro forma
Net banking income	183	172	148	121	221	187	18	27	570	507
Operating expenses - banking format	- 102	- 96	- 28	- 27	- 131	- 123	- 25	- 15	- 286	- 261
Operating income	**80**	**76**	**120**	**94**	**90**	**64**	**- 7**	**12**	**284**	**246**
Finance expenses	-	-	-	-	-	-	-	-	- 32	- 33
Share in income of associates	-	-	-	-	-	-	-	-	9	8
Income tax	-	-	-	-	-	-	-	-	- 91	- 41
RÉSULTAT NET CONSOLIDÉ									**170**	**180**
• o/w France area operating income	*73*	*65*	-	-	-	-	-	-	*73*	*65*
• o/w Luxembourg area operating income	*8*	*11*	-	-	-	-	-	-	*8*	*11*

Operating income generated by "Others" refers to BPCE APS, the holding company and *assurément#2016* expenses.

OPERATING EXPENSES BY CATEGORY AND USE

Breakdown of operating expenses by category *(in € thousands)*	2014	2013
Other external purchases and expenses	83,990	25,824
Sub-contracting (o/w IT)	66,134	39,145
Payroll costs	98,435	42,585
Taxes	23,109	12,096
Fees and commissions	611,151	470,562
Others	25,495	17,753
Allowances for depreciation, amortization and provisions	39,280	11,601
Non-recurring income	-	-
TOTAL EXPENSES BY CATEGORY	**947,594**	**619,567**

Breakdown of operating expenses by use *(in € thousands)*	2014	2013
Internal investment expenses	4,414	4,517
Claim management expenses	60,946	22,530
Acquisition costs	495,471	319,065
• *o/w fees and commissions*	*395,512*	*280,083*
Administrative costs	302,084	228,145
• *o/w fees and commissions*	*215,639*	*190,479*
Other recurring operating income and expenses	84,678	45,309
TOTAL EXPENSES BY USE	**947,594**	**619,567**

The addition of BPCE Assurances had an impact of €207 million on operating expenses in 2013.
Expenses related to services and lease agreements with Natixis amounted to €41,356,000. Of the €611 million in fees and commissions, €580 million were paid to the BP and CE networks.

TAX EXPENSE

Breakdown of tax expense *(in € thousands)*	2014	2013
Tax payable	-185,289	-54,918
Adjustment in respect of tax payable on previous fiscal years	-3,580	-
Deferred tax expense related to temporary differences	98,217	40,090
TOTAL TAX EXPENSE	**-90,652**	**-14,828**

7.4. OTHER DISCLOSURES

7.4.1. Headcount

The average headcount indicated below comprises employees under permanent and fixed-term contracts in full-time equivalent (FTE).

	2014			2013 pro forma			2013	
	Development	Back Office	Others	Development	Back Office	Others	Development	Others
Management	10	1	22	6	2	24	4	17
Executives	95	101	307	96	77	294	62	183
Non-executives	18	733	85	18	703	80	18	142
Sub-total	**123**	**834**	**414**	**120**	**782**	**398**	**84**	**342**
TOTAL	**1,371**			**1,300**			**426**	

The headcount at end-2014, net of reinvoicing and long-term absences, was 1,294 FTE versus 1,246 FTE at end-2013 (pro forma).

7.4.2. Shareholding structure - consolidation - tax consolidation

Natixis Assurances is a wholly-owned subsidiary of Natixis, whose registered office is located at 30, avenue Pierre Mendès France in the 13th arrondissement of Paris. Its financial statements and those of its subsidiaries are fully consolidated in its shareholder's financial statements, and in the financial statements of BPCE, the majority shareholder of Natixis.

The share capital is made up of 15,740,000 ordinary shares. There are no potentially dilutive shares.

Natixis Assurances and the French subsidiaries in which Natixis directly or indirectly holds more than 95% of the share capital are members of the tax group established by Natixis pursuant to Articles 223-A and following of the French General Tax Code. The tax consolidation agreement in force at Natixis is based on the principle of neutrality, whereby each subsidiary determines its tax and contributes to the group tax as if it were not consolidated. The tax expense owed by each subsidiary is not amended as a result of its tax consolidation. Any tax savings or expense generated by consolidation is recognized by Natixis as the parent company.

7.4.3. Information on capital management

As required for the enhanced supervision of insurance groups, Natixis Assurances is obliged to cover the adjusted solvency capital requirement, calculated on the basis of the restated consolidated financial statements in accordance with R.334-42. Similarly, each of Natixis Assurances' European insurance entities must cover the individual solvency capital requirement.

At December 31, 2014, Natixis Assurances and its subsidiaries complied with applicable capital adequacy obligations.

Capital adequacy monitoring is subject to periodic supervision by Natixis Assurances and by each company. Natixis Assurances projects its solvency capital requirements and future funding requirements on a 3-year horizon, based in particular on projected revenue established in the medium-term plan and a churn rate reflecting claims experience and assumptions for the Personal Protection Insurance and Property & Casualty Insurance businesses).

The margin is funded by using Natixis Assurances' maximum capacity in terms of subordinated loans, supplemented by capital increases.

Subordinated debt securities eligible for coverage of the solvency capital requirement, with a carrying amount of €795 million, have a fair value of €832 million, of which €545 million for dated subordinated debt and €287 million for perpetual subordinated debt.

Under the dividend policy, 100% of earnings are paid out subject to observing obligations regarding coverage of solvency capital requirements.

7.4.4. Compensation of administrative bodies – commitments

Total attendance fees of €208,300 were paid to non-employee directors of Natixis for meetings attended in fiscal year 2014.

No advances or loans were granted to any members of the administrative bodies.

No commitments given or received were recorded with respect to the executive managers of affiliated companies and companies with which Natixis Assurances has a capital link.

7.4.5. Statutory auditors' fees

Total statutory auditors' fees presented in the income statement for the audit of the financial statements and the limited review of the interim financial statements and the prospectus pertaining to the bond issue came to €1,316,000 (with tax) and can be broken down as follows:

(in € thousands)	2014
Independent audit, certification and examination of the individual and consolidated accounts	1,040
Other procedures and services directly related to the Statutory Auditors'	276
TOTAL	**1,316**

Parent company financial statements

1. Parent company financial statements

BALANCE SHEET

Assets *(in € thousands)*	Gross	Deprec., amort. and provisions/ Others	12/31/2014	12/31/2013
Uncalled subscribed capital	-	-	-	-
FIXED ASSETS	-	-	-	-
Intangible fixed assets	**309**	**0**	**309**	**0**
Set-up costs	-	-	-	-
Research & development costs	-	-	-	-
Concessions, patents, licenses, brands, processes, software, rights and similar assets	-	-	-	-
Goodwill	-	-	-	-
Others	-	-	-	-
Other intangible fixed assets in progress	238	-	238	-
Advances and prepayments	71	-	71	-
Property, plant and equipment				
Land	-	-	-	-
Buildings	-	-	-	-
Technical plant, machinery and industrial equipment	-	-	-	-
Others	-	-	-	-
Property, plant and equipment in progress	-	-	-	-
Advances and prepayments	-	-	-	-
Long-term investments	**1,608,611**	**-**	**1,608,611**	**1,025,986**
Affiliates	1,256,941	-	1,256,941	964,778
Receivables related to investments in affiliates	351,670	-	351,670	61,208
Shares and other equity securities	-	-	-	-
Other long-term investments	-	-	-	-
Loans	-	-	-	-
Others	-	-	-	-
CURRENT ASSETS				
Inventories and assets in progress	**7**	**-**	**7**	**71**
Raw materials and other supplies	-	-	-	-
Inventories in progress	-	-	-	-
Intermediate and finished products	-	-	-	-
Goods	-	-	-	-
Advances and prepayments on orders	7	-	7	71
Receivables	**933**	**-**	**933**	**586**
Accounts receivable and related receivables	-	-	-	-
Other receivables	933	-	933	586
Capital subscribed, called but unpaid	-	-	-	-
Short-term investment securities	**22,425**	**-**	**22,425**	**31,782**
Treasury shares	-	-	-	-
Other securities	22,425	-	22,425	31,782
Cash instruments	-	-	-	-
Cash and cash equivalents	3,991	-	3,991	5,714
Prepaid expenses	0	-	-	7
Accrued income and prepaid expenses	**1,917**	**-**	**1,917**	**170**
Expenses deferred over several fiscal years	1,173	-	1,173	-
Bond redemption premiums	-	-	-	-
Translation adjustments - Assets	744	-	744	170
TOTAL ASSETS	**1,638,193**	**-**	**1,638,193**	**1,064,317**

BALANCE SHEET

Liabilities *(in € thousands)*	**12/31/2014**	**12/31/2013**
Shareholders' equity	**1,078,603**	**873,193**
Share capital	120,096	110,677
• o/w paid-in capital:	*120,096*	*110,677*
Issue, merger and contribution premiums	800,230	659,653
Revaluation adjustments	-	-
Equity-accounting difference	-	-
Reserves:		-
Legal reserve	11,068	11,068
Statutory and contractual reserves	-	-
Regulated reserves	-	-
Other reserves	25,879	25,879
Retained earnings	124	95
Income for the period	121,207	65,822
Unallocated income	-	-
Unallocated interim dividends	-	-
Investment subsidies	-	-
Regulated provisions	-	-
Provisions	**-**	**-**
Provisions for risks	-	-
Provisions for expenses	-	-
Amounts payable	**559,435**	**191,124**
Convertible bonds	-	-
Other bonds	251,069	-
Loans and debt from credit institutions	304,729	188,051
Sundry loans and financial debt	-	-
Advances and prepayments received on orders in progress	-	-
Accounts payable and related payables	61	46
Taxes and social security contributions	6	47
Amounts payable on fixed assets and related payables	-	-
Other amounts payable	3,570	2,979
Cash instruments	-	-
Prepaid income	-	-
Accrued expenses and other liabilities	155	**-**
Translation adjustments - liabilities	**-**	**-**
TOTAL LIABILITIES AND EQUITY	**1,638,193**	**1,064,317**

INCOME STATEMENT

(in € thousands)	12/31/2014	12/31/2013
Operating income	**1,646**	**268**
Commissions and brokerage fees	234	228
Production sold	-	-
Net revenue	**234**	**228**
• *o/w exports:*		
Inventories	-	-
Capitalized production	238	-
Operating subsidies	-	-
Reversals of provisions, depreciation and amortization, transferred expenses	1,174	-
Other income	-	40
Operating expenses	**2,218**	**4,547**
Purchases of goods	-	-
Change in inventories of goods	-	-
Purchases of raw materials and other supplies	-	-
Change in inventories of raw materials and other supplies	-	-
Other external purchases and expenses	2,058	4,437
Taxes and similar payments	71	27
Wages and salaries	-	-
Social security expenses	-	29
Depreciation, amortization and provisions:	-	-
- on fixed assets: depreciation and amortization	-	-
- on fixed assets: provisions	-	-
- on current assets: provisions	-	-
- contingency reserves: provisions	-	-
Other expenses	89	55
OPERATING INCOME	**-572**	**-4,279**
Share of income on joint ventures	-	-
Profit or transferred loss	-	-
Loss or transferred prof	-	-
Financial income	**130,692**	**76,084**
From investments in affiliates	130,425	76,047
From other transferable securities and long-term receivables	-	-
Other interest and similar income	-	-
Reversals of provisions and transferred expenses	187	-
Positive foreign exchange differences	-	16
Net income on disposals of investment securities	80	21
Financial expenses	**8,795**	**9,267**
Depreciation, amortization and provisions	-	-
Interest and similar expenses	8,696	9,267
Negative foreign exchange differences	99	-
Net expenses on disposals of investment securities	-	-
FINANCIAL RESULT	**121,897**	**66,817**
PRE-TAX PROFIT	**121,325**	**62,538**
Non-recurring income	**33**	**5,685**
On portfolio management transactions	-	-
On capital transactions	33	5,685
Reversals of provisions and transferred expenses	-	-
Non-recurring expenses	**-**	**2,402**
On portfolio management transactions	-	-
On capital transactions	-	2,402
Allowances for provisions and transferred expenses	-	-
NON-RECURRING	**33**	**3,282**
Employee profit-sharing	-	-
Income tax	151	-2
TOTAL INCOME	**132,370**	**82,037**
TOTAL EXPENSES	**11,164**	**16,215**
PROFIT OR LOSS	**121,207**	**65,822**

COMMITMENTS

(in € thousands)	12/31/2014	12/31/2013
Commitments received	**3,452**	**3,452**
Credit lines (undrawn amounts)	-	-
Endorsements, sureties received	-	-
Commitments received from reinsurers	-	-
Fund for end-of-career and long-service awards	-	-
Caps purchased to hedge against interest rate risk	-	-
Interest rate swaps and currency futures	3,452	3,452
Commitments given	**-**	**-**
Endorsements, sureties and credit guarantees given	-	-
Assets purchased under resale agreements	-	-
Other commitments on securities, assets or revenues	-	-
Other commitments given	-	-
Securities pledged as collateral by cessionnaires and retrocessionnaires	**-**	**-**
Securities pledged by reinsured entities with joint-and-several guarantee or with substitution	**-**	**-**
Securities belonging to personal protection insurance institutions	**-**	**-**
Other securities held for third parties	**-**	**-**
Outstanding futures and options contracts	**-**	**-**
Breakdown of outstanding futures and options contracts by strategy:		
- investment or divestment strategies;	-	-
- return strategies;	-	-
- other transactions.	-	-
Breakdown of outstanding futures and options contracts by market category		
- transactions on OTC markets;	-	-
- transactions on regulated or similar markets.	-	-
Breakdown of outstanding futures and options contracts by market category and instrument, including:		
- interest rate risk:	-	-
- foreign exchange risk;	-	-
- equity risk.	-	-
Breakdown of outstanding futures and options contracts by type of instrument, including:		
- swaps;	-	-
- forward rate agreements;	-	-
- forward contracts;	-	-
- options.	-	-
Breakdown of outstanding futures and options contracts by type of residual maturity of strategies:		
- 0-1 year;	-	-
- 1-5 years;	-	-
- over 5 years.	-	-

2. Notes to the parent company financial statements

2.1. SIGNIFICANT EVENTS OF 2014

Acquisition of BPCE Assurances

In accordance with the strategic guidelines defined by the New Frontier plan for the 2014-2017 period, Natixis Assurances purchased, from BPCE SA and the mutual insurer Muracef, 243,122 shares giving it 60% of the share capital and voting rights in BPCE Assurances, a company providing non-life guarantees through property & casualty and personal protection insurance policies, distributed by the Caisse d'Epargne network.

This acquisition was completed on March 14, 2014 for a total payment of €291.98 million.

Capital increase by Natixis Assurances

In order to finance the acquisition of BPCE Assurances, the company increased its share capital through the issuance of 1,234,540 new shares with a par value of €7.63 accompanied by an issue premium of €113.87 per share, for a total issue price of €121.50 per share.

Total income for the issue, fully subscribed for by Natixis, was €149,996,610. After the capital increase, Natixis Assurances' share capital stood at €120,096,200 and consisted of 15,740,000 shares each with a par value of €7.63.

Financing

Financing through bank loans

The company took out a loan of €117,000,000 from Natixis SA, maturing on January 31, 2015 at the latest and bearing interest at an annual rate of 0.65% for the period from March 12, 2014 to December 31, 2014 and 0.18% for the period from January 1 to 31, 2015.

Issuance of a perpetual subordinated bond

On December 29, 2014, the company issued a perpetual subordinated bond with the following main features:

- legal form: bearer bonds governed by French law;
- nominal amount: €100,000;
- issue price: 100% of nominal;
- issue amount: €251,000,000;
- interest rate:
  - fixed rate of 5% from December 29, 2014 to December 29, 2025, payable annually,
  - 5-year mid-swap rate, plus a margin of 5.061%, fixed for 5-year periods subsequent to December 29, 2025,
  - redemption options: at the issuer's initiative, the bond may be redeemed in full for the first time on December 29, 2025 and subsequently at each coupon payment date, subject to the prior approval of the ACPR,
  - subordination clause on principal and interest, in the event of liquidation/bankruptcy.

Pursuant to Article 5.3 of Directive 2003/71/EC and Article 212-2 of the AMF General Regulations, this unrated issue was accompanied by a prospectus approved by the AMF (N°. 14-673) for the admission of securities to trading on the Euronext Paris regulated market.

Though liable to be used for general operating purposes, this bond was primarily issued in anticipation of the substantial projected development of the company's insurance activities, as defined by the New Frontier strategic plan for the period 2014-2017. Amid low interest rates, it aims in particular to sustainably supplement items eligible for the solvency capital requirement (SCR) called for by insurance industry regulations.

Loans issued to subsidiaries

Repurchase of subordinated loans issued by BPCE Assurances

In accordance with a decision taken on June 30, 2014, pursuant to the commitments taken on acquiring BPCE Assurances, Natixis Assurances repurchased the subordinated loans held by BPCE SA in the form of loans granted to BPCE Assurances. These loans were acquired by Natixis Assurances for a sum corresponding to the nominal value plus accrued interest, and had the following characteristics:

- perpetual subordinated loan:
  - nominal amount: €30,489,803.44;
  - fixed interest rate: 4.749% corresponding to the TEC10 rate on the loan disbursement date with a margin of 0.80%;
  - prepayment, full or partial repayment possible: via an amendment to the loan agreement, subject to the prior approval of the ACPR;
  - subordination clause exclusively applicable to the principal in the event of liquidation or bankruptcy.
- dated subordinated loan:
  - maturity date: September 15, 2025;
  - repayment method: lump sum at maturity;
  - nominal amount: €10,000,000;
  - interest rate:
    - fixed interest rate of 3.9525% for the period from September 15, 2005 to September 15, 2015, payable annually on September 15,
    - variable at 3M Euribor rate, plus a margin of 1.7% from September 15, 2015, payable quarterly on December, March, June and September 15;
  - deferred interest payment: possible if the borrower's solvency requirement coverage rate is less than 150% and if the borrower did not pay a dividend for the previous fiscal year;
  - prepayment possible: in full on September 15, 2015 or December 15, 2015, subject to the prior approval of the ACPR;
  - subordination clause on principal and interest, in the event of liquidation/bankruptcy.

It should be noted that BPCE Assurances has taken steps to obtain the ACPR's approval to repay the dated subordinated loan of €10 million.

The transfer of the loans to Natixis Assurances took place on July 4, 2014 for the €30.5 million loan and on July 31, 2014 for the €10 million loan.

Perpetual subordinated loan issued to ABP Vie

On December 30, 2014, the company granted a perpetual subordinated loan with the following characteristics to wholly-owned subsidiary ABP Vie:

- issue amount: €250,000,000;
- interest rate:
  - fixed rate of 5% from December 29, 2014 to December 22, 2025, payable annually,
  - 5-year mid-swap rate plus a margin of 5.06%,
  - prepayment options: at the issuer's initiative, the loan may be repaid in full for the first time on December 22, 2025 and subsequently at each coupon payment date, subject to the prior approval of the ACPR,
  - subordination clause applicable to the principal in the event of liquidation or bankruptcy.

The purpose of this loan is to supplement items eligible for the solvency capital requirement called for by insurance industry regulations.

Dated subordinated loan issued to ABP Prévoyance

On September 29, 2014, the subordinated loan of €2 million granted to wholly-owned subsidiary ABP Prévoyance was renewed for a term of 5 years. The loan bears interest at a fixed rate of 1.945%.

The purpose of this loan is to supplement items eligible for the solvency capital requirement called for by insurance industry regulations.

2.2. ACCOUNTING PRINCIPLES AND METHODS

In order to give a true and fair view of the results of the company's assets and liabilities and financial position, as well as its operations for the fiscal year ended December 31, 2014, the financial statements were prepared in accordance with French GAAP resulting in particular from the provisions of the French Commercial Code, the chart of accounts, application of ANC (French Accounting Standards Board) Regulation N°. 2014-03 pertaining to the chart of accounts and the regulations of the French Accounting Regulations Committee.

The rules and methods stipulated were applied in accordance with the GAAP set forth in the French Commercial Code, and in particular with that of continuity of operations, independence of fiscal years, accounting recognition at historic cost, prudence and consistency of accounting methods from one year to the next.

Together, these rules and methods form an indivisible whole for the preparation of the annual financial statements.

Unless otherwise indicated, the amounts indicated in the comments on the financial statements are in thousands of euros.

Asset valuation rules

2.2.1. Intangible assets

Intangible assets comprise purchased software or internally developed software.

Depreciation and amortization periods

The amortization period of expenses recorded in assets is determined case-by-case, based on a review of the features of the developed applications.

Impairment

In the event of objective evidence of impairment, an impairment test must be conducted comparing the recoverable amount of the asset and its carrying amount, and recording any necessary impairment in the income statement.

2.2.2. Long-term investments

Investments in affiliates and related receivables are recorded at their acquisition cost.

Acquisition costs

The company opted to recognize the acquisition costs incurred on investments in associates under expenses.

Impairment

At each reporting date, in the event of indicators or changes liable to affect the value of investments held, impairment tests are performed in order to determine whether or not the carrying amount exceeds the fair value of the securities held.

This fair value is measured using a multi-criteria approach (projected income or dividends according to medium-term budgets and plans, comparable transaction references, net book value). Where applicable, a provision for impairment is booked for the difference between the carrying amount and the estimated fair value.

2.2.3. Short-term investment securities

It should be noted that investments are recorded in the balance sheet at their historic value. The realization value is always the last published net asset value. De-recognition is always recorded at the cost price and in accordance with the FIFO rule (first in, first out).

2.2.4. Expenses deferred over several fiscal years

Deferred expenses comprise bond issuance costs, which are amortized using the actuarial method until the redemption date or the optional early redemption date.

2.2.5. Translation adjustments - assets

The company practices foreign exchange hedging for foreign-currency investments in affiliates. As the purpose is to hedge a structural item, the company applies CNC opinion N°. 2007-02 of May 4, 2007. In inventories, translation adjustments on structural foreign exchange positions related to foreign-currency investments in associates and their financing (where applicable) are recorded under "Translation adjustments."

Information on the income statement

2.2.6 Revenue

Revenue comprises reinsurance co-brokerage fees received as an insurance intermediary, registered with ORIAS. The company takes part in the negotiation and overall placement of the reinsurance program of companies within the relevant scope.

Based on previously received retrocessions, accrued income of €224k was recorded in respect of fiscal year 2014.

2.2.7. Other external expenses

In the absence of paid staff, the shares of payroll costs reinvoiced in respect of holding company functions and other activities are recorded under "Other external purchases and expenses."

2.2.8. Non-recurring income

According to the Assurances BIAT share disposal agreement, signed in 2013, in the event the seller recognizes an adverse TND/EUR foreign exchange impact, the buyer is liable to pay the seller an additional consideration equal to 2/3 of the foreign exchange loss incurred. As a result, accrued income of €33,000 was recorded in 2014.

2.2.9. Income tax

Income tax is calculated according to the tax provisions in force.

Given its business volume, the company is not subject to the exceptional contribution of 10.7%.

Given its tax loss carry-forward, it did not recognize deferred tax related to temporary differences.

Natixis Assurances is a member of the tax group established by Natixis in accordance with Articles 223-A and following of the French General Tax Code. The tax consolidation agreement in force at Natixis is based on the principle of neutrality, whereby each subsidiary determines its tax and contributes to the group tax as if it were not consolidated. The tax expense owed by each subsidiary is not amended as a result of its tax consolidation. Any tax savings or expense generated by consolidation is recognized by Natixis as the parent company.

2.3. INFORMATION ON BALANCE SHEET ITEMS

2.3.1. Assets

2.3.1.1. Intangible assets

(in € thousands)	12/31/2013	Acquisitions	Disposals	12/31/2014
Gross value	4	309	4	309
in progress		*309*		*309*
completed	*4*		*4*	*0*
Depreciation and amortization/Impairment	-4		-4	0
Net value	**0**			**309**

Acquisitions made during the fiscal year comprise software integration expenses incurred in preparing for the entry into force of Pillar 3 of the Solvency 2 Directive as of January 1, 2016. Work will continue on this project in 2015.

2.3.1.2. Long-term investments

(in € thousands)	12/31/2013	Acquisitions	Disposals	Allowances - Reversals	12/31/2014
Investments in associates	964,965	291,976			1,256,941
Receivables related to investments in affiliates	61,208	292,490	2,028		351,670
Impairment	**-187**			**187**	**0**
• *o/w Ofivalmo Partenaires*	*-187*			*187*	*0*
Net value	**1,025,986**	**584,466**	**2,028**	**187**	**1,608,611**

Given the clearly determined prospect of selling an equity investment based on a valuation close to its cost price, the previously recognized provision for impairment was reversed in the amount of €187k.

2.3.1.3. Investments in affiliates

(in € thousands)	Quantity of shares at January 1	Net amount at January 1	Quantity of shares at December 31	Net amount at December 31
BPCE Assurances	-	-	243,122	291,976
ABP Vie	6,933,973	820,028	6,933,973	820,028
Natixis Life	3,600,000	91,141	3,600,000	91,141
ABP Prévoyance	552,999	33,168	552,999	33,168
ABP IARD	4,948	14,847	4,948	14,847
Adir	169,970	5,474	169,970	5,474
Ofivalmo Partenaires	10,000	119	10,000	306
Fructi-Télésurveillance	1	n.s.	1	n.s.
TOTAL	**11,271,891**	**964,778**	**11,515,013**	**1,256,941**

(n.m.: not material)

On March 14, 2014, Natixis Assurances purchased 243,122 shares representing 60% of the share capital and voting rights in BPCE Assurances.

This acquisition can be broken down as follows:

- purchase of 187,918 shares from BPCE for €225,679,437;
- purchase of 55,204 shares from Muracef for €66,297,043.

2.3.1.4. Receivables related to investments in affiliates

In order to supplement items eligible for the minimum solvency capital requirement of its subsidiaries, the company granted subordinated loans with the following characteristics:

(in € thousands)

Subsidiary	Date of loan	Maturity	Interest rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet due at December 31
ABP Prévoyance	9/29/2004	9/29/2014	4.52%	2,000	-	2,000	-	-
ABP Prévoyance	9/29/2004	Indefinite	E3M + 1.7%*	3,000	-	-	3,000	-
ABP Vie	12/20/2007	12/20/2017	5.49%	15,000	-	-	15,000	23
ABP Vie	12/23/2010	Indefinite	7.32%	10,000	-	-	10,000	16
ABP Vie	12/30/2014	Indefinite	5.00%	-	250,000	-	250,000	35
Natixis Life	7/31/2012	7/31/2022	6.86%	8,000	-	-	8,000	236
Natixis Life	7/31/2012	Indefinite	7.86%	22,000	-	-	22,000	745
BPCE Assurances	7/31/2014	9/15/2015	3.95%	-	10,000	-	10,000	116
BPCE Assurances	7/5/2014	Indefinite	5.17%	-	5,336	-	5,336	-
BPCE Assurances	7/5/2014	Indefinite	5.17%	-	9,909	-	9,909	-
BPCE Assurances	7/5/2014	Indefinite	4.39%	-	5,336	-	5,336	-
BPCE Assurances	7/5/2014	Indefinite	4.30%	-	9,909	-	9,909	-
ABP Prévoyance	9/29/2014	9/29/2019	1.95%	-	2,000	-	2,000	10
TOTAL				**60,000**	**292,490**	**2,000**	**350,490**	**1,180**

** Interest rate valid from 9/29/2014; payable quarterly from that date.*

2.3.1.5. Current assets

Current assets	2014		2013	
(in € thousands)	Affiliates	Others	Affiliates	Others
Advances and prepayments		7		71
Other receivables	669	264	337	249
Short-term investment securities		22,426		31,782
Current accounts and cash		3,991		5,714
Prepaid expenses				7
TOTAL	**669**	**26,688**	**337**	**37,823**

The balance of €7k in "Advances and prepayments" comprises prepayments made to a supplier. The balance of €933k in "Other receivables" comprises:

- balances with affiliates amounting to €669k for the reinvoicing of management fees to subsidiaries;
- accrued income of €224k, in accordance with a co-brokerage agreement.

Short-term investment securities recorded in assets comprise EUR-denominated short-term money market UCITS, which can be broken down as follows:

(in € thousands) ISIN code	Name	NAV at 12/31/2014	Mark-to-market at 12/31/2014	NAV at 12/31/2013
FR0000027864	NATIXIS INST JOUR C SI 1DEC	944	946	14,054
FR0000293714	NATIXIS TRESO EURIBOR 3 MOIS	0	0	17,728
FR0010831693	NAT CASH EURIB 4DEC	21,482	21,485	0
TOTAL		**22,426**	**22,431**	**31,782**

"Current accounts and cash" had a balance of €3,991k at year-end, consisting of a bank account opened with Caceis.

2.3.1.6. Maturities of receivables

(in € thousands)	Gross amount at 12/31/2013	Gross amount at 12/31/2014	<= 1 year	> 1 year and < 5 years	> 5 years
Receivables related to investments in affiliates	61,208	351,670	1,180	17,000	333,490
Other trade receivables	71	7	7	-	-
Group and affiliates	337	669	669	-	-
Sundry debtors	249	264	264	-	-
Prepaid expenses	7	-	-	-	-
TOTAL	**61,872**	**352,610**	**2,120**	**17,000**	**333,490**

2.3.1.7. Expenses deferred over several fiscal years

At December 31, 2014, this item consisted of bond issuance costs. These costs are amortized using an actuarial method until the optional early redemption date.

2.3.1.8. Translation adjustments - assets

The company set up a USD foreign exchange hedge for its stake in ADIR.

(in € thousands)	2014	2013
Translation adjustments - assets	744	170
TOTAL	**744**	**170**

2.3.2. Liabilities

2.3.2.1. Shareholders' equity – changes

(in € thousands)	1/1/2014	2013 allocation	Increase/decrease 2014	12/31/2014
Share capital	110,677	-	9,420	120,096
Additional paid-in capital	659,653	-	140,577	800,230
Optional reserve	25,879	-	-	25,879
Legal reserve	11,068	-	-	11,068
Retained earnings	95	29	-	124
Dividends paid	-	65,793	- 65,793	-
Net income (loss)	65,822	- 65,822	121,207	121,207
TOTAL	**873,193**	**0**	**205,410**	**1,078,603**

All shares entitle their holders to dividends and equivalent voting rights. The company does not hold any treasury shares and did not purchase or sell treasury shares during the fiscal year.

2.3.2.2. Bonds

"Other bonds" comprise bonds issued by Natixis Assurances to private investors in December 2014

Counterparty	Date of loan	Maturity	Interest rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet due at December 31
Private investors	12/29/2014	Indefinite(*)	5.00%	-	251,000	-	251,000	69
TOTAL				**0**	**251,000**	**-**	**251,000**	**69**

(*) These loans can be prepaid from December 29, 2025.

2.3.2.3. Loans and debt from credit institutions

"Loans and debt from credit institutions" comprise:

- a bank account with a credit balance of €620k opened with Natixis;
- medium- and long-term loans taken out by the company with Natixis.

Counterparty	Date of loan	Maturity	Interest rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet due at December 31
Natixis	12/21/2007	12/21/2017	5.13%	15,000	-	-	15,000	19
Natixis	6/20/2011	5/9/2017	4.30%	90,000	-	-	90,000	2,086
Natixis	7/31/2012	7/31/2022	6.86%	8,000	-	-	8,000	236
Natixis	7/31/2012	Indefinite	7.86%	22,000	-	-	22,000	745
Natixis	12/21/2012	12/21/2017	1.96%	49,000	-	-	49,000	24
Natixis	3/12/2014	1/31/2015	0.65%	-	117,000	-	117,000	-
TOTAL				**184,000**	**117,000**	**0**	**301,000**	**3,110**

2.3.2.4. Accounts payable and related payables

Accounts payable came to €61k and exclusively comprised expenses payable relating to statutory auditors' fees.

Liabilities *(in € thousands)*	2014		2013	
	Affiliates	Others	Affiliates	Others
Invoices to be received	-	61	-	46
TOTAL	**0**	**61**	**0**	**46**

2.3.2.5. Tax and social security payables

Amounting to €6k, tax and social security payables comprise various withholding taxes taken from attendance fees paid to company directors in 2014.

2.3.2.6. Sundry creditors

Liabilities *(in € thousands)*	2014		2013	
	Affiliates	Others	Affiliates	Others
Sundry creditors	2,921	650	2,796	182
TOTAL	**2,921**	**650**	**2,796**	**182**

"Sundry creditors", amounting to €3,570k, consists of balances with affiliates in the amount of €2,921k, which can be broken down as follows:

- a current account with Natixis in respect of management fees for €1,744k and €87k in respect of the tax consolidation agreement;
- a current account with ABP Vie for €1,089k, consisting of prepayments in respect of the distribution of operating expenses;
- and accrued expenses of €650k, mostly including expense incurred in issuing a bond on the market. These issuance costs were spread out over the term of the bond.

2.3.2.7. Maturities of payables

Maturities of amounts payable *(in € thousands)*	Gross amount at 12/31/2013	Gross amount at 12/31/2014	<= 1 year	> 1 year and =< 5 years	> 5 years
Loans – private investors	-	-	-	-	251,000
Loans - Natixis	187,234	555,178	120,178	154,000	30,000
Current accounts and cash	817	620	620	-	-
Accounts payable and related payables	46	61	61	-	-
Tax and social security payables	47	6	6	-	-
Other amounts payable	2,979	3,570	3,570	-	-
TOTAL	**191,123**	**559,435**	**124,435**	**154,000**	**281,000**

2.3.2.8. Commitments by currency

Assets and commitments by currency *(translated in € thousands)*		2014 balance sheet			2013 balance sheet		
		Assets	Liabilities	Aggregates concerned	Assets	Liabilities	Aggregates concerned
EUR and euro zone currencies	EUR	1,638,193	1,638,193	-	1,058,635	1,064,317	-
Tunisian dinar	TND	-	-	-	5,682	-	Cash and cash equivalents
Swiss franc	CHF	-	-	-	-	-	-
TOTAL		**1,638,193**	**1,638,193**	**-**	**1,064,317**	**1,064,317**	**-**

2.4. INFORMATION ON INCOME

2.4.1. Statutory Auditors' fees

Statutory auditors' fees for the fiscal year amounted to €162k and covered the audit of the parent company and consolidated financial statements for fiscal year 2014.

(in € thousands)	2014	2013
Independent audit, certification and examination of the individual and consolidated financial statements	89	89
Other procedures and services directly related to the statutory auditors' assignment	276	-
Sub-total	**365**	**89**
Legal, tax and employee related	-	-
Others	**105**	-
Sub-total	**105**	**0**
TOTAL	**470**	**89**

The increase in audit costs between fiscal years 2013 and 2014 can be attributed to the limited review of the interim financial statements conducted for the bond issue.

These costs can be broken down as follows:

- expenses of €89k (with tax) for the statutory auditors' activity, certification and examination of the individual and consolidated financial statements;
- expenses of €276k (with tax) for other due diligence reviews and services directly related to the statutory auditors' assignment, of which €84k (with tax) for the limited review of the interim financial statements and €192k (with tax) for the review of the issue prospectus. The €192k expense (with tax) was recorded under "Fees and commissions on bond issues."

Audit firm EY, which is not the company's auditor, advised on the "Aveline due diligence" project for the negotiation of reinsurance agreements with CNP, for a fee of €105k.

2.4.2. Financial income

Financial income comprises the following items:

Income *(in € thousands)*	12/31/2014		12/31/2013	
	Affiliates	Others	Affiliates	Others
Income from investments in affiliates	125,438	8	71,643	-
Interest income on current accounts	-	-	-	-
Income from loans	4,978	-	4,403	-
Net income on disposals of investment securities	-	80	-	21
Change in provision for permanent impairment	-	187	-	-
Foreign exchange gain	-	-	-	16
TOTAL FINANCIAL INCOME	**130,416**	**275**	**76,047**	**37**

Dividends received on investments in affiliates can be broken down as follows:

Investments in affiliates *(in € thousands)*	12/31/2014	12/31/2013
ABP Vie	105,743	52,262
ABP Prévoyance	13,936	15,788
ABP IARD	2,474	2,721
Natixis Life	2,200	0
Adir	1,085	872
Ofivalmo Partenaires	8	0
TOTAL	**125,446**	**71,643**

2.4.3. Financial expenses

Financial expenses comprise the following items:

Expenses *(in € thousands)*	12/31/2014		12/31/2013	
	Affiliates	Others	Affiliates	Others
Impairment of long-term investments	-	-	-	-
Interest on loans and similar debt	8,682	-	9,265	-
Interest expenses on current accounts	-	12	-	-
Management fees	-	2	-	2
Foreign exchange loss	99	-	-	-
TOTAL FINANCIAL EXPENSES	**8,781**	**14**	**9,265**	**2**

2.4.4. Tax expense

Tax expense *(in € thousands)*	**2014**	**2013**
Tax payable	151	- 2
Deferred tax expense	0	0
Total tax expense	**151**	**- 2**
• *o/w non-recurring*	*0*	*0*
• *o/w related to previous fiscal years*	*0*	*0*

RECONCILIATION BETWEEN THEORETICAL TAX EXPENSE AND REAL TAX EXPENSE

(in € thousands)	**2014**	**2013**
Accounting result before tax:	121,358	65,822
Theoretical tax expense at 34.43%	41,784	22,663
Impacts on theoretical tax of:	- 41,632	- 23,618
- income tax at reduced rate (0%) on long-term capital gains	*-*	*994*
- limitation on deductibility of financial expenses	*320*	*251*
- dividends subject to parent-subsidiary tax scheme	*- 41,029*	*- 23,434*
- permanent differences	*28*	*17*
- acquisition costs on investments in associates	*- 35*	*534*
- bond issuance costs	*- 404*	*0*
- tax credits	*-*	*- 2*
- other items	*- 12*	*10*
- tax losses deducted during the fiscal year	*- 500*	*0*
Tax loss carry forward	-	953
REAL TAX EXPENSE	**151**	**- 2**

2.4.5. Income

2014 income resulted in profit of €121.2 million, up by €55.4 million compared to 2013, thanks in large part to increased dividends received from subsidiaries.

2.5. PARENT COMPANY – CONSOLIDATION

Natixis Assurances is a wholly-owned subsidiary of Natixis, whose registered office is located at 30, avenue Pierre Mendès France in the 13th arrondissement of Paris. The financial statements of Natixis Assurances and the subsidiaries in which it holds a majority stake are fully consolidated by Natixis and BPCE.

2.6. OFF-BALANCE SHEET COMMITMENTS

At December 31, 2014, the company's off-balance sheet commitment consisted of the foreign exchange hedge in USD on the ADIR shares.

3. Parent company results for the last five years

NATIXIS ASSURANCES' RESULTS FOR THE LAST FIVE YEARS

(in € thousands)	2010	2011	2012	2013	2014
SHARE CAPITAL AT DECEMBER 31					
Share capital	110,677	110,677	110,677	110,677	120,096
Number of ordinary shares outstanding	14,505,460	14,505,460	14,505,460	14,505,460	15,740,000
OPERATIONS AND INCOME FOR THE YEAR					
Revenue (without tax)	0	200	200	228	234
Income before tax, depreciation, amortization and provisions	145,699	23,878	16,817	65,820	121,358
Income tax	- 11	- 9	- 4	- 2	151
Income after tax, depreciation, amortization and provisions	145,710	23,887	16,821	65,822	121,207
Distributed earnings	145,055	24,514	16,826	65,793	119,624
EARNINGS/(LOSS) PER SHARE *(in EUR)*					
Income after tax but before depreciation, amortization and provisions(1)	10.05	1.65	1.16	4.54	7.70
Income after tax, depreciation, amortization and provisions(1)	10.05	1.65	1.16	4.54	7.70
Dividend per share(2)	10.00	1.69	1.16	4.18	7.60
EMPLOYEE DATA					
Average headcount during the fiscal year	0	0	0	0	0
Wage bill for the fiscal year	0	0	0	0	0
Amount paid for employee benefits (social security and welfare)	0	0	0	0	0

(1) Based on the weighted average number of shares outstanding during the fiscal year, calculated in accordance with OEC (French Order of Certified Public Accountants) Notice N°. 27.

(2) The dividend paid on each share reflects the capital increase in February 2014 and the creation of 1,234,540 new shares.

4. Subsidiaries and affiliates

STATEMENT OF SUBSIDIARIES AND AFFILIATES

Subsidiaries and affiliates Detailed information (in € thousands)	Capital	Reserves and retained earnings before distribution of earnings	% interest held	Carrying amount of shares held		Loans and advances granted by the company and not yet repaid	Guarantees and endorsements given by the company	Revenue (without tax) for the last fiscal year ended	Net income (profit/loss) for the last fiscal year ended	Dividends received by the company during the fiscal year
SUBSIDIARIES *(over 50%-owned)*				Gross	Net					
ABP VIE 30. avenue Pierre Mendès France 75013 PARIS SIREN N°.: 349,004,341 Mixed-activity insurance company	803,016	147,009	100	821,078	821,078	275,000	-	3,499,890	96,133	105,743
ABP PRÉVOYANCE 30. avenue Pierre Mendès France 75013 PARIS SIREN N°.: 352 259 717 Non-life insurance company	23,502	2,839	100	33,168	33,168	5,000	-	177,735	14,345	13,936
NATIXIS LIFE 51. avenue JF Kennedy L- 2 951 LUXEMBOURG Trade Register N°.: B60,633 Life insurance company	90,000	6,566	100	91,141	91,141	30,000	-	1,356,943(*)	3,397(*)	2,200
BPCE ASSURANCES 88 avenue de France 75013 PARIS SIREN N°.: 501,633,275 Non-life insurance company	118,289	121,018	60	292,319	292,319	40,490	-	712,438	53,741	-
AFFILIATES *(between 10% and 50%-owned)*				Gross	Net					
ASSURANCES BANQUE POPULAIRE IARD Chaban de Chauray BP 9003 79093 NIORT Cedex SIREN N°.: 401 380 472 Non-life insurance company	50,000	31,453	49	14,847	14,847	-	-	297,370	11,576	2,474
ADIR Aya Commercial Center Dora Beirut - LEBANON Trade Register N°.: 46 238 Mixed-activity insurance company	12,483	10,135	34	5,474	5,474	-	-	23,220	7,682	1,085
General information										
SUBSIDIARIES *(combined)*	1,034,807	277,432	-	1,258,027	1,258,027	323,490	-	5,747,006	167,616	121,879
AFFILIATES *(combined)*	62,483	41,588	-	20,321	20,321	-	-	320,590	19,258	3,559

** Provisional data, not approved by the Board of Directors.*

Statutory Auditors' Reports

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Natixis Assurances;
- the justification of our assessments;
- the specific verification and information required by French law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit in order to obtain reasonable assurance on whether the annual financial statements are free of material misstatements. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also involves assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the Group's assets and liabilities and financial position at December 31, 2014, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of Article L 823-9 of the French Commercial Code regarding the justification of our assessments, we would draw the following items to your attention:

- financial assets and derivatives are recognized and measured as explained in Note 5.2.4 to the financial statements. We examined the conditions of the valuation and impairment of financial instruments. We verified the suitability of the procedure for measuring financial instruments and impairment, as well as the information provided in the notes pertaining to financial instruments;
- your company's Management uses other estimates on statistical and actuarial bases in the usual course of preparing the consolidated financial statements, particularly with respect to certain technical items specific to the insurance and reinsurance business, in the assets and liabilities of the group's financial statements, and particularly in underwriting reserves. Our work consisted in examining the methods and assumptions used, assessing the resulting valuations and ensuring that appropriate information is given in the notes to the financial statements;
- deferred tax assets and liabilities are recognized and measured as explained in Note 5.3.10 to the financial statements. We examined the main estimates and assumptions on which the recognition of deferred tax assets was based.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

As required by law, we also specifically verified the information presented in the Group's Management Report, in accordance with the professional standards applicable in France.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

French original signed in Neuilly-sur-Seine and Courbevoie on May 11, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit

Michel Laforce
Partner

Xavier Crépon
Partner

Mazars

Jean-Claude Pauly
Partner

Statutory auditors' report on the report of the Chairman of the Board of Directors of Natixis Assurances

To the Shareholders,

In our capacity as Statutory Auditors of Natixis Assurances, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information;
- to attest that the report includes the other information required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the accuracy of this information.

We conducted our work in accordance with the professional standards applicable in France.

Information regarding the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information.

Professional standards require that we implement procedures aimed at assessing the fairness of the information provided in the Chairman's report regarding internal control and risk management procedures in respect of the preparation and processing of the accounting and financial information. These procedures primarily consisted in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the financial and accounting information on which the information presented in the Chairman's report is based and of the existing documentation;
- familiarizing ourselves with work done to prepare this information and with existing documentation;
- determining whether any material weakness in internal control and risk management relating to the preparation and processing of accounting and financial information noted during our audit is properly reported in the Chairman's report.

On the basis of our work, we have no matters to report on the information provided regarding the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code.

Other information

We certify that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

French original signed in Neuilly-sur-Seine and Courbevoie on May 11, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit		Mazars
Michel Laforce *Partner*	Xavier Crépon *Partner*	Jean-Claude Pauly *Partner*

Statutory Auditors' Report on the Annual Financial Statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying annual financial statements of Natixis Assurances;
- the justification of our assessments;
- the specific verification and information required by French law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit in order to obtain reasonable assurance on whether the annual financial statements are free of material misstatements. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also involves assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the Company's assets and liabilities and financial position, and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of Article L 823-9 of the French Commercial Code regarding the justification of our assessments, we would draw the following items to your attention:

- investments in affiliates are recognized and measured as described in Note 2.2.2. "Long-term investments" to the financial statements.

We ensured that the valuation methods were properly applied and assessed the data and assumptions on which valuations are based, as well as the classification methods used based on the documentation established by the company.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed the specific verifications required by French law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' Management Report, and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by directors and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we certify the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the various information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

French original signed in Neuilly-sur-Seine and Courbevoie on May 11, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit		Mazars
Michel Laforce *Partner*	Xavier Crépon *Partner*	Jean-Claude Pauly *Partner*

Statutory auditors' report on the report of the Chairman of the Board of Directors of Natixis Assurances

To the Shareholders,

In our capacity as your Company's Statutory Auditors, we hereby submit our report on related-party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of the contractual agreements and commitments indicated to us or that we may have identified in the performance of our assignment. It is not our role to comment as to whether they are beneficial, or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required to inform you, in accordance with Article R. 225-31 of the French Commercial Code, of the execution during the past financial year of the agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures we considered necessary to comply with the professional code of the Compagnie Nationale des Commissaires aux Comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments authorized during the previous fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments, which were subject to the prior approval of your Board of Directors.

Acquisition by Natixis Assurances of all the share capital in BPCE Assurances held by BPCE and Muracef.

The agreement between BPCE and Muracef (sellers) on the one hand, and Natixis Assurances (buyer) on the other, was signed on March 14, 2014. This agreement covered the acquisition of 60% of the share capital in BPCE Assurances for €291,976,000. As a result of this acquisition, these shares are recorded under assets for this amount in Natixis Assurances' financial statements at December 31, 2014.

This acquisition was subject to the prior approval of your Board of Directors on February 19, 2014.

Directors and/or persons concerned: Gérard Bellemon, member of the BPCE Supervisory Board and member of the Natixis Assurances Board of Directors.

AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS FISCAL YEARS AND STILL IN EFFECT DURING 2014

We hereby inform you that we have not been notified of any agreements already approved by the General Shareholders' Meeting that would be continued to be performed in the fiscal year ended.

French original signed in Neuilly-sur-Seine and Courbevoie on May 11, 2015
The Statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Michel Laforce
Partner

Xavier Crépon
Partner

Jean-Claude Pauly
Partner

Legal information

1. List of corporate officers

LEQUOY Jean-François			
Company name	**Office**	**Legal form**	**Represents**
NATIXIS ASSURANCES (since 3/18/2014)	Chairman of the Board of Directors	SA	
BPCE ASSURANCES (since 10/24/2014)	Chairman of the Board of Directors	SA	
GROUPEMENT FRANÇAIS DES BANCASSUREURS (since 7/1/2014)	Vice-Chairman	Association	
MPO INTERNATIONAL	Member of the Board	SA	

SERVANT Pierre			
Company name	**Office**	**Legal form**	**Represents**
NATIXIS GLOBAL ASSET Management	Chief Executive Officer	SA	
NAXICAP PARTNERS	Vice-Chairman of the Supervisory Board	SA	
OSSIAM	Vice-Chairman of the Supervisory Board	SA	
NATIXIS ASSET Management	Chairman of the Board of Directors	SA	
BANQUE PRIVÉE 1818	Chairman of the Board of Directors	SA	
NATIXIS ASSURANCES (until 3/18/2014)	Chairman of the Board of Directors	SA	
NATIXIS PRIVATE EQUITY (from 6/20/2014 to 11/24/2014)	Chairman of the Board of Directors	SA	
NATIXIS PRIVATE EQUITY (until 11/24/2014)	Member of the Board	SA	
AEW EUROPE	Member of the Board and member of the Compensation Committee	SA	
AEW CAPITAL Management INC	Member of the Board of Directors	INC	
ALPHASIMPLEX GROUP LLC (until 3/7/2014)	Member of the Board of Managers	LLC	
ALTERNATIVE STRATÉGIES GROUP LLC (until 3/7/2014)	Member of the Board of Managers	LLC	
HARRIS ASSOCIATES INC	Member of the Board of Directors	INC	
LOOMIS, SAYLES & CO INC	Member of the Board of Directors	INC	
NGAM DISTRIBUTION CORPORATION	Member of the Board of Directors	CORP	
NATIXIS US HOLDING INC	Chairman of the Board of Directors	INC	
NATIXIS GLOBAL ASSET Management LP	Chairman of the Board of the General Partner	LP	
NATIXIS GLOBAL ASSET Management LLC	Chairman of the Board of Managers	LLC	
NATIXIS GLOBAL ASSET Management 2. LLC	Chairman of the Board of Managers	LLC	
NGAM INTERNATIONAL LLC	Chairman of the Board of Managers	LLC	

BELLEMON Gérard			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE VAL DE FRANCE	Chairman of the Board of Directors	SA	
SUARD BELLEMON	Chairman	SAS	
SOBEGEST	Chairman	SAS	
BPCE	Member of the Supervisory Board and the Appointments and Compensation Committee	SA	
NATIXIS ASSURANCES	Member of the Board	SA	

BRUNET-LECOMTE Jean			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE LOIRE ET LYONNAIS	Chairman of the Board of Directors	SA	
NATIXIS ASSURANCES	Member of the Board	SA	
FONDATION ÉMERGENCE	Member of the Board	Foundation	
JBLD	Managing Partner	SARL	
FONDATION DE DOTATION DEVENIR (since 3/13/2014)	Chairman	Foundation	

DU PAYRAT Christian			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE PROVENÇALE ET CORSE	CEO	SA	
BANQUE CHAIX	CEO	SA	
SOCIÉTÉ DE CAPITAL RISQUE PROVENCE CORSE	Chairman	SAS	
COMITÉ DES BANQUES PACA DE LA FBF	Chairman of the Committee	Federation	
NATIXIS ASSURANCES	Member of the Board	SA	
NATIXIS PAYMENT SOLUTIONS	Member of the Board	SA	
NATIXIS GLOBAL ASSET Management	Member of the Board	SA	
BPCE ACHATS	Member of the Board	GIE	
ALBIANT-IT	Member of the Board	SA	
FONDATION AIX-MARSEILLE UNIVERSITÉS	Founding member - Management Board	Foundation	
SCI PYTHEAS PRADO 1	Managing Partner	SCI	
SCI PYTHEAS PRADO 2	Managing Partner	SCI	
ASSOCIATION DES BP POUR LA CRÉATION D'ENTREPRISE	Member of the Board	Association	BP PROVENÇALE ET CORSE
ASSOCIATION DES BP POUR LA COOPÉRATION ET LE DÉVELOPPEMENT	Member of the Board	Association	BP PROVENÇALE ET CORSE
INFORMATIQUE BANQUES POPULAIRES (I-BP)	Member of the Board	SA	BP PROVENÇALE ET CORSE
INSTITUT DES HAUTES ÉTUDES POUR LA SCIENCE ET LA TECHNOLOGIE (IHEST)	Member of the Board	EPA	

DOREMUS François			
Company name	**Office**	**Legal form**	**Represents**
CREDIT COOPERATIF	Chief Executive Officer	SA	
BATI LEASE	Chairman of the Board of Directors	SA	
INTER-COOP	Chairman of the Board of Directors	SAS	
INTERCOP-LOCATION	Chairman of the Board of Directors	SA	
NATIXIS ASSURANCES	Member of the Board	SA	
NATIXIS LEASE	Member of the Board	SA	
ESFIN GESTION	Member of the Supervisory Board	SA	
BTP BANQUE	Member of the Supervisory Board	SA	CREDIT COOPERATIF
BTP CAPITAL INVESTISSEMENT (until 4/8/2014)	Member of the Board	SA	INTERCOOP
ECOFI INVESTISSEMENTS (since 9/8/2014)	Member of the Board	SA	CREDIT COOPERATIF
ECOFI INVESTISSEMENTS (until 9/8/2014))	Member of the Board	SA	INTERCOP LOCATION

DUCHESNE Bruno			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Chief Executive Officer	SA	
NATIXIS ASSURANCES	Member of the Board	SA	
CRÉDIT FONCIER	Member of the Board	SA	
ALBIANT-IT (since 6/13/2014)	Member of the Board	SA	
PRIAM BANQUE POPULAIRE	Member of the Board	GIE	
BPCE DOMAINES (until le 5/19/2014)	Member of the Board	SA	
IM BP	Managing Partner	SCI	
INFORMATIQUE-BANQUE POPULAIRE	Member of the Board	SA	BP BOURGOGNE FRANCHE-COMTÉ
SOCIÉTARIAT BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	Chairman	SAS	BP BOURGOGNE FRANCHE-COMTÉ

FLEURY Bernard			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE CÔTE D'AZUR	Chairman of the Board of Directors	SA	
S.C. ELIA	Chairman	SC	
NATIXIS ASSURANCES	Member of the Board	SA	
NATIXIS INTEREPARGNE	Member of the Board	SA	
BANQUE CHAIX	Member of the Board	SA	
ASSURANCES BANQUE POPULAIRE IARD	Membre du conseil de surveillance	SA	
COPELIA - Groupe ALLIOS	Member of the Board	Holding company	
CHÂTEAU SAINT-JULIEN D'AILLE	Managing Partner	SARL	
FONDATION D'ENTREPRISE BANQUE POPULAIRE	Member of the Board	Foundation	BPCA

GARCIN Pierre			
Company name	**Office**	**Legal form**	**Represents**
MURACEF (since 12/16/2014)	Chief Executive Officer	SAM	
SURASSUR	Chairman of the Board of Directors	SA	
BPCE ASSURANCES (until 10/24/2014)	Chairman of the Board of Directors	SA	
BPCE ASSURANCES PRODUCTION SERVICES	Member of the supervisory Committee	SAS	
SOPASSURE	Member of the Board	SA	
ECUREUIL VIE DÉVELOPPEMENT	Member of the Board	SAS	
ABP VIE	Member of the Board	SA	
HOLASSURE	Chairman	SAS	
CNP ASSURANCES	Non-Voting	SA	
NATIXIS ASSURANCES	Member of the Board	SA	BPCE
MURACEF (until 12/16/2014)	Member of the Board	SAM	BPCE
ASSURANCES BANQUE POPULAIRE IARD	Member of the Supervisory Board	SA	BPCE

GRENET Yves			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE DU NORD	Chairman of the Board of Directors	SA CCV	
NATIXIS ASSURANCES	Member of the Board	SA	

JECHOUX Claude			
Company name	**Office**	**Legal form**	**Represents**
CASDEN BANQUE POPULAIRE	Vice-Chairman, Deputy CEO	SA	
SA PARNASSE SERVICES	Chairman of the Board of Directors	SA	
GAIA	Vice-Chairman of the Supervisory Board	SA	
NATIXIS ASSURANCES	Member of the Board	SA	
PARNASSE MAIF SA	Member of the Board	SA	
UMR	Member of the Board	Union de Mutuelle	
CEGC (since 5/22/2014)	Member of the Board	SA	
BANQUE MONETAIRE ET FINANCIERE	Member of the Board	SA	CASDEN BANQUE POPULAIRE
SCI MONTORGUEIL-BACHAUMONT	Managing Partner	SCI	SAS FINANCE
SARL INTER-PROMO	Managing Partner	SARL	
SARL SGTI	Managing Partner	SARL	

LECLERC Gilles			
Company name	**Office**	**Legal form**	**Represents**
SA OUEST TRANSACTION	Chairman	SA	
SA MONTGERMONT 1	Chairman	SA	
SAS CELTEA VOYAGES	Chief Executive Officer	SA	
SAS OUEST LOGISTIQUE VOYAGES	Chief Executive Officer	SAS	
SAS SOCIÉTARIAT BPO	Chief Executive Officer	SAS	
SA INGÉNIERIE DÉVELOPPEMENT	Member of the Board	SA	
OPCI FRUCTIFRANCE IMMOBILIER	Member of the Board	SPPICAV	
NATIXIS ASSURANCES	Member of the Board	SA	BP DE L'OUEST

MARTINIE Dominique			
Company name	**Office**	**Legal form**	**Represents**
BANQUE POPULAIRE DU MASSIF CENTRAL	Chairman of the Board of Directors	SA	
BCI-BANQUE COMMERCIALE INTERNATIONALE (CONGO)	Chairman of the Board of Directors	SA	
FÉDÉRATION NATIONALE DES BANQUES POPULAIRES (since 3/14/2014)	Chairman	Association	
BENAC	Chairman	SAS	
FONDATION D'ENTREPRISE BANQUE POPULAIRE (until 6/5/2014)	Chairman	Foundation	
LABORATOIRES THÉA	Vice Chairman	SAS	
BPCE (since 3/12/2014)	Non-voting director on the Supervisory Board	SA	FNBP
NATIXIS ASSURANCES	Member of the Board	SA	
BP DÉVELOPPEMENT	Member of the Board	SA	
BPCE INTERNATIONAL ET OUTREMER	Member of the Board	SA	
NATIXIS PRIVATE EQUITY (until 9/23/2014)	Member of the Board	SA	
FONDATION UNIVERSITÉ AUVERGNE	Member of the Board	Foundation	
FONDATION INSTITUT FRANÇAIS DE MÉCANIQUE AVANCÉE	Member of the Board	Foundation	

OLIVIER André-Jean			
Company name	**Office**	**Legal form**	**Represents**
COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE EXTÉRIEUR	Member of the Board	SA	
NATIXIS ASSET Management	Member of the Board	SA	
NATIXIS PRIVATE EQUITY	Member of the Board	SA	NATIXIS
NATIXIS ASSURANCES	Member of the Board	SA	NATIXIS
NATIXIS ASSET Management FINANCE	Member of the Board	SA	NATIXIS
NATIXIS CONSUMER FINANCE	Member of the Board	SA	NATIXIS
NATIXIS FINANCEMENT	Member of the Board	SA	NATIXIS

ROUX Michel			
Company name	**Office**	**Legal form**	**Represents**
FRUCTI RÉSIDENCE	Member of the Supervisory Board	SCPI	
SOCFIM	Member of the Supervisory Board	SA	
NATIXIS ASSURANCES	Member of the Board	SA	
NATIXIS FACTOR	Member of the Board	SA	
PRAMEX INTERNATIONAL	Member of the Board	SA	
BANQUE DES ANTILLES FRANÇAISES	Member of the Board	SA	
BANQUE PRIVÉE 1818	Member of the Board	SA	BPCE
NATIXIS CONSUMER FINANCE	Member of the Board	SA	BPCE
NATIXIS FINANCEMENT	Member of the Board	SA	BPCE
INFORMATIQUE BANQUE POPULAIRE	Member of the Board	SA	BPCE

SARDA Didier			
Company name	**Office**	**Legal form**	**Represents**
NATIXIS ASSURANCES	Member of the Board	SA	BP DU SUD

BROUTÈLE Nathalie			
Company name	**Office**	**Legal form**	**Represents**
NATIXIS ASSURANCES	Chief Executive Officer	SA	
ABP PRÉVOYANCE	Chairman of the Board of Directors	SA	
NATIXIS LIFE LUXEMBOURG	Chairman of the Board of Directors	SA	
ABP VIE	Chairman of the Board of Directors	SA	
ASSURANCES BANQUE POPULAIRE IARD (until 12/12/2014)	Member of the Management Board	SA	
GROUPEMENT FRANÇAIS DES BANCASSUREURS (since 4/15/2014)	Member of the Board	Association	
WOMEN IN NATIXIS NETWORK (WINN)	Chairman	Association	
UNIVERSITÉ DE L'ASSURANCE	Member of the Executive Board	Association	
GROUPE ADONIS D'ASSURANCE ET DE RÉASSURANCE - ADIR SAL	Member of the Board	SAL	NATIXIS ASSURANCES
BULL (until 8/19/2014)	Member of the Board	SA	

DOUBROVINE Laurent			
Company name	**Office**	**Legal form**	**Represents**
NATIXIS ASSURANCES	Deputy Chief Executive Officer	SA	
ABP VIE (since 1/2/2014)	Chief Executive Officer	SA	
INSTITUT DE FORMATION DE LA PROFESSION DE L'ASSURANCE (until 12/31/2014)	Chairman	Association	
ABP PRÉVOYANCE	Member of the Board	SA	
NATIXIS LIFE - LUXEMBOURG	Member of the Board	SA	
NAMI AEW EUROPE	Member of the Board	SA	NATIXIS
ASSURANCES BANQUE POPULAIRE IARD	Member of the Supervisory Board	SA	NATIXIS ASSURANCES

2. Minutes of the Ordinary General Shareholders' Meeting
of May 26, 2015

FIRST RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, having reviewed the report of the Board of Directors and the General Statutory Auditors' Report on the financial statements for the fiscal year ended December 31, 2014, hereby approves the parent company financial statements for fiscal year 2014, as presented to the Meeting, and the transactions contained in these financial statements or summarized in these reports, reporting profit of €121,206,776.80.

SECOND RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, following the proposal of the Board of Directors, hereby allocates the amount available for distribution comprising:

• profit for the year	€121,206,776.80
• retaining earnings at 12/31/2014	€123,608.53
i.e. a total of	€121,330,385.33

As follows:

• dividend	€119,624,000.00
• legal reserve	€941,954.02
• retained earnings	€764,431.31
i.e. a total distribution of	€121,330,385.33

The General Shareholders' Meeting notes that the net dividend was €7.60 (*) for each of the 15,740,000 shares forming the share capital.

The dividend is payable from June 9, 2015, after the option period for the payment of the dividend in shares.

The General Shareholders' Meeting duly notes that the following dividends were paid in respect of the past three fiscal years:

Fiscal year	2011	2012	2013
Dividend per share	€1.69 (*)	€1.16 (*)	€4.18 (*)
Total amount of dividend paid	€24,514,227	€16,826,333	€65,793,200

(*) Dividends are eligible for the allowance under the provisions of Article 158-3 2° of the French General Tax Code.

THIRD RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, having:

- read the report of operations carried out by Natixis Assurances and the companies included in its consolidation scope during the fiscal year ended December 31, 2014,
- read the consolidated financial statements for the fiscal year;
- heard the Statutory Auditors' report on the consolidated financial statements;

hereby approves the consolidated financial statements as presented to the Meeting.

FOURTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, having reviewed the report of the Board of Directors and the Statutory Auditor's Special Report on the determination of the share price, hereby decides in accordance with regulations in force and with Article 33 of the by-laws, that the dividend for the fiscal year will be paid, at the shareholder's discretion, either in cash or shares.

The issue price of new shares, determined on the basis of the company's net accounting position at the end of fiscal year 2014, minus the amount of the proposed dividend, totaled €60,926 including additional paid-in capital of €53,296.

New shares will be created at January 1, 2015 and will have the same characteristics as shares entitling their holders to dividends.

The option to receive payment of the dividend in shares will be exercised no later than June 9, 2015, bearing in mind that shareholders may not request partial payment in shares and partial payment in cash. If their dividends do not entitle them to a whole number of shares, shareholders may receive either the next lowest whole number of shares plus cash compensation, or the next highest whole number of shares against an additional payment in cash.

All powers are granted to the Board of Directors to carry out the transactions subsequent to exercising the option and resulting capital increase, including in particular the power to amend the by-laws accordingly.

FIFTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, having reviewed the Statutory Auditor's Special Report on the agreements covered in Article L. 225-38 and following of the French Commercial Code, and deliberating on this report, hereby approves the conclusions thereof.

SIXTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of Gérard Bellemon, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

SEVENTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of Yves Grenet, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

EIGHTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of Dominique Martinie, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

NINTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of Banque Populaire de l'Ouest, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

TENTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of BPCE, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

ELEVENTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the directorship of Natixis, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

TWELFTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to renew the non-voting directorship of MAAF Assurances, which has expired, for a term of six (6) years to expire after the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

THIRTEENTH RESOLUTION

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, grants all powers to the bearer of the original or copy of these minutes to certify all decisions, powers and copies of these minutes, which will be filed in particular with the Registry of the Paris Commercial Court, to carry out all formalities related to the Trade and Companies Registry.

As all the items on the agenda had been addressed, the meeting was closed at nine thirty a.m.

Based on the foregoing, these minutes were prepared and signed by the members of the General Committee.

The Secretary,	The Scrutineers,	The Chairman,
Serge Gauzi	Natixis, *représentée par André-Jean Olivier,*	Pierre Servant

Michel Roux

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GROUPE BPCE