NATIXIS ASSURANCES

BEYOND BANKING

FINANCIAL REPORT 2016

This English translation of the 2016 financial statements is provided for information purposes only and only the French version is valid.

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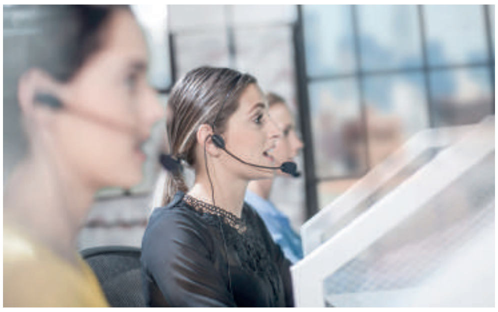


1 MANAGEMENT **report**

Report on the consolidated financial statements and the parent company financial statements

1. 2016 MARKED BY THE ROLLOUT OF LIFE AND PERSONAL PROTECTION INSURANCE BUSINESS IN THE CAISSE D'EPARGNE NETWORK

In accordance with the timetable for the *assurément#2016* program, the rollout of the new life and personal protection insurance offering within the Caisse d'Epargne network was initiated at the end of January and completed successfully in October 2016. This made the business line the sole insurer of new business signed by the Caisse d'Epargne network on these products. The new BPCE-CNP partnership agreements also came into force on 1 January 2016.

Another feature of 2016 was the entry into force of Solvency 2 for insurance companies. This development implied new regulatory issues, notably in terms of capital requirements.

1.1. ROLLOUT OF THE NEW LIFE AND PERSONAL PROTECTION INSURANCE OFFERING WITHIN THE CAISSE D'EPARGNE NETWORK

2016 witnessed the completion of the *assurément#2016* program, via the commercialization of the new life and personal protection insurance offering within the Caisse d'Epargne network. The rollout was initiated with two pilot Caisses d'Epargne banks in January and was successfully followed up with a first rollout wave in June and a second in October. Since October 2016, all Caisses d'Epargne banks have been distributing the Natixis Assurances offering, thereby making the Company the sole insurer for new business signed by the Caisse d'Epargne network on these products.

The commercialization of this new offering in 2016 generated €1.839 billion of revenue and the sale of 112,000 policies in the investment solutions segment, together with €3 million of revenue and 91,000 policies in the personal protection insurance segment.

1.2. ENTRY INTO FORCE OF NEW PARTNERSHIP AGREEMENTS BETWEEN THE BPCE AND CNP GROUPS

The new partnership agreements between BPCE and CNP came into force on January 1, 2016. In order to facilitate management of the Caisse d'Epargne's existing portfolio with CNP, the parties' interests were aligned via a cross-reinsurance mechanism, notably involving:

- the acceptance via reinsurance of 10% of the Caisse d'Epargne Life portfolio built up by CNP as at December 31, 2015 (€11.7 billion);
- the cession via reinsurance by Natixis Assurances to CNP of 40% of new with-profits life insurance business originated via the Caisse d'Epargne network.

In addition, Natixis Assurances coinsures 34% of new group payment protection insurance policies distributed by the BPCE networks, for which CNP is now lead insurer.

Elsewhere, Ecureuil Vie Développement (EVD), an entity jointly-owned by Natixis Assurances – the sole shareholder in BCPE Vie – and CNP Assurances, now acts as a common interface for the promotion and distribution of policies between BPCE Vie and CNP Assurances on the one hand and the Caisse d'Epargne network entities covered by the partnership on the other.

1.3. CLIMATE EVENTS

2016 witnessed periods of exceptional and concentrated rainfall that triggered substantial flooding in May and June, as well as an episode of drought. These events generated very high gross insurance losses that adversely affected the non-life insurance result.

1.4. DIGITAL TRANSFORMATION AND INNOVATION

Natixis Assurances strove to further its digital transformation drive, internally with respect to its employees and externally with respect to its customers and partners, in line with its innovation strategy. The Expertise and Customer Relations Centre that opened in 2016 as part of the *assurément#2016* project aims to match the best market quality-standards for such facilities and is a fine example of this policy. At the same time, the networks can now reap the benefit of an interactive tool (Process Game) built on artificial intelligence techniques and which advisors can use to simulate real situations in the life insurance segment.. A semantic analysis tool (OWI) for use with customer e-mail requests was also introduced in the non-life insurance segment.

1.5. CAPITAL INCREASE AND SUBORDINATED FINANCING

In view of the growth prospects for all of Natixis Assurances' operational entities, management decided to supplement the funds eligible for covering the solvency capital requirement (SCR), by means of two transactions:

- a capital increase by the parent company representing total issue proceeds of €206 million;
- the renewal of a €65 million dated subordinated loan contracted with Natixis, the sole owner of Natixis Assurances. This 10-year loan carries a fixed rate of interest of 3.6% and is eligible for SCR coverage purposes.

2. 2016 BUOYED BY ORGANIC GROWTH

2016 featured highly satisfactory levels of activity in virtually all branches of the Insurance business.
With €6.0 billion of premiums from direct business, life insurance inflow jumped 42% relative to 2015, spurred by the launch of investment solutions policies (life and endowment) distributed by the Caisses d'Epargne. The life insurance business line and the distribution networks gave priority to unit-linked policies (UL), for which premium income climbed 47% to €1.28 billion and represented 21% of total gross inflow. Inflow invested in with-profits funds rose 40% to €4.7 billion. Gross inflow on the historic perimeter of the business (Banques Populaires and partnerships), continued to be redirected toward unit-linked investments (-3% on with-profits and +4% on UL).
Personal protection insurance and payment protection insurance premiums (€759 million, +8%) continued to progress at a sustained pace: premium income rose 4% for individual personal protection insurance policies and by a healthy 9% for payment protection insurance policies.
On mature and highly competitive markets, property & casualty business continued to benefit from the entry into force of the Hamon Act in January 2015. This law has created a real opportunity for market-share gains by our proactive networks, with the result that the number of new policies signed by the Banque Populaire and Caisse d'Epargne networks rose 2% to 1.2 million during the year, driven by growth in the auto and multi-risk home segments of 7% and 3%, respectively. The number of in-force policies for all of the Banque Populaire and Caisse networks rose 7% to 5.2 million. Earned premiums in the property & casualty segment improved 9% to €1.287 billion, fueled by growth in multi-risk home guarantees (+10%) and auto guarantees (+12%).

2.1. LIFE AND PERSONAL PROTECTION INSURANCE BUSINESS – FRANCE & LUXEMBOURG

Revenue (€ millions)	2015	2016	% change
Individual life	4,150	5,931	+42.9%
• o/w Natixis Life	*643*	*747*	*+16.2%*
• o/w BPCE Vie	*3,507*	*5,184*	*+47.8%*
Group life insurance	82	69	-16.9%
Total investment solutions	**4,232**	**6,000**	**+41.8%**
Individual personal protection	156	162	+4.2%
Payment protection insurance	546	597	+9.1%
Total personal protection insurance	**702**	**759**	**8.0%**
Total life & personal protection	**4,934**	**6,758**	**+37.0%**

Individual life insurance – investment solutions France

Despite the absence of a truly competing and really competitive investment solutions offer in terms of taxation and risk/return (for with-profits products), total inflows into the French life insurance sector decreased 0.6% to €135 billion in 2016 (from €136 billion in 2015). Special savings products (PEL, Livret A, LDD accounts, etc.) did not exert any real competitive pressure on the life insurance market in 2016. Returns on these products have worsened over the years and currently lie at their lowest-ever levels.

Competition from Livret A and LDD accounts was nevertheless uneven during the year. Despite the outflow recorded in the final quarter of 2016, the overall trend was positive, whereas the market had registered continuous outflow since 2013.
After a 5% increase in the previous year, paid benefits rose by a further 5% to €118 billion. Assets under management in life insurance policies grew 3% to €1,632 billion for the overall market. Amid declining returns on with-profits funds (as in 2015) and volatile equity markets during the year (the CAC 40 fell below 4,000 points at end-June before rallying to finish at 4,862 points, i.e. up 5% relative to December 2015), inflow invested in unit-linked

products declined as in the previous two years and totaled €27.1 billion market-wide, down 1% year-on-year. The portion of inflow invested in these products was unchanged from 2015 at 20%.

Against this backdrop, BPCE Vie and the French subsidiary of Natixis Life outperformed the market with a 45% increase in premium inflow (direct business) to €5.4 billion (+68%/€6.2 billion including the acceptance of 10% of CNP's existing stock of Caisse d'Epargne policies). The extension of business to the Caisse d'Epargne network and solid activity levels combined to drive a 1.3-point gain in market share to 4.0%, thereby enabling Natixis Assurances to outperform both the French market (-1% in 2016 versus +5% in 2015) and other bancassurance networks (0% in 2016 versus +5% in 2015).

BPCE Vie's inflow from the Banque Populaire network was spurred by multi-investment policies for wealth management customers (+3% yoy to €1.686 billion), thanks to the Quintessa product, which was launched in 2015 and now represents 83% of revenue in the segment (23,208 policies sold in 2016 versus 22,350 in 2015). The proportion of Quintessa inflow invested in unit-linked products was 21%.

Over the same period, inflows into multi-investment products designed for the "General Public" (*Grand Public*) segment fell 5% to €1.369bn. This trend was attenuated by the Horizéo product which was launched at end-2013 (+3% yoy to €313 million and 42,649 policies sold versus 42,718 in 2015). The proportion of Horizéo inflow invested in unit-linked products was 16%.

Solution Perp, the new PERP (individual pension plan) solution for the Banque Populaire and Caisse d'Epargne networks generated €61 million in earned premiums, up 35% relative to 2015 (+2% to €46 million excluding new business from the Caisse d'Epargne network). Outstanding mathematical reserves under management rose 11% yoy to €508 million.

BPCE Vie's growth in inflow was also driven by the gradual rollout of the new offering to the Caisse d'Epargne network in 2016 and which yielded €1.839 billion in revenue from 112,291 sales. The General Public segment accounted for 69% of these sales, primarily through the Millevie Essentielle product which delivered 92% of revenue on the segment through the sale of 71,291 policies in 2016.

Luxembourg

Investment solutions revenue improved 20% overall:

- inflows into the with-profits fund rose 7%;
- revenue of unit-linked policies increased relative to 2015, with the percentage of assets represented by these policies climbing 7 points to 39.4%, reflecting the investment strategy applied in 2015.

For both countries combined, total inflows reached €6.000 billion in 2016 (direct business), of which 21.3% was invested in unit-linked policies (20.5% in 2015). Unit-linked inflows jumped 47% to €1.277 billion.

Including the acceptance of 10% of CNP's Caisse d'Epargne portfolio, revenue amounted to €6.858 billion, of which the unit-linked share was 20.7%.

Furthermore, reflecting the entity's status as a bancassurer, more than 92% of 2016 (direct business) inflows came from the BPCE banking networks. The portion generated by external business providers fell in 2016: with inflows of €490 million, this source represented 8% of direct business investment solutions life insurance premiums versus 13% in 2015. This performance was largely the result of the commercial strategy implemented for Natixis Life in 2015, geared to redirecting inflows to unit-linked policies.

Change in unit-linked/with profits AuM and in net individual life insurance benefits

Amid low interest rates promoting the stability of AuM, individual life insurance benefits totaled €3.0 billion (direct business), marking a 7% increase yoy. The rate of benefits relative to AuM at the start of the year was unchanged at 7.2%.

This resulted in largely positive net inflows of €2.9 billion, of which unit-linked policies represented 33% versus 44% in 2015. AuM in individual life insurance also grew by a sustained pace of 8.69% over the year, outstripping the market and lifting the total to €45.7 billion (€57.3 billion including the assets reinsured via the 10% stock treaty with CNP).

(€ millions)	2015	2016	% change
With-profits AuM	34,790	37,476	+7.7%
Unit-linked AuM	7,244	8,186	+13.0%
Provision for policyholder bonuses - after incorporation	733	893	+21.9%
Total	**42,767**	**46,556**	**+8.9%**

The geographic breakdown was as follows :

	2015		2016	
(€ millions)	France	Luxembourg	France	Luxembourg
With-profits AuM	32,191	2,599	34,664	2,812
Unit-linked AuM	6,213	1,031	6,913	1,273
Total	**38,404**	**3,629**	**41,577**	**4,086**

Group life insurance and pensions for self-employed workers

Despite the absence of major commercial initiatives, earned premiums climbed 67% yoy to €139m in 2016. This performance reflected a €70m payment into an article 39 policy, whereas end-of-career compensation policies retreated 31% to €30 million during the year.

Benefits paid declined 4% to €93 million, with the result that the group life insurance business registered a €44 million net inflow.

All in all, assets under management rose 4.1% yoy:

(€ millions)	2015	2016	% change
With-profits AuM	1,063	1,072	+0.9%
Unit-linked AuM	995	1,069	+7.4%
Total	**2,058**	**2,141**	**+4.1%**

Personal protection insurance

(€ millions)	2015	2016	% change
Individual personal protection insurance	156	162	+4.2%
Payment protection insurance - BP network	298	336	+13.1%
Payment protection insurance - CE network	249	260	+4.4%
Total	**702**	**759**	**+8.0%**

Premium income made significant progress in 2016, buoyed by positive contributions from both individual personal protection insurance and payment protection insurance (ADE), with the latter enjoying strong momentum throughout the year and posting €597 million of premiums (79% of personal protection insurance revenue).

Payment protection insurance

In an environment of low interest rates and a robust property market, payment protection insurance premiums totaled €596 million, up 9% on the previous year's figure (2015: +13%).

The higher growth achieved in the Banque Populaire network (+13% versus +4% in the CE network) mainly reflected the continuing increase in the percentage of this network's clients who are policyholders and the build-up of generations of subscriptions (the portfolio's seniority remains below average for the insurance business). Robust activity levels more than offset the change to coinsurance shares on new generations since the start of 2016.

Growth rates by type of underlying loan varied: insurance of amortizing loans was once again highly dynamic, with premiums growing 10% (€526 million in 2016), while insurance of revolving loans fared more moderately (+1%).

Overall, the majority of new business originated from amortizing loans, i.e. 88% of total payment protection policies, as in 2015.

Individual personal protection insurance

The individual personal protection activity reported a 4% increase on the previous year to €162 million, fueled by growth in both the Banque Populaire and Caisse d'Epargne networks (+3.4% and +9.7%, respectively). A few products did particularly well versus the previous year, such as family protection policies in the event of death (Fructi-famille: +11%).

2.2. NON-LIFE INSURANCE - FRANCE

Reflecting this business line's ambitious growth targets in the Banque Populaire and Caisse d'Epargne networks, gross policy sales increased 2% and exceeded one million for the fourth year in a row:

(In thousands of policies)	2015	2016	% change
Multi-risk home insurance	441	455	+3%
Auto insurance	332	354	+7%
Personal accident insurance	136	139	+2%
Health insurance	44	28	-35%
Legal expenses insurance	163	163	0%
Professional insurance	16	23	+40%
Other	70	58	-16%
Total	**1,203**	**1,221**	**+2%**

Growth was driven by rapid development in auto insurance policies (+7%) and multi-risk home policies (MRH, +3%), thanks to more forceful business development and the positive impact of France's Hamon Act (two sales for one closure in MRH and three sales for one closure in Auto). In addition, the sales promotion mechanism introduced in 2015 became fully operational in 2016 and led to the deployment of 70 specialist monitors in bank branches. The rollout of the agency channel, geared to distributing property & casualty insurance policies to professionals, drove a 40% increase in professional policies (versus -4% in 2015). This impetus was seconded by the digitalization of solutions.

This continuing sales momentum helped the business line record €1.287 billion in earned premiums in 2016, up 9% overall versus 2015, and 10% in the Caisse d'Epargne network and 7% in the Banque Populaire network (+10% excluding payment instrument guarantees). These performances were achieved in relatively mature markets, where 2016 growth (source: FFA) failed to exceed 2.5% in MRH and was flat in Auto insurance. Against this backdrop, the BPCE networks' market share rose once again and the percentage of network customers who are policyholders increased by 1.5 points.

There were two exceptions to this dynamism:

- health insurance, which shrank 35% versus 2015, due to the entry into force of the national inter-professional agreement on the general implementation of company supplementary healthcare plans on January 1, 2016;
- mobile devices insurance, where sales declined as a result of a change in commission payment conditions.

BPCE Assurances earned premiums (full consolidation)

(€ millions)	2015	2016	% change
Multi-risk home insurance	259	283	+9%
Auto insurance	217	246	+13%
Personal accident insurance	82	89	+8%
Health insurance	87	88	+1%
Legal expenses insurance	49	53	+9%
Professional insurance	11	12	+12%
Other	55	68	+23%
Total	**760**	**839**	**+10%**

In auto insurance, sales growth was primarily fueled by a volume effect. The growth in MRH premiums reflected both a 6% volume increase and premium-rate hikes of 3.5% on new business and 4.5% on existing business.

The number of policies in the portfolio rose 5% yoy to 3.7 million in 2016: in auto insurance and MRH, this growth was driven both by strong sales momentum and sound management of the churn rate.

BPCE IARD earned premiums (equity method)

(€ millions)	2015	2016	% change
Multi-risk home insurance	110	124	+13%
Auto insurance	147	161	+10%
Professional insurance	50	52	+4%
Other	15	16	+8%
Total	**321**	**353**	**+10%**

Revenue advanced 10%, thanks to portfolio growth and, to a lesser extent, a positive price effect.

The number of policies in the portfolio rose 11% to near 1.4 million by the end of 2016. With close to 395,000 policies, the auto insurance portfolio increased 9% during the year, while the number of MRH policies climbed over 10% and passed the 618,000 mark.

BPCE Prévoyance earned premiums (full consolidation)

(€ millions)	2015	2016	% change
Personal accident insurance	19	22	+14%
Others	79	73	-7%
Total	**98**	**95**	**-3%**

BPCE Prévoyance's business primarily relies on payment instrument protection products, which represented 76% of total premiums and incurred a 7% yoy decline in earned premiums during the year (due to comparison with a very strong 2015). In contrast, personal accident business continued to progress at a sustained pace, rising by a further 14% after 6% growth in 2015.

2.3. ACTIVITIES OUTSIDE EUROPE

Business activities outside Europe (excluding those in French overseas departments and territories) are limited to the 34% stake in Lebanese company Adir, a 66%-owned subsidiary of banking group Byblos. The stake is accounted for by the equity method in Natixis Assurances' financial statements.

After the double-digit growth recorded in 2015 (+11.5% versus 2014), Adir's business was particularly robust in 2016, thanks to growth in all of its various categories:

(USD millions)	2015	2016	% change
Life – Investment solutions	26.4	29.2	+10.6%
Life – Personal protection	14.2	15.8	+11.2%
Non-life (Auto, Fire, Health, Civil liability, Theft, etc.)	20.5	21.7	+5.8%
Total	**61.1**	**66.7**	**+9.2%**

Written premiums in the life segment advanced 10.8% to US$45 million; the investment solutions and personal protection activities account for over two thirds of Adir's total revenues.

Non-life insurance grew at a more moderate pace, with earned premiums rising by 5.8% to US$21.7 million in 2016.

3. 2016: SOLID RESULTS IN AN UNPRECEDENTED FINANCIAL ENVIRONMENT

As in the previous year, Natixis Assurances expanded its activities amid satisfactory profitability conditions:

- life insurance, Natixis Assurances confirmed its ability to generate satisfactory margins despite historically low interest rates and a volatile market environment. This volatility should not penalize the business in the short term;
- in personal protection insurance, claims remained at reasonable levels overall, in line with expectations;
- in non-life insurance, gross claims expense was adversely impacted by climate events during the year (flooding and drought), but the combined ratio was kept below 100%.

Against this backdrop, net insurance income (NII) from fully consolidated activities amounted to €670 million, up 12%:

(€ millions)	2015	2016	% change
NII – Life & Inv. Solutions	203	230	+13%
NII – Personal & Payment Prot.	138	171	+24%
NII – Property & Casualty	244	255	+5%
NII – Holding Co. & Services	14	15	+10%
Total	**598**	**670**	**+12%**

3.1. PROFITABILITY OF LIFE AND PERSONAL PROTECTION INSURANCE

Life insurance

Revenues performed in line with AuM, which are the main basis for life insurance NII. Revenues rose 8% during the year (direct business - average AuM +7%), while contractual margins on AuM advanced 13% to €190 million.

Whereas regular and substantial declines in subscription margins had impacted negatively in preceding years, this time round they progressed by 20% in line with the development of the new offering in the Caisse d'Epargne network (31% of direct business inflow). Subscription margins accounted for 6% of life insurance NII.

Life insurance & investment solutions NII was also adversely affected by the decline in the investment margin, due particularly to lower bond yields and capital-gains realization. In addition, 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 returns incorporated in mathematical reserves at the beginning of the following year, the provision for policyholder bonuses was increased by around €160 million to almost €893 million at end-2016. This reserve amount, which must be incorporated within 8 years, represents the equivalent of an annual increase of more than 2.5% in AuM liable to benefit from the reserve.

Personal protection insurance

The portfolio's high technical-quality was emphasized by the 24% advance in earned NII to €171 million, driven by all constituent segments:

- individual personal protection insurance lifted revenues by 20% to €51 million, thanks to well-controlled losses and more specifically to the write-back of an accidental death provision and favorable comparison with the year-earlier period for dependency policies: these elements combined to drive an 8-point improvement in the loss ratio;
- the payment protection activity hoisted NII by 25% to €120 million, fueled by higher volume – as reflected in a 9% rise in revenue – and an improved loss situation on the Banque Populaire network.

3.2. NON-LIFE INSURANCE PROFITABILITY

Despite the climate events that occurred in 2016 – flooding in May and June and episodes of drought – NII from non-life insurance activities rose 5% to €255 million in 2016. The main points of note were as follows:

- for the Caisse d'Epargne network, NII in the non-life activity rose €8 million or 4% during the year, thanks to:
  - attractive growth in the portfolio and premium income, in line with well-controlled termination rates;
  - a 2.7-point deterioration in the underlying loss ratio, notably reflecting the climate events of May and June and the provision set aside for the 2016 drought;
  - a €2.2 million yoy decline in investment income, primarily due to lower-one-off income from equities and a €0.7 million impairment provision;
  - the improvement in the reinsurance result following the end of the near-banking treaty and the cession in 2016 of three sizeable auto claims that arose in 2015, partly offset by a reduction in the claims expense ceded in MRH.
- For the Banque Populaire network (excluding BPCE IARD), NII from non-life activities rose 13% to €24 million in 2016, thanks to a 12-point improvement in the accounting gross loss ratio on multi-risk personal accident insurance. In contrast, the loss ratio on payment protection insurance deteriorated slightly (+1.6 points), though remained relatively low.

The combined ratio for property & casualty insurance policies distributed by the Caisse d'Epargne network rose by 0.3 points to 91.1% in 2016.

3.3. INVESTMENT MANAGEMENT POLICY & INVESTMENT INCOME

The management of assets held by Insurance entities (with the exception of BPCE IARD, accounted for by the equity method) is delegated to Natixis Asset Management (NAM), a subsidiary of Natixis. Investment policy is aimed at optimizing 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

Global growth remained very moderate in 2016, with stronger growth in emerging countries failing to offset the slowdown in developed countries. The OPEC agreement helped stabilize oil prices at around US$50 a barrel (US$36 in 2015), thereby triggering a temporary uptick in inflation that quickly fizzled out. Equity markets resisted well to the UK's decision to leave the European Union (Brexit) and benefited from the US presidential election result, although the latter heightened tensions on sovereign bond markets at the end of the year.

In the US, growth slowed during the course of the year, but firmed in the second half, partly thanks to Donald Trump's program and the ensuing prospects for more robust growth being fueled by deep and lasting tax cuts. The Federal Reserve kept its rates unchanged for a large part of the year, in view of moderate growth and an inflation rate below the target of 2%. On December 14, the FED lifted its federal funds target rate to 0.50%-0.75% from 0.25%- 0.50% previously.

In the euro zone, growth picked up on the back of firmer internal demand. The economy benefited from attractive financing conditions relating to European Central Bank policy, low oil prices, a gradual improvement in the job market and budget policies that were growth-neutral overall. Japan struggled to emerge from deflation. The Bank of Japan (BOJ) pledged to create the conditions needed to revive internal demand, by targeting a 10-year rate of 0%. The BOJ also committed to exceeding its inflation target of 2%.

Sovereign bond rates went through two distinct phases in 2016. During the first nine months, they eased to record lows for the majority of countries, and even went into negative territory in certain cases, as a result of further accommodating monetary policy. In the third quarter, long-term rates started to tighten, due to the upturn in oil prices and expectations for higher inflation. As a result, US 10-year bond rates firmed slightly to close the year at 2.45%, versus 2.27% a year earlier. German and French 10-year rates eased to 0.11% (from 0.63% on December 31, 2015) and 0.69% (from 0.98% on December 31, 2015), respectively.

2016 witnessed sharp fluctuations in dollar exchange rates. Following a 7% decline in the US currency between 1 January and 2 May, the greenback rallied strongly in the final three months of year on expectations for higher inflation related to oil prices and the new president's program, with investors raising their expectations for the FED's key rates accordingly.

The dollar progressed by 1.4% and closed the year at $1.05 against the euro versus $1.09 a year earlier.

Lastly, stock markets had a very mixed year, experiencing two phases of turbulence before ending the year well ahead. Markets in developed countries did not fare as well as in 2015, due to more moderate economic growth rates (+4.9% for the CAC 40, +0.7% for the Eurostoxx 50, +0.4% for the Nikkei), while the S&P advanced 9.5% on the back of the dollar's gains during the year. Emerging markets outperformed developed-country markets, with the MSCI Emerging Markets index rising by 7.2% after shedding 17% in 2015.

Asset management policy

Net of debt relating to portfolio securities lent under repurchase agreements, the total IFRS carrying value in euros rose 29% to €57 billion at end-2016. After adjusting for the receivable for the cash deposit relating to the agreement to reinsure 10% of the stock of CNP's Caisse d'Epargne policies, IFRS carrying value rose 4% to €46 billion.

With interest rates remaining very low, efforts to diversify investments continued in 2016. That said, the medium and long-term bond portfolio remained the core allocation, representing more than 79% of total assets, though this was less than in 2015.

Bond purchases focused almost entirely on securities issued by financial, industrial or service sector companies: the very low yields on sovereign debt only allowed for a few purchases of Spanish sovereign debt in the final quarter of 2016. However, the weight of government debt and securities issued by the broader public sector rose slightly to 35.2% of total fixed-income assets in the portfolio at the end of 2016, versus 36.1% at end-2014. The proportion of fixed-income purchases represented by corporate issuers increased to 43%, to the detriment of financial issuers and reflecting the significant number of new corporate issuers in 2016.

With the economic environment remaining challenging, a selective approach in terms of issuer creditworthiness was maintained, although the migration of credit ratings and the priority assigned to industrial and service sector securities resulted in a high portion of BBB ratings. However, ratings of A- and above still represented over 46% of all purchases and 64% of fixed-income securities in the portfolio. Unrated issues represented around 3.5% of total 2016 purchases and almost 5% of exposures.

The average rating of the fixed income portfolio was A-, unchanged from 2015.

In view of the low yields on senior fixed-income securities, efforts continued to diversify into instruments offering higher returns. The proportion of diversification assets – equities and real estate – rose slightly to 11.9% from 11% in 2015.

Against this backdrop, investments were sometimes limited while waiting for investment opportunities. This approach had the effect of increasing the cash allocation, such that money-market and similar funds accounted for 8.2% of total euro assets versus 2.4% in 2015.

Advances on insurance policies changed little relative to 2015, representing €205 million, or around 0.4% of the asset portfolio.

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 backing life insurance underwriting reserves. At end-2016, net investment income amounted to €1.618 billion, down 14.4% versus 2015

This decline primarily stemmed from the decrease in returns on fixed-income products. Given the net investment situation characterizing the business and redemptions carried out in 2016, the accounting return on the fixed-income portfolio was diluted by around 22 basis points during the year.

The balance of capital gains, net of reversals of impairment provisions, dropped 81% to €84 million in 2016, reflecting the restructuring transactions operated on the ABP Diversifié fund in 2015; impairment provisions climbed 32% to €44 million and notably concerned the pharmaceutical, telecoms and banking sectors.

Finally, the change in the fair value of instruments measured at fair value through profit and loss decreased by 35% versus 2015. This balance mainly comprised changes in the value of unit-linked assets totaling €260 million (2015: €285 million) and had no impact on operating income (after accounting for the expense related to unit-linked adjustments of mathematical reserves). For the remainder, negative value changes for investments measured at fair value related mainly to bonds amid falling interest rates, were partly offset by rises in the value of derivative instruments and investment real estate.

3.4. CONSOLIDATED OPERATING EXPENSES

Operating expenses rose 13% to €1.209 billion in 2016. Adjusted for commission paid to business providers, capitalized costs and various items not representative of the division's recurrent operating structure, consolidated expenses increased 14% yoy to €358 million.

This increase was primarily due to business growth across all business lines and the increased resources needed to handle the wealth of regulatory projects (Solvency II, unregulated policies, the Eckert law and Ficovie), organizational changes (new non-life insurance IT system and reinforced oversight of the Insurance division) and strategic developments (notably Assurément#2016 and Multi-Channel)

A breakdown of these expenses shows:

- a 12% rise in commission paid to business providers to €811 million, of which €657 million was paid to the Banque Populaire and Caisse d'Epargne networks.
- a 4% increase in other expenses to €398 million, reflecting the magnitude of investments carried out and resources used in general.

3.5. CONTRIBUTION OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

BPCE IARD (49.48%-owned)

2016 presented a mixed picture. The 10% organic growth in earned premiums was coupled with a deterioration in the gross loss ratio, which rose 3.2 percentage points to 68.7%.

This deterioration was due to climate events at end-May/early-June and to two major auto claims amounting to €11 million before reinsurance compared to none in 2015. The resulting impact was part-offset by a bonus on previous years. All in all, claims expense climbed 15% to €245m. At the same time, the reinsurance result improved by €12 million following an increase in ceded claims, notably on climate and natural catastrophe treaties.

Net investment income decreased by 42% from €21 million to €12 million during the year. This movement reflected higher capital-gains realization on mutual funds in 2015.

This combination of fairly adverse factors pushed net insurance income (NII) down 4% to €62 million versus €65 million in 2015.

Most of the 13% increase in operating expenses to €42m was driven by rapid portfolio growth, the expansion of the sales team and the introduction of dedicated monitors. Operating expenses and commission paid to business providers represented 25.8% of earned premiums, a 1.2-point increase relative to 2015.

The combined ratio weakened by 0.5 points to 97.9%.

Overall, the company's contribution to IFRS consolidated net income contracted 37% to €5.2 million (versus €8.3 million in 2015).

ADIR (34%-owned)

Earnings for 2016 extended the good results posted a year earlier, with net income after tax advancing 12% yoy to US$13 million. This improvement was driven by the net combined ratio, which remained at an attractive 51%, and by robust 15% growth in investment income (excluding unit-linked products) which had a strong impact on net income.

Reflecting this improvement and the strengthening of the US dollar, Adir's contribution to consolidated net income progressed by more than 11% to €4.0 million versus €3.6 million in 2015.

3.6. CONSOLIDATED NET INCOME

Spurred by profitable business development, consolidated operating income advanced 8% to €360 million.

For the same reasons, consolidated income before tax climbed 9% to €322 million.

The tax expense rose from €104 million to €120 million during the year and represented 37.3% of pre-tax income (primarily reflecting the impact of permanent differences).

Consolidated net income (group share) improved 5% to €179 million.

3.7. 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.

3.8. 2017 OUTLOOK

Fiscal 2017 will see the entry into force of a series of regulatory and strategic changes, which Natixis Assurances is addressing with confidence and vigilance:

- strong growth in business originating from the Caisses d'Epargne and which is due to exert its first full-year impact;
- maintenance of a sustained rate of growth in non-life portfolios, this being a significant aspect of the medium-term plan;
- definition of the new strategic plan for the 2018-2020 period;
- preparation for the switch to IFRS 9 for financial instruments on January 1, 2018.

More generally, with underlying markets being relatively buoyant or benefiting from initiatives launched by Groupe BPCE's networks, our business lines should continue to expand:

- thanks to the extension of the investment solutions & personal protection activity to the Caisse d'Epargne network initiated in 2016, strong growth can be anticipated in life insurance premiums and AuM, as well as in the portfolio of individual personal protection policies;
- in the non-life business, the strategic goal is to increase the penetration of our products with customers of the Banque Populaire and Caisse d'Epargne networks, such that one in three of their customers possesses a Natixis Assurances property & casualty or

personal protection policy. The support provided to distributors in pursuit of this objective will continue to pay dividends; nonetheless, organic growth will not necessarily remain at the 2015 and 2016 levels, insofar as these years benefited from the indirect, and probably temporary, impact of regulatory changes (France's Hamon Act).

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 continuation of record-low interest rates as seen in 2016 poses a challenge for the life insurance business in the medium term. The industry is working to assess the risks incurred by the ongoing 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 via the shock-absorbing potential of previously-established underwriting reserves.

Without disregarding the impact of changes that could potentially be unfavorable for growth in net insurance income and investment income, the group sees further growth ahead for its businesses with a satisfactory level of profitability. Achievement of this goal will be facilitated by the extension of life and personal protection business to a new network and by continuing the diversification efforts initiated several years ago in the personal protection and property & casualty segments, and which are expanding fast while safeguarding technical balances.

4. NATIXIS ASSURANCES BUSINESS REPORT

4.1. ACTIVITY & NET INCOME

In line with its corporate purpose, the Company's activity remains limited to the management and financing of its shareholdings.

The activity of the main subsidiaries was commented on in the Management Report on the Group's activity for fiscal year 2016.

Virtually all of the Company's income consists of the €137 million in dividends received from its subsidiaries and affiliates (€125 million in 2015), which can be broken down as follows:

(€ thousands)	2015	2016
BPCE Vie	96,036	101,112
BPCE Prévoyance	14,378	15,223
BPCE Assurances	10,697	11,427
BPCE IARD	2,870	3,716
Adir	1,480	1,779
Natixis Life	0	3,400
Total	**125,461**	**136,656**

The Company also recorded €24 million in interest income on loans to subsidiaries and incurred €29 million in financial expenses on loans, resulting in overall investment income of €132 million.

Operating income, consisting mainly of holding company expenses and investment management fees, came out at -€4.5 million versus -€2.4 million in 2015.

Net income advanced 8% to €127 million, versus €121 million in 2015.

4.2. APPROPRIATION OF EARNINGS

A proposal was made for the sum comprised of:

- profit for the year €127,164,843.41
- plus retained earnings €368,329.80

i.e. a total amount available for distribution of......€127,533,173.21

to be distributed as follows:

- dividend payout...€126,092,889.00
- legal reserve €1,293,647.43
- The balance to retained earnings.................................€146,636.78

i.e. total distributed earnings of €127,533,173.21

The proposed dividend would result in a payment of €6.50 for each of the 19,398,906 shares making up the share capital.

Shareholders' funds at the close of fiscal year 2016, after appropriation of 2016 earnings, would total €1,286,777,235.29.

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

	2013	2014	2015
No. of shares receiving dividends	15,740,000	15,740,000	19,398,906
Dividend per share	€4.18	€7.60	€6.02
Total amount of dividend	**65,793,200**	**119,624,000**	**116,781,414**

4.3. RELATED PARTY AGREEMENTS

In accordance with the provisions of article L. 225-38 of the French Commercial Code, it is hereby stipulated that no agreements subject to the provisions of this article were submitted for the approval of the Board of Directors in fiscal year 2016.

Furthermore, for fiscal year 2016, no agreements met 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.

However, several agreements signed previously by the Company and subject to the provisions of article L. 225-38 of the French Commercial Code continued to produce their effects during fiscal year 2016:

- the general framework agreement signed between CNP Assurances (acting in its name and on its own behalf and in the name of and on behalf of its subsidiaries), BPCE (acting in its name and on its own behalf and/or depending on the case (i) in the name of and on behalf of members of the Caisses d'Epargne network in its capacity of central institution of the Caisses d'Epargne network (ii) in the name of and on behalf of members of the Banques Populaires network in its capacity of central institution of the Banques Populaires network, and/or (iii) in the name and on behalf of its subsidiaries), Natixis (acting in its name and on its own behalf and/or depending on the case, in the name and on behalf of its subsidiaries), Natixis Assurances, BPCE Vie and BPCE Prévoyance;
- the shareholders' agreement on Ecureuil Vie Développement signed by CNP Assurances, Natixis Assurances and BPCE, in the presence of Ecureuil Vie Développement;
- the agreement for the secondment of CNP Assurances staff to Ecureuil Vie Développement, signed between CNP Assurances and Ecureuil Vie Développement, in the presence of Natixis Assurances and BPCE Vie..

4.4. INFORMATION CONCERNING THE SHARE CAPITAL

Natixis Assurances' share capital amounted to €148,013,652.78 as of December 31, 2016.

The share capital comprised 19,398,906 shares with a nominal value of €7.63.

In accordance with the provisions of Article L. 233.13 of the French Commercial Code, it is specified that, as of January 8, 2016, 99.999% of the share capital and voting rights at Shareholders' Meetings are held by Natixis.

Shareholders	Number of shares
Natixis SA	19,398,897
Other legal entities	4
Other individuals	5
Total	**19,398,906**

4.5. 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 by each of Natixis Assurances' corporate officers as of December 31, 2016 is provided in the notes to this report.

Corporate offices held by the Directors

We inform you that the office of Banque Populaire de l'Ouest, Director, is due to expire at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year closed on December 31, 2016.

However, we also inform you that Banque Populaire de l'Ouest intends to resign its office of Director at the end of the meeting of Natixis Assurances' Board of Directors on March 23, 2017 convened to approve the financial statements for the fiscal year closed on December 31, 2016.

Terms of office of the statutory auditors

No office of the statutory auditors is due to expire at the end of the 2017 General Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2016.

Attendance fees

Attendance fees were apportioned 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 of Natixis Assurance received a total amount of €36,900 (before withholding tax) in attendance fees for fiscal year 2016.

In accordance with the governance rules applied by BPCE and Natixis, the offices held by BPCE and Natixis employees, as well as the 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 board members

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 2016 to BPCE for its offices held at Natixis (a listed company), and Natixis Assurances came to €62,700, including €2,700 for its directorship at Natixis Assurances.

4.6. ANALYSIS OF 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 - these companies possessing 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. As of December 31, 2016, Natixis Assurances had:

- medium-term senior credit facilities totaling €289 million, maturing in 2017 and granted by Natixis;
- €22 million of perpetual subordinated loans and €373 million of dated subordinated loans issued by Natixis;
- a dated subordinated note of €251 million

It should also be noted that Natixis Assurances subscribed to a capital increase and granted a subordinated loan to its subsidiary BPCE Vie in order to reinforce the latter's coverage of the Solvency Capital Requirement (SCR). For the purpose of financing these transactions:

- a 1-year senior credit facility for the amount of €135 million was taken out in August 2016 and then renewed in December 2016;
- a 10-year subordinated loan for the amount of €65 million and bearing interest of 3.645% was issued in December 2016.

The interest expense incurred by Natixis Assurance came to €29.0 million in 2015 (2015: €28.4 million).

4.7. 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 during the fiscal year.

4.8. 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 amount of trade payables recorded in the balance sheet for the year ended December 31, 2016 (excluding invoices yet to be received) was zero.

4.9. CONSOLIDATION METHODS AND TAX CONSOLIDATION

Natixis Assurances is a 99.99%-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.

4.10. RESEARCH & DEVELOPMENT

The Company does not have any R&D operations.

4.11. 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.

4.12. EMPLOYEE SHAREHOLDING

As at December 31, 2016, Natixis Assurances did not have any employees. Consequently, the provisions of Article L. 225-102 of the French Commercial Code do not apply.

4.13. 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.

5. SOCIAL AND ENVIRONMENTAL INFORMATION

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.

2 CSR report

CSR Report

1. INTRODUCTION TO THE CSR REPORT

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

SCOPE OF REPORT

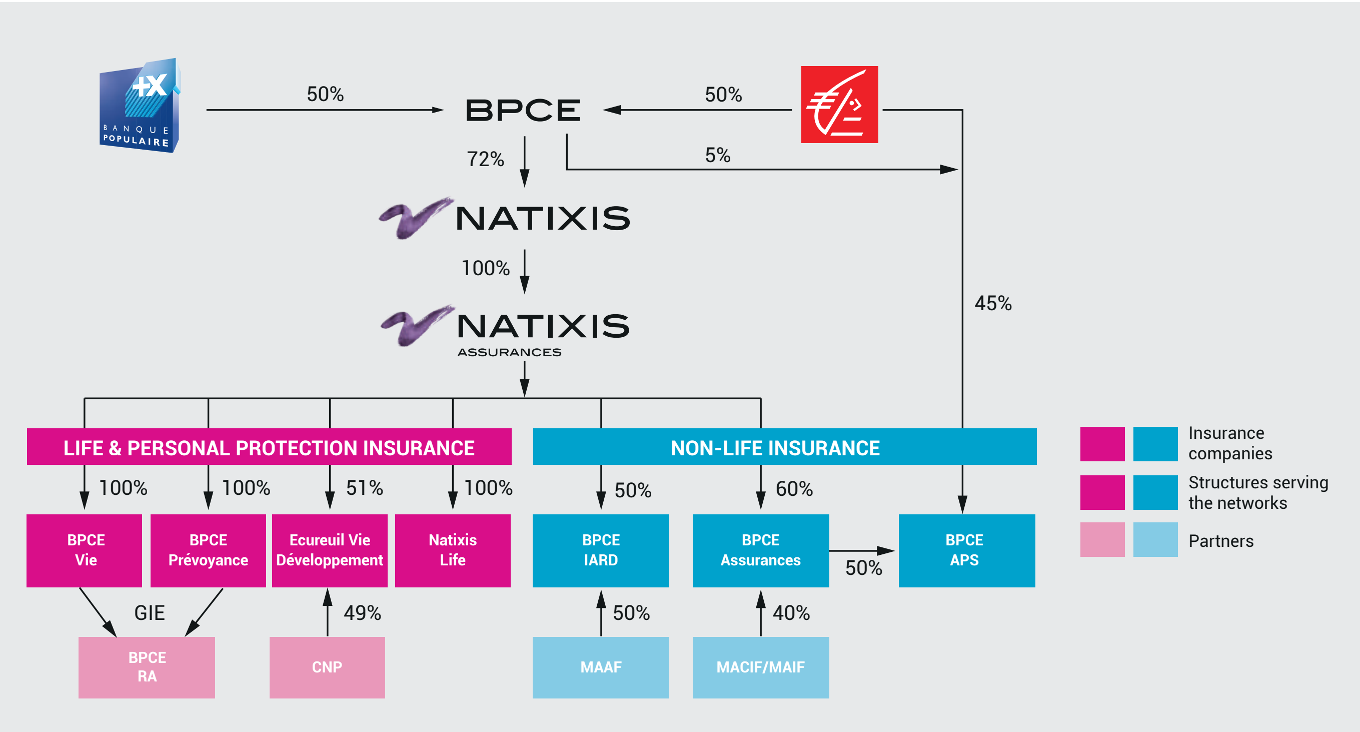
The information presented in this document pertains to the scope of Natixis Assurances, including BPCE Vie, BPCE Prévoyance, BPCE Relation Assurances(1), Natixis Life based in Luxembourg and the head office of BPCE Assurances in Paris, and its claims and customer relations management platforms in Martillac, Mérignac and Dijon. The report covers fiscal year 2016 (from January 1 to December 31). Due to changes in the reporting scope, information pertaining to 2014 and 2015, when available, has been restated so that data can be presented on a same-scope basis.

Natixis Assurances is the holding company of Groupe BPCE's operating insurance companies and serves its two distributors, Banque Populaire and Caisse d'Epargne.

The Company is present in the life and personal protection insurance and non-life insurance business lines.

Natixis Assurances is included in the "Consolidated Natixis" scope, which comprises Natixis and the French companies in which Natixis SA directly or indirectly holds a majority interest (more than 50% of capital).

The chart below presents the Company's legal structure.



METHODOLOGY INFORMATION ON INDICATORS

Personnel 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), conversions of all other types of contract (work-study, internships, VIE French international internships, etc.) into permanent and fixed-term contracts, as well as transfers from other Consolidated Natixis or Groupe BPCE companies;

Departures include resignations, redundancies, departures during trial periods, voluntary retirements and pre-retirements, contract terminations, deaths and transfers to other Consolidated Natixis or Groupe BPCE companies;

Disabled employees include the number of employees with disabilities holding an employment contract with BPCE Vie or BPCE Assurances, subsidiaries of Natixis Assurances, at December 31, 2016.

Environmental indicators

Environmental indicators (use of energy, water, heating oil) are pro-rated according to the occupancy rate of the buildings managed by Natixis' Real Estate and Logistics Departments.Natixis Assurances' carbon footprint is assessed by extrapolating from the carbon footprint calculated for Consolidated Natixis, according to the number of FTE employees.

Environmental information for Natixis Life is unavailable and therefore not incorporated into this report. However, the weight of Natixis Life is marginal within the Consolidated Natixis scope.

Exclusions

Some pollution indicators were not used because they were not deemed relevant to Natixis Assurances' activities, which do 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.

Likewise, measures designed to combat food waste have not been included as this item is not non-material within the scope of Natixis Assurances' activity.

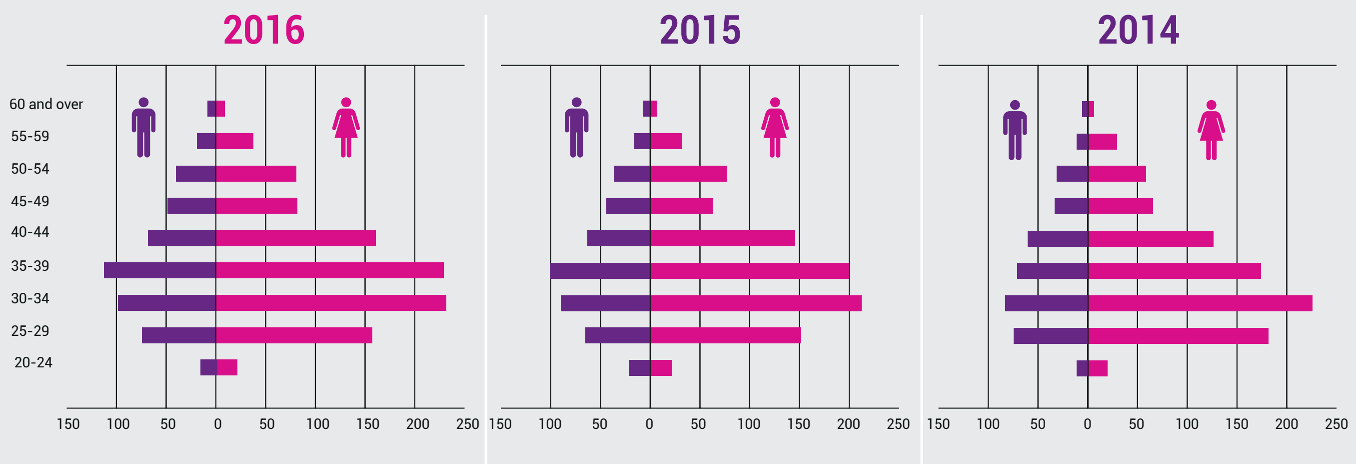
Natixis Assurances follows the guidelines and organization set out in Natixis' sustainable development policy.

2. PERSONNEL INFORMATION

2.1. CHANGE IN HEADCOUNT – 2016

	2016	2015	2014
Headcount (number of contracts as of December 31)	1,489 33.04% 66.96%	1,334 32.46% 67.54%	1,224 31.29% 68.71%
New hires	344 72.39% permanent	256 61.18% permanent	202 54.14% permanent
Departures	192 35.77% Resignations as % of departures 6.61% Redundancies as % of departures	140 35.27% Resignations as % of departures 7.49% Redundancies as % of departures	137 25.7% Resignations as % of departures 9.64% Redundancies as % of departures

Age pyramid for Natixis Assurances staff



Average age of Natixis Assurances staff

2016	2015	2014
38.41	38.08	37.98

2.2. COMPENSATION

Natixis Assurances applies the compensation policy implemented by Natixis' Human Resources Department. It aims to maintain competitive pay levels relative to its benchmark markets. The policy 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 addition to fixed compensation, Natixis Assurances offers variable compensation, which, depending on the business line, is based on the achievement of quantitative or qualitative objectives set by the Management Committee.

In the non-life insurance activity, the maximum amount of variable compensation is contractual and determined according to the classification and job held.

In addition, there is also collective compensation (company savings plan) designed to make employees personally invested in the results of Consolidated Natixis or its subsidiaries. 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;
- an incentive agreement specific to BPCE Assurances;
- an incentive agreement specific to BPCE Relation Assurances;
- an incentive agreement specific to BPCE Vie.

Natixis Assurances employees benefit from pension funds managed by the division. Employees in the life and personal protection business line also have a supplementary pension insurance policy through an insurance policy under article 83.

Compensation policy strictly complies with the regulations specific to the company's sector of activity. It also adheres to Natixis' fundamental objectives of professional equality and non-discrimination.

Entity	Average gross annual compensation in 2016	Average gross annual compensation in 2015	Average gross annual compensation in 2014
Life and personal protection insurance			
BPCE Vie	€53,599.91	€52,186.30	€49,850.00
Natixis Life	€57,000	€54,747.06 €	€56,696.98
BPCE Relation Assurances	€30,294	NC	NC
Non-life insurance			
BPCE Assurances	€35,565*	€38,562*	€37,325*

*Average based on full-time permanent staff

The Company's workforce in the non-life insurance activity is made up predominantly of non-managerial staff in charge of handling insurance policies.

This is also the case for BPCE Relation Assurances, whose staff are employed to handle life insurance policies.

2.3. ORGANIZATION OF WORKING HOURS

All Natixis Assurances employees are covered by the insurance collective bargaining agreement.

In life and personal protection insurance, excluding the expertise and customer relations center, 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 expertise and customer relations center is subject to French regulations on the 35-hour working week.

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, working hours for employees on the claims management and customer relations telephone platforms are organized in hours and cycles.

Platform 1 working hours (claims management)

For these employees, annual working time is 1,582 hours over 226 days, equivalent to an average working day of 7 hours.

Platform 2 working hours (claims management)

For these employees, annual working time is 1,607 hours over 223 days, equivalent to an average working day of 7 hours and 12 minutes.

Customer Relations Department working hours

For these employees, annual working time is 1,582 hours over 226 days, equivalent to a reference working day of 7 hours.

Executive status staff (*cadres*) are organized on a days-basis, rather than on an hours-basis (211 days worked a year). Lastly, non-executive status staff (excluding platform positions) have variable hours. Annual working time for non-executive status staff excluding platforms is 1,607 hours over 218 days worked, equivalent to an average working day of 7 hours and 22 minutes.

Entity	Absenteeism rate as of December 31, 2016
Life and personal protection insurance	
BPCE Vie	3.53%
Natixis Life	3%
BPCE Relation Assurances	2.17%
Non-life insurance	
BPCE Assurances	6.30%

The absenteeism rate was 4.6% at end-December 2015, virtually flat versus end-December 2014. This rate does not include maternal/paternal leave, sabbaticals or leave for the purpose of business start-ups.

Natixis Assurances	2016	2015	2014
Part-time as a % of permanent and fixed-term employees	11.69%	11.70%	11.53%

2.4. QUALITY OF LIFE AT WORK, A NEW OBJECTIVE

Like Natixis, Natixis Assurances emphasises the quality of life at work for its employees. Since December 2015, for example, a specific charter – "15 Commitments for a Balanced Working Life" – has committed signatory companies to taking measures aimed at fostering a work-life balance for their employees.

And on August 26, 2016, Natixis also signed an agreement geared to promoting quality of life at work, which is applicable to Natixis Assurances.

There are four pillars to the agreement:

- working conditions: enable each individual to deliver high-quality work;
- relations and cooperation: bolster collective relations and social links in a digitalizing working environment;
- well-being at work: reinforce actions to prevent heath risks and facilitate a work-life balance;
- support for transformations: better anticipate the impact of transformation projects on conditions at work and better incorporate the human aspect into change management processes.

The rollout of teleworking

Management and the majority of representative union organizations signed a teleworking agreement on the Consolidated Natixis perimeter (including Natixis Assurances) in 2015. Teleworking confers a better quality of life, but also efficiency benefits, subject to service needs and the organization of work within teams.

This work-organization method, based on voluntary principles, is designed to improve the quality of working conditions, by saving on commuting time and fostering an improved work-life balance. It also provides an opportunity to evolve managerial practices toward greater delegation and accountability, and thereby develop employee autonomy. It makes use of the possibilities offered by advances in information technology.

The introduction of teleworking also reflects the Company's desire to innovate socially, increase its appeal as an employer and motivate its employees.

In the life and personal protection segment, 109 out of 472 employees were involved in teleworking as of December 31, 2016.

In the non-life segment, 54 out of 857 employees were involved in teleworking as of December 31, 2016.

Expertise and customer relations center

As part of the *assurément#2016* program and its objective of rolling out Natixis Assurances' life insurance and personal protection insurance solutions to the Caisse d'Epargne network as from January 1, 2016, a new expertise and customer relations center was set up. This innovative new facility is located on a technology park in Villeneuve d'Ascq near Lille and is designed to attain top market standards in terms of quality of service and life at work. Processes were entirely re-thought and dematerialized so as to eliminate all paper, while employees have all been equipped with PCs housing integrated phones in order to foster mobility throughout the site. The premises were fitted out with the aim of fostering interaction and well-being among personnel, but also to encourage training and innovation. They were designed dynamically and in an open manner, the objective being to tailor them more closely to work situations rather than to functions. No offices are assigned. The managerial hierarchy was also flattened so as render employees more accountable and autonomous.

2.5. EMPLOYER-EMPLOYEE RELATIONS

Natixis Assurances has its own employee representative bodies and ensures that there is a platform for employee dialog. Its employee representative bodies are also involved within the scope of Consolidated Natixis, which guarantees that all staff are represented.

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

Within the BPCE and Consolidated Natixis perimeter, which includes Natixis Assurances, four agreements were signed in 2016:

- an agreement relating to the careers of personnel representatives (BPCE);
- an agreement relating to quality of life at work (Consolidated Natixis);
- an agreement relating to social guarantees in support of the project to migrate Banque Privée 1818's securities custody from SAMSIC to DEFO (Consolidated Natixis);
- an agreement relating to mandatory employee profit-sharing in respect of profits for fiscal years 2016 and 2017 (Consolidated Natixis);

On the life and personal protection insurance perimeter, Natixis Assurances signed four agreements in 2016:

- a technical rider to the incentive agreement for BPCE Vie employees;

and for BPCE Relation Assurances employees:

- an incentive agreement;
- an agreement on participation in the employee savings plan;
- an agreement on participation in the employee pension savings plan.

On the non-life insurance perimeter, following BPCE Assurances' adoption of a good portion of the profit-sharing agreements concerning the Natixis perimeter in 2014 and 2015, attention in 2016 notably turned to integrating the Company into Natixis' human resources IT system and the consolidation of the Group's insurance core business.

During 2016, work also began on a project focusing on the organization and working hours for the Bordeaux platforms. The method employed for the project is based on the participation of a large number of staff and personnel representatives united in working groups.

BPCE Assurances also signed three agreements in 2016:

- an agreement covering compensation, working time and the share-out of value added;
- an incentive agreement;
- a rider to revision n°2 concerning the agreement on transport costs.

2.6. OCCUPATIONAL HEALTH AND SAFETY

In 2016, Natixis Assurances continued to strengthen measures in this area by continuing with its annual professional risk prevention approach.

During 2016, Natixis Assurances reported three workplace accidents in the life and personal protection activity (as in 2015) and eight in the non-life business line (as in 2015). For these activities, it recorded a workplace accident frequency of 4.63 (5.17 in 2015) and a severity rate of 0.07 (as in 2015).

Natixis Assurances also has a contractual arrangement through which it provides the services of a social assistant to employees. The assistant is present four Tuesdays a month, alternating between the Mérignac and Martillac sites, and also handles requests from staff in Paris or Dijon by e-mail or phone.

Natixis Assurances works with the specialist consulting firm Psya to offer employees a psychological support service by telephone. This individualized, anonymous and confidential service can be used to tackle any professional or personal subject liable to create situations of unhappiness or mental suffering (aggression, violence, pressure, conflict, stress, harassment/bullying). The service is delivered by an independent, specialist consulting agency employ a team of clinical psychologists. It can be accessed on a 24/7 basis via a simple phone call.

Natixis Assurances maintains a close relationship with healthcare professionals (occupational physicians, nurses, ergonomists, "CARSAT" occupational health offices, etc.), which has enabled it to complete initiatives in the fields of health, safety, working conditions and general quality of life in the workplace (working groups on the organization of telephone platforms, reinforcement of building work and maintenance, expansion of the car park in Mérignac, study on the expansion of the Paris offices, monitoring of regulations and regulatory controls, regular on-site inspections with representatives of the Committee for Health, Safety and Working Conditions (CHSCT), etc.).

In the life and personal protection business line, Natixis Assurances grants an exceptional subsidy to the employee representative council for the purpose of implementing initiatives to promote wellbeing at work (massage/relaxation sessions, smoking cessation conference, etc.).

2.7. TRAINING

Natixis Assurances' training policy, in line with Natixis' New Frontier strategic 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 teams;
- supporting major business line projects and company procedures.
- helping to acclimatize new employees.

The teams in charge of training set up comprehensive or tailored solutions, delivered through one-off initiatives or longer-term programs aimed at developing individual and collective skills. These solutions help to maintain the employability of our staff and continuously improve their professional abilities.

Natixis Assurances	2016	2015	2014
Hours of training	35,491	28,561	27,433

Provisional data representing at least 95% of training completed during the year. Part of the data on long-term training programs is based on theoretical training times.

This data for the life and personal protection insurance scope does not include training provided internally.

2.8. DIVERSITY AND EQUAL OPPORTUNITY

Natixis Assurances accompanies Natixis – a signatory of the Diversity Charter in 2009 – in its efforts to fight discrimination in all its forms and at each step of the human resources management process, encompassing recruitment, training and management of employee careers.

Natixis Assurances is working to establish a policy aimed at capitalizing on the diversity of employee profiles, experience 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, a professional agreement between men and women was signed on June 2, 2015.

In non-life insurance, an agreement on gender equality in the workplace was signed on January 5, 2012.

Natixis Assurances	2016	2015	2014
Percentage of women in the executive status category	54.27%	54.48%	52,95%

Retention of older employees

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, including volunteering with non-profit organizations to begin the transition between active employment and retirement for employees over 58.

Natixis Assurances	2016	2015	2014
Percentage of employees aged 55 and over	4.84%	4.50%	4.08%

Employment and integration of disabled persons

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 Mission Handicap Assurance (formerly Gema Handicap) since 2009. It also initiates a large number of events involving persons with disabilities (graphic arts, conferences, partnerships with non-profit organizations, etc.) geared toward raising awareness among its employees.

Natixis serves its subsidiaries through various projects geared to improving building accessibility for employees or external visitors with reduced mobility or hearing/visual impairment.

Natixis Assurances	2016	2015	2014
Disabled workers on staff	41	29	29

3. ENVIRONMENTAL INFORMATION

3.1. ENVIRONMENTAL POLICY

Organization and certifications

Natixis' Real Estate and Logistics Department oversees and maintains the technical facilities in the buildings used by Natixis Assurances. This department is ISO 9001 and ISO 14001 certified, particularly for the buildings occupied by the life and personal protection insurance business, excluding the sites in Mérignac (St-Exupéry and Auriol buildings), Martillac (Montesquieu building) and Dijon, which are managed directly by the non-life insurance activity's general services department.

Natixis' Real Estate and Logistics Department ensures optimum resource management by closely managing the various resources used: energy (electricity, hot and cold fluids), water and paper. These measures, combined with initiatives to raise employee awareness of "green practices" have helped reduce consumption significantly over the last few years.

Environmental information on Natixis Life and BPCE Relation Assurances is not significant and thus not shown.

Employee training and information

Regular communications and initiatives are employed to raise awareness of sustainable development among Natixis Assurances employees in order to reduce their impact on the environment. Internal communications, human resources communications and invitations to events are disseminated only in digital form. Initiatives are systematically organized for Sustainable Development Week and 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 are specifically trained on environmental issues. 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.

3.2. CIRCULAR ECONOMY

Waste prevention and management

The main waste products generated by Natixis Assurances are paper, envelopes and cardboard boxes.

Waste-sorting is managed by Natixis' Real Estate and Logistics Department and is in operation in all of Natixis' buildings. It involves:

- sorting and recycling paper in offices;
- collecting and treating batteries;
- recoving waste electrical and electronic equipment (WEEE);
- sorting and recycling plastic pens;
- recycling plastic cups within the non-life insurance perimeter.

Volume of waste sorted by Natixis Assurances	2016	2015	2014*
Paper, envelopes and boxes (in metric tons)	55	56	36.40
Batteries (in metric tons)	1.63	0.24	0.03
WEEE (in metric tons)	0.90	0.22**	0.01
Fluorescent and neon tubes (number)	1130	610**	250
Cartridges (in metric tons)	unav.	unav.**	unav.
Ordinary, unsorted industrial waste (in metric tons)	38.90	26.55**	17.63

* Excluding Paris offices for the Non-Life Insurance business line.
** Non-Life Insurance business line.

For buildings managed by Natixis' Real Estate and Logistics Department, all waste is sorted, i.e. ordinary industrial waste (paper, cardboard, glass, metal, etc.) and hazardous industrial waste (WEEE, solvents, paint, varnish, infectious waste, etc.). 100% of this waste is recycled or subject to a special treatment process.

Sustainable use of resources

Natixis Assurances also applies a variety of resource-saving measures geared to reducing consumption of water, paper and energy.

Use of raw materials and energy at Natixis Assurances	2016	2015	2014
Total water consumption (in m^3)	9,446.28	8,185.74*	2,459**
Total paper consumption (in metric tons)	29.90***	27.57	43,01
Total energy consumption of buildings (in MWh)	5,565.75	5,093.47	2,940.40***
Total consumption of heating oil (in m^3)	0.54	0.32	0.34

*Water consumption for two out of three buildings: Bercy and Quai de Bercy
** Total water consumption not available for the non-life Insurance business line
***Excluding Paris buildings for the non-life Insurance business line

Measures have been taken to optimize water consumption in the buildings managed by Natixis' Real Estate and Logistics Department, i.e. continuous monitoring of the systems to detect any leaks, fitting of pressure relief devices, installation of rain gauges to stop automatic sprinklers during rainfall 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).

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

- installation of solar film on the St-Exupéry and Auriol buildings in order to reduce energy loss and consumption by heating and cooling systems;
- a re-lamping policy with the use of LED light bulbs;
- installation of motion-sensitive lighting systems;
- heating and cooling systems that react better to temperatures outside the building.

3.3. CLIMATE CHANGE

Greenhouse gas emissions

Natixis Assurances' carbon footprint is assessed by extrapolating the carbon footprint calculated for 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

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

• property, plant and equipment: buildings, vehicles, computer equipment;

• freight: message service, couriers;

• waste: waste generated in offices;

The ensuing result reflects the Company's "office life". Emissions induced by investments are excluded from the analysis.

Consolidated data:

	2016	2015	2014
Total GHG emissions (metric tons of CO^2 equivalent)	9,758	3,536**	2,813**

** For non-life insurance, only the electricity consumption of buildings is taken into account.

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.)

Natixis also applies numerous initiatives as part of a low-carbon strategy geared to reducing the climate-impact of the Bank's financings and investments:

• financing green growth: Natixis is a significant player in renewable energy and sustainable infrastructure financing, as well as in the green bond market;

• climate-friendly investment solutions: Mirova, Natixis' specialist SRI asset management company, offers a set of instruments for fighting climate change;

• reducing exposure to carbon-intensive sectors: Natixis has pledged to end its involvement in financing and investing in the coal industry;

• measuring the carbon footprint of investment portfolios: Mirova performed an initial calculation of the carbon footprint of its equity portfolios in 2015, with a view to extending the method to all of Natixis' portfolios.

Natixis Assurances offers products aimed at protecting against weather-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.

3.4. 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, Natixis' Real Estate and Logistics Department has taken prevention measures to avoid any accidental water or air pollution. These include regular maintenance of sensitive systems and reinforc

4. SOCIETAL INFORMATION

4.1. REGIONAL ECONOMIC AND SOCIAL IMPACTS

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

The growing importance of carbon issues since the COP 21 Climate Agreement and as a result of regulatory developments – particularly article 173-VI of France's Energy and Ecological Transition Act - have triggered new needs and requirements with respect to institutional investors' investment policies. In light of this situation, Natixis Assurances has decided to build on Groupe BPCE and Natixis' historic engagement with sustainable development in order to roll out a proactive responsible investment approach that ensures it acts as a responsible long-term investor for the funds entrusted to it.

The publication of information specified in the Energy and Ecological Transition Act and detailing how investment policies factor in environmental, social and governance (ESG) is of structural impact. In addition, Natixis Assurances fully acknowledges the importance of ESG issues for the future and the role the Company can play in the transition toward a lower-carbon economy.

Through its Horizéo life insurance policy, Natixis Assurances offers customers a way to subscribe for SRI funds that primarily focus on principles relating to energy, management of natural resources, consumption, construction and urban planning. Natixis Assurances' main general fund possesses a real-estate portfolio, for which over 40% of the asset value commands an environmental label. Exposure to SRI equity funds also amounted to €58 million at the end of 2016 (excluding unit-linked). Elsewhere, acting through its main asset manager, NAM, Natixis Assurances operates a proactive and demanding voting rights policy in the ESG area and ensures it maintains continuous dialog with issuers on these matters.

After playing a major role in financing the Tera Neva sustainable investment solution in 2015, Natixis Assurances continued to make tangible commitments in this area in 2016. In June, for example, it signed the Principles for Responsible Investment (PRIs) in order to formalize its responsible investment objectives and intention to incorporate an Environmental, Social and Governance (ESG) approach into its investments. This approach, applied on directly-held asset classes, comprises three pillars:

• rating issuers' ESG commitments;

• defining themes and a selective approach for investments;

• transparency: Natixis Assurances will employ full transparency in communicating on, and reporting changes in, its contribution in terms of ESG and the carbon footprint of its assets.

Among the many themes concerned, climate change and environmental preservation were identified as priority areas in which Natixis Assurances wants to attain the best practices. Climate change is not only a subject of concern for society and the economy as a whole, but it also raises substantial insurance risks that need to be anticipated at present.

Recognition of these issues led to initiatives in 2016 geared to contributing to the gradual transformation of the global energy mix. Looking ahead to this new stage, Natixis Assurances committed in 2016 to employing Natixis' policy in this area. As a result, it no longer finances coal-fired power plants or thermal coal mines (or industrial companies that derive over 50% of their revenues from coal-fired power plants and/or thermal coal mines).

The definition of the policy for integrating ESG criteria into investment policy paves the way to establish a strategic approach for engaging with sustainable development. The first half of 2017 will see Natixis Assurances define a responsible investor policy based on the work begun in 2016. The Company is both ambitious and realistic. Realistic, in the sense that the engagements it fixes will be attainable in the medium term. And ambitious, since it will seek to adopt a portfolio logic enabling it to set objectives that are consistent with the issues raised by energy transition.

Lastly, Natixis Assurances contributes to the development of local employment through its offices, with over 1,400 people working in premises located in Paris, Bordeaux, Martillac, Mérignac, Dijon, Villeneuve d'Ascq and Reims.

These activities naturally have a positive impact when it comes to developing and maintaining employment in the regions concerned.

4.2. STAKEHOLDER RELATIONS

Conditions of stakeholder dialog

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

Partnership and sponsorship initiatives

Natixis Assurances' staff take part in a large number of social solidarity operations initiated by Natixis, among which:

- support for the Institut Gustave Roussy in its fight against cancer;
- participation in the Course Odyssea race, the Téléthon de la Finance or the Course du cœur race;
- social solidarity leave in partnership with the Planète Urgence not-for-profit association;
- participation in the the internal call for social solidarity projects, The Boost;
- the volunteers forum.

In addition, within the scope of its non-life insurance business, Natixis Assurances has for several years worked alongside the Prévention Routière road safety organization. It has shown its support by signing a partnership agreement and also through regular communication initiatives.

Social-solidarity day

Since 2014, Natixis Assurances has granted one day of social solidarity leave each year to all staff employed within the life and personal protection insurance perimeter (subject to them having at least one year of presence). This leaves allows employees to volunteer and contribute to the work of the Secours Populaire and Rêve de Cinéma associations supported by the Company.

278 of these missions have already been performed by employees,

Stakeholders	Who?	Relationship
Customers	• Businesses • Institutions • Retail customers • Banque Populaire and Caisse d'Epargne networks	• Completion of questionnaires • Invitations to tender • Preparation & management of products • Contracts • Dedicated telephone platforms
Employees	• Employees of Natixis Assurances subsidiaries • Employee representatives and trade unions	• Internal information material • Specific committees (e.g. CHSCT) • Internal satisfaction survey • Volunteer forum • Training contributors
Shareholders	• Natixis	• Board of Directors • Finance, risk, development committees
Non-profit organizations	• Rêve de cinéma, Secours populaire, Restos du cœur, Planète urgence, Prévention routière	• Donations • Voluntary work by employees
Institutional players, regulators	• Financial regulatory authorities • FFSA	• Participation in marketplace groups • Transmission of information and documents for control and audits
Universities and schools	• Business, actuarial and finance universities and schools	• Supporting chairs • Relations with Grandes Ecoles & universities • Campus Awards • Receiving interns & work-study students

including 111 missions in 2016. They have included helping in social food and clothing stores, manning stands during annual Easter egg hunts, taking children to the seaside in summer, distributing presents at Christmas and installing temporary cinemas in hospitals for children throughout the year.

Social solidarity leave

And again within the life and personal protection insurance perimeter, Natixis Assurances has been offering staff the opportunity to partake in social solidarity missions run by the Planète Urgence association since 2010. Natixis Assurances shoulders the costs of these missions (food and accommodation, logistics, management, travel). Six staff members have already taken part in them and contributed to projects geared to protecting biodiversity.

4.3. SUPPLIERS AND SUBCONTRACTORS

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 Natixis' 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 2016, 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 products 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.

Consumer protection

In terms of consumer protection, Natixis Assurances employees are obliged to carry out their business in an honest and fair way. When selling products, they are subject to a number of rules designed to protect the interests of their customers.

4.4. OTHER HUMAN RIGHTS INITIATIVES

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

- it is naturally applied within human resources management policy, which aims to maintain good working and safety conditions for Natixis Assurances employees;
- 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), including clauses governing compliance with human rights by suppliers and their subcontractors.

3 CONSOLIDATED FINANCIAL **statements**

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS (in € thousands)	12/31/2016	12/31/2015
Goodwill	19,328	19,328
Portfolios of insurance company policies	-	-
Other intangible assets	156,682	165,112
INTANGIBLE ASSETS	**176,010**	**184,440**
Investment property	920,819	1 039 713
Unit-linked investment property	217,735	81,022
Held-to-maturity investments	*2,099,974*	*2,331,000*
Available-for-sale investments	*39,227,504*	*39,588,427*
Investments measured using the fair value option and held for trading purposes	*6,474,939*	*2,728,500*
Loans and receivables	*11,213,011*	*733,061*
Financial investments	**59,015,428**	**45,380,988**
Unit-linked financial investments	10,378,016	8,158,399
Derivatives and separate embedded derivatives	52,781	39,261
INSURANCE BUSINESS INVESTMENTS	**70,584,779**	**54,699,383**
INVESTMENTS IN AFFILIATES	**94,952**	**88,990**
SHARE OF CESSIONAIRES AND RETROCESSIONAIRES IN LIABILITIES RELATED TO INSURANCE POLICIES AND FINANCIAL CONTRACTS	**9,193,964**	**8,095,879**
Buildings used for operational purposes and other property, plant and equipment	9,638	7,909
Deferred acquisition costs	338,017	48,457
Deferred policyholder bonus assets	-	-
Deferred tax assets	-	51 800
Receivables arising from insurance or accepted reinsurance operations	617,018	495,336
Receivables arising from reinsurance cession operations	9,121	6,665
Tax receivable	59,610	89,882
Other receivables	163,880	181,288
OTHER ASSETS	**1,197,284**	**881,337**
AVAILABLE-FOR-SALE ASSETS AND DISCONTINUED OPERATIONS	**748,900**	**-**
CASH AND CASH EQUIVALENTS	**632,157**	**231,663**
TOTAL ASSETS	**82,628,046**	**64,181,692**

LIABILITIES (in € thousands)	12/31/2016	12/31/2015
Share capital or equivalent funds	148,014	135,077
Issue, merger and contribution premiums	1,097,937	904,873
Revaluation reserve net of shadow accounting adjustments	356,785	248,620
Other reserves and OCI that cannot be recycled to the income statement	37,876	37,121
Cumulative earnings	193,146	141,178
Consolidated net income for the year	**178,631**	**169,911**
Translation adjustments	3,028	2,372
SHAREHOLDERS' EQUITY (GROUP SHARE)	**2,015,417**	**1,639,152**
MINORITY INTERESTS	**165,353**	**146,517**
TOTAL SHAREHOLDERS' EQUITY	**2,180,770**	**1,785,669**
PROVISIONS FOR CONTINGENCIES	**37 880**	**36,492**
Subordinated debt	1,034,436	1,034,320
Financial debt securities	-	-
Other financial debt	291,123	156,112
FINANCIAL DEBT	**1,325,559**	**1,190,432**
Underwriting liabilities related to insurance policies	31,433,824	22,639,062
Underwriting liabilities related to unit-linked insurance policies	7,183,871	5,276,849
Underwriting liabilities related to insurance policies	**38,617,695**	**27,915,911**
Underwriting liabilities related to financial contracts with discretionary policyholder bonus	20,514,254	16,362,426
Underwriting liabilities related to financial contracts without discretionary policyholder bonus	-	-
Underwriting liabilities related to unit-linked financial contracts	3,362,131	2 961 917
Underwriting liabilities related to financial contracts	**23,876,385**	**19,324,343**
Separate contract derivatives	-	-
Deferred policyholder bonus – Liabilities	3,107,271	2,813,917
LIABILITIES RELATED TO CONTRACTS	**65,601,351**	**50,054,171**
Deferred tax liabilities	54,390	35,242
Amounts payable to consolidated UCITS unitholders	329,439	320,471
Operating debt securities	-	-
Operating debts payable to banking sector companies	328,958	8,285
Payables arising from insurance or accepted reinsurance operations	219,883	207,514
Payables arising from transferred reinsurance operations	8,555,055	8,045,501
Tax payable	46,487	30,241
Derivative liabilities and amounts payable on derivatives	41,744	55,471
Other payables	3,200,054	2,412,203
OTHER LIABILITIES	**12,776,010**	**11,114,928**
LIABILITIES OF AVAILABLE-FOR-SALE OR DISCONTINUED OPERATIONS	**706,476**	**-**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**82,628,046**	**64,181,692**

INCOME STATEMENT

(in € thousands)	12/31/2016	12/31/2015
Written premiums	20,227,472	5,822,030
Change in unearned premiums	*(31,175)*	*(28,977)*
Earned premiums	20,196,297	5,793,053
Revenue or income from other activities	-	-
Other operating income	92,398	78,915
Investment income	*1,541,338*	*1,297,976*
Investment expenses	*(191,063)*	*(156,662)*
Capital gains and losses on disposal of investments (net of reversals, impairments and amortization)	*83,601*	*433,351*
Change in fair value of investments measured at fair value through profit or loss	*228,009*	*348,666*
Change in write-downs on investments	*(44,327)*	*(33,538)*
Investment income (net of expenses)	**1,617,558**	**1,889,793**
Benefits paid to policyholders	**(20,396,017)**	**(6,408,210)**
Reinsurance cession income	*1,584,011*	*917,846*
Reinsurance cession expenses	*(1,609,332)*	*(944,088)*
Net income and expenses from reinsurance cessions	**(25,321)**	**(26,242)**
Expenses from other activities	-	-
Policy acquisition costs	(609,688)	(559,330)
Amortization of portfolio values and related items	-	-
Administrative costs	(399,658)	(319,606)
Other recurring operating income and expenses	(115,249)	(114,339)
Other non-recurring operating income and expenses	-	-
OPERATING INCOME	**360,320**	**334,034**
Financing costs	(47,230)	(49,969)
Share in income of associates	9,246	11,936
Income tax	(120,148)	(103,772)
After-tax income from discontinued activities	-	-
CONSOLIDATED NET INCOME	**202,187**	**192,230**
Non-controlling interests	23,556	22,319
Net income (group share)	178,631	169,911
Earnings/(loss) per share in €	9.21	9.60
Diluted earnings/(loss) per share	9.21	9.60

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

(in € thousands)	12/31/2016	12/31/2015
NET INCOME	**202,187**	**192,230**
Translation adjustments	656	1,497
Revaluation of available-for-sale financial assets	527,468	(897,343)
Revaluation of hedging derivatives	599	(43)
Revaluation of fixed assets	-	-
Actuarial gains or losses on defined-benefit schemes	(635)	(344)
Share of gains and losses recorded directly in the equity of associates	2,365	(4,191)
Shadow accounting adjustment before deferred tax	(361,124)	899,084
Tax	(57,957)	854
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**111,371**	**(486)**
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	**313,559**	**191,744**
o/w group share	287,105	170,800
o/w attributable to non-controlling interests	26,453	20,944

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Group Share					Attributable to noncontrolling interests	Total shareholders' equity
(in € thousands)	Share capital or equivalent funds	Additional paid-in capital	Total gains and losses recognized directly in equity	Cumulative earnings	Total group share		
Share capital at 12/31/2014	**120,096**	**800,230**	**248,757**	**294,053**	**1,463,136**	**132,445**	**1,595,580**
Change in IAS 8 method and error corrections	-	-	(37)	4 937	4 900	260	5 160
Share capital at 12/31/2014 (corrected)	**120,096**	**800,230**	**248,720**	**298,990**	**1,468,036**	**132,705**	**1,600,740**
Gains and losses recognized directly in equity (1)	-	-	889	-	889	(1 376)	(486)
Consolidated net income for the fiscal year (2)	-	-	-	169,911	169,911	22,319	192,230
Total net income and gains and losses recognized directly in equity (1) + (2)	**-**	**-**	**889**	**169,911**	**170,800**	**20,943**	**191,744**
Dividends paid	-	-	-	(119,624)	(119,624)	(7,132)	(126,756)
Changes in share capital	14,981	104,643	-	-	119,624	-	119,624
Equity component of share-based payment plans	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-
Other changes	-	-	-	316	316	-	316
Adjustment of UCITS share capital	-	-	-	(147)	(147)	-	(147)
Other items	-	-	-	463	463	-	463
Share capital at 12/31/2015	**135,077**	**904,873**	**249,609**	**349,593**	**1,639,152**	**146,517**	**1,785,669**
Change in IAS 8 method and error corrections	-	-	-	-	-	-	-
Share capital at 12/31/2015 (corrected)	**135,077**	**904,873**	**249,609**	**349,593**	**1,639,152**	**146,517**	**1,785,669**
Gains and losses recognized directly in equity (1)	-	-	108,475	-	108,475	2,897	111,371
Consolidated net income for the fiscal year (2)	-	-	-	178,631	178,631	23,556	202,187
Total net income and gains and losses recognized directly in equity (1) + (2)	**-**	**-**	**108,475**	**178,631**	**287,105**	**26,453**	**313,559**
Dividends paid	-	-	-	(116,781)	(116,781)	(7,618)	(124,399)
Changes in share capital	12,937	193,064	-	-	206,001	-	206,001
Equity component of share-based payment plans	-	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-
Other changes	-	-	(28)	(33)	(60)	-	(60)
Share capital at 12/31/2016	**148,014**	**1,097,937**	**358,056**	**411,410**	**2,015,417**	**165,353**	**2,180,770**

STATEMENT OF CASH FLOWS

(in € thousands)	12/31/2016	12/31/2015
Operating income before tax	**360,320**	**334,034**
- Capital gains and losses on sales of investments	(83,601)	(433,351)
+ Net allowances for depreciation and amortization	126,272	93,668
+ Change in deferred acquisition costs	(289,560)	4,221
+ Change in impairments	44,327	33,538
+ Net allowances for insurance underwriting provisions and liabilities related to financial contracts	2,812,361	2,421,271
+ Net allowances for other provisions	(1,001)	6,189
- Change in fair value of financial instruments measured at fair value through profit and loss	(228,009)	(348,666)
- Other items without cash outflows included in operating income	(3,995)	1,767
Correction of items included in operating income that do not correspond to monetary flows and reclassification of financial and investment flows	***2,376,794***	***1,778,637***
+ Change in operating receivables and payables	433,186	494,347
+ Change in securities sold under repurchase agreements or bought under resale agreements	882,897	(19,635)
+ Cash flows from other assets and liabilities	(119,203)	20,550
- Net taxes paid	(95,566)	(150,587)
Net cash provided/(used) by operating activities	**3,838,429**	**2,457,346**
- Acquisitions of subsidiaries and joint ventures, net of cash acquired	-	-
+ Disposals of subsidiaries and joint ventures, net of cash disposed	-	-
- Investments in associates	-	(87)
+ Disposals of investments in associates	-	-
Cash flows generated by changes in scope	***-***	***(87)***
+ Disposals of financial investments (including unit-linked contracts) and derivatives	21,580,611	23,640,548
+ Disposals of investment property	6,000	17,764
+ Disposals of investments and derivatives in activities other than insurance	-	-
Cash flows generated by disposals and redemptions of financial assets	***21,586,611***	***23,658,312***
- Acquisitions of financial investments (including unit-linked contracts) and derivatives	(25,500,971)	(26,285,008)
- Acquisitions of investment property	(77)	(402)
- Acquisitions and/or issuance of investments and derivatives in other activities	-	-
Cash flows generated by acquisitions and issuance of financial assets	***(25,501,048)***	***(26,285,410)***
+ Disposals of property, plant and equipment and intangible assets	-	-
- Acquisitions of property, plant and equipment and intangible assets	(20,757)	(45,231)
Cash flows generated by acquisitions and disposals of property, plant and equipment and intangible assets	***(20,757)***	***(45,231)***
Net cash provided/(used) by investing operations	**(3,935,194)**	**(2,672,416)**
+ Membership fees	(307.00)	-
+ Issuance of capital instruments	206,000	119,624
- Redemptions of capital instruments	-	-
+ Transactions in own shares	-	-
- Dividends paid	(116,781)	(119,624)
Cash flows generated by transactions with shareholders and cooperative shareholders	***88,912***	***-***
+ Cash generated by issuance of financial debt	200,000	300,000
- Cash allocated to redemptions of financial debt	(65,000)	(178,500)
- Interest paid on financial debt	(47,230)	(49,969)
Cash flows generated by Group funding	***87,770***	***71,531***
Net cash provided/(used) by financing operations	**176,682**	**71,531**
Cash and cash equivalents at January 1	**223,378**	**366,838**
+ Net cash provided/(used) by operating activities	3,838,429	2,457,346
+ Net cash provided/(used) by investing operations	(3,935,194)	(2,672,416)
+ Net cash provided/(used) by financing operations	176,682	71,531
+ Impact of changes in exchange rates on cash and cash equivalents	(96)	79
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**303,199**	**223,378**
o/w cash and cash equivalents	*632,157*	*231,663*
o/w operating debts payable to banking sector companies	*(328,958)*	*(8,285)*

Notes to the consolidated financial statements

1. HIGHLIGHTS

1.1. ROLLOUT OF THE NEW LIFE AND PERSONAL PROTECTION INSURANCE OFFERING IN THE CAISSE D'EPARGNE NETWORK

2016 witnessed the completion of the *assurément#2016* program, via the commercialization of the new life and personal protection insurance offering within the Caisse d'Epargne network. The rollout was initiated with two pilot Caisse d'Epargne banks in January and was successfully followed up with a first rollout wave in June and a second in October. Since October 2016, all Caisses d'Epargne banks have been distributing the Natixis Assurances offering, thereby making Natixis Assurances the sole insurer for new business signed by the Caisse d'Epargne network on these products.

The commercialization of this new offering in 2016 generated €1.839 billion of revenue and the sale of 112,000 policies in the investment solutions segment, together with €3 million of revenue and 91,000 policies in the personal protection insurance segment.

1.2. ENTRY INTO FORCE OF THE NEW PARTNERSHIP AGREEMENTS BETWEEN THE BPCE AND CNP GROUPS

The new partnership agreements between BPCE and CNP came into force on January 1, 2016. In order to facilitate management of the Caisse d'Epargne's existing portfolio with CNP, the parties' interests were aligned via a cross-reinsurance mechanism, notably involving:

- the acceptance via reinsurance of 10% of the Caisse d'Epargne Life portfolio built up by CNP as at December 31, 2015 (€11.7 billion);
- the cession via reinsurance by Natixis Reassurances to CNP of 40% of new with-profits life insurance business originated via the Caisse d'Epargne network.
- the coinsurance by Natixis Assurances of 34% of new group payment protection insurance policies distributed by the BPCE networks, for which CNP is now lead insurer.

The main related impacts on the financial statements at December 31, 2016 were the recognition of a portfolio representing €11.6 billion in premium income, the recognition of the life insurance portfolio accepted through reinsurance and the receivable for the cash deposit made with the ceding party for the amount of €11.9 billion.

1.3. ENTRY INTO FORCE OF THE SOLVENCY 2 PRUDENTIAL REGIME AND FINANCING OF BUSINESS

2016 was marked by the entry into force of Solvency 2 on January 1.

In view of the significant growth recorded in 2016 and anticipated for the coming years, together with the acceptance via reinsurance of a portfolio of policies amounting to nearly €12 billion and within the context of Solvency 2, Natixis Assurances continued with its financing policy in order to reinforce the elements eligible to cover the Solvency Capital Requirement (SCR) applicable to insurance activities.

Natixis Assurances therefore undertook a capital increase representing total issue proceeds of €206 million, which was fully subscribed for by Natixis.

1.4. CLIMATE EVENTS

2016 witnessed periods of exceptional rainfall that triggered substantial flooding in the spring, which was followed by a period of drought. These events had a significant impact on Natixis Assurances' property & casualty insurance activities, with the result that the Company logged more than 18,000 claims representing a total gross loss of €33 million at the end of 2016.

1.5. ACTIONS APPLIED ON GUARANTEED MINIMUM RETURN POLICIES

With legal decisions having specified the law applicable to guaranteed minimum rates of return, BPCE Vie revised the workings of its policies in the following manner:

- application of the guaranteed minimum rate of return to payments made on signature of policies and to any flexible premiums paid in before February 1, 2016;
- application of the provisions of article A.132-1 of France's Insurance Code (Code des Assurances) relating to guaranteed minimum rates of return to premiums paid in or premium payment plans set up as from February 1, 2016.

Commissions on entry fees and on the assets of products with high multi-year guaranteed minimum rates of return were also eliminated or suspended.

1.6. TAX AND SOCIAL SECURITY INSPECTIONS

The BPCE Vie and Natixis Assurances companies and the French branch of Natixis Life were subject in 2016 to a verification of their accounting for the period from January 1, 2012 to December 31, 2014. BPCE Vie received notice of an income tax rectification for the amount of €2.1 million. Natixis Assurances and Natixis Life France were informed that there were no such rectifications in their case.

BPCE Assurances was subject to the verification of its accounting for the period from January 1, 2016 to December 31, 2014. This inspection did not lead to any rectification, but an L. 62 settlement request that was accepted by the tax authorities. This resulted in a €3.4 million increase in income tax, including late-payment penalties levied at the reduced rate.

BPCE Assurances was subject to a social security (URSSAF) inspection for fiscal years 2013 and 2014. This verification triggered a request for payment of outstanding contributions of €0.2 million. The Company is awaiting a reply from the tax authorities after referring the matter to the appeals board following the refusal of its request to pay the outstanding amount in instalments.

1.7. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At fiscal year-end, BPCE Vie was in advanced talks with a potential buyer regarding the sale of three ringfenced life insurance portolios representing around 11,800 policies and €689 million in life insurance assets and provisions for policyholder bonuses. The work and analysis performed to date has not indentified any factors liable to affect the net value of the Company's equity.

In application of IFRS 5, the operations concerned are recorded in the sections "Assets and liabilities held for sale and discontinued operations" in the balance sheet.

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 No. 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 with 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 No. 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 policyholder bonus assets in the consolidated financial statements of insurance entities;
- the recommendation of the ANC (French Accounting Standards Authority) n° 2016-11 of December 12, 2016 concerning information to be mentioned in the notes to consolidated financial statements prepared accoring to international standards.

2.2. STANDARDS AND INTERPRETATIONS NOT USED

The standards and interpretations published by the IASB, adopted by the European Union and whose application was mandatory in 2016, were applied for the preparation of the 2016 financial statements. These notably include the texts that entered into force in 2016 and particulary the interpretation of IFRIC 21 regarding taxes.

No standard amendment or interpretation was brought forward in 2016.

2.3. FIRST-TIME APPLICATION

The date of first-time 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 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 translation adjustment 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.

2.4. IMPACT OF SOON-TO-BE APPLICABLE STANDARDS

IFRS 9. Financial instruments

Natixis Assurances is preparing for the entry into force of IFRS 9, which will mandatorily replace IAS 39 as from January 1, 2018. This new standard was adopted by the European Commission and deals with the following subjects:

- classification and measurement of financial assets and liabilities;
- impairment based on credit risk;
- hedge accounting.

Main impacts of changes in classification principles

IFRS 9 sets out a logic for classifying assets according to their type:

- equity instruments are measured at fair value through profit and loss, unless the option to classify them at fair value through non-recyclable equity is used at the time of purchase (no recycling of realized gains or losses to income);
- shares in funds are measured at fair value through profit and loss;
- debt instruments recorded according to their management model and their contractual characteristics:
  - if the management model is to retain the assets so as collect contractual cash flows and if the SPPI criterion (described below) is respected, then the instruments are measured at amortized cost,
  - if the management model is geared both to collecting contractual cash flows and to selling the instruments so as to register gains and if the SPPI criterion is respected, then the instruments are measured at fair value through equity,
  - in other cases, the instruments are recognized at fair value through profit and loss.

The Solely Payments of Principal and Interest (SPPI) criterion is verified when the contractual flows from the debt instrument solely comprise repayment of the principal initially lent and payment of the interest on this principal, with remuneration essentially based on the passage of time and credit risk.

Application of the classification and measurement chapter of IFRS 9 should lead to a higher proportion of securities being measured at fair value through profit and loss, as the majority of equities, shares in funds and debt securities do not satisfy the SPPI criterion. Concerning this last category, based on ongoing analysis, it is estimated that it will concern no more than 12% of the value of the debt securities in Natixis Assurances' portfolio.

Main impacts of the new approach to impairment

IFRS 9 introduces a new model concerning impairment for credit risk based on projected losses. This model will apply to debt instruments and to loans valued at amortized cost or at fair value through recyclable equity.

Whereas the IAS 39 impairment model is founded on proven credit losses, IFRS 9 requires recognition at least of the credit losses projected over the next 12 months and, in the event of any significant increase in credit risk since initial recognition of such losses, recognition of the credit losses projected at maturity. The amount of projected credit losses incorporates the probability of default as well as exposure at default.

The application of this new impairment model is liable to lead to an increase in impairments for credit risk booked against income. In view of their prospective nature, these impairments will be more volatile than the impairments booked under IAS 39.

Natixis Assurances' preparations for IFRS 9

Natixis Assurances started work in second-half 2015 on analyzing the new standard and reviewing the portfolio. This work continued in 2016 and notably involved performing impact studies within the framework of those conducted by Natixis and BPCE, as well as analyzing the operational aspects of implementing the new standard. Work will continue in 2017 and notably focus on IT developments and the choice of the final structural options. Natixis Assurances' IFRS 9 project is integrated into Natixis'.

IFRS 15. Revenue from ordinary operations generated by contracts with customers

Natixis Assurances does not expect this standard to have any significant impacts on its financial statements. The new standard applies from January 1, 2018.

IFRS 16. Leases

IFRS 16 has yet to be adopted by the European Commission, but should apply from January 1, 2019, when it will replace IAS 17. The new standard will mean most leasing contracts being recorded in the balance sheet and will apply to both lessors and lessees. Investment property will remain covered by IAS 40.

3. CONSOLIDATION METHODS AND SCOPE

3.1. CONSOLIDATION METHODS

Consolidations and equity-method accounting

The consolidation methods used are:

- full consolidation of controlled entities, within the meaning of IFRS10;
- 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 affiliate companies 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 euros, with the exception of ADIR, which is accounted for by the equity method and keeps its statements in Lebanese pounds.

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

IFRS 10 defines a single control model applicable to all entities, whether structured or not. 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.

Fast close

Since December 31, 2015, the individual financial statements of all subsidiaries of Natixis Assurances used to prepare the consolidated financial statements have been based on a single "real" close.

3.2. CONSOLIDATION SCOPE

	Method	Head office	2016		2015		Date of consol./ deconsol.
			% controlled	% int. held	% controlled	% int. held	
Full consolidation (FC)							
BPCE Vie	FC	30, avenue Pierre Mendès France 75013 PARIS	100%	100%	100%	100%	1997
BPCE Prévoyance	FC	30, avenue Pierre Mendès France 75013 PARIS	100%	100%	100%	100%	1997
BPCE Assurances	FC	88, avenue Pierre Mendès France 75013 PARIS	60%	60%	60%	60%	2014
Natixis Life	FC	51, avenue J.F. Kennedy, L-1855 LUXEMBOURG	100%	100%	100%	100%	1998
BPCE APS	FC	88, avenue Pierre Mendès France 75013 PARIS	50%	50%	50%	30%	2014
GIE BPCE Relation Assurances	FC	30, avenue Pierre Mendès France 75013 PARIS	100%	100%	100%	100%	2015
SCI Fructifoncier	FC	8-12, rue des Pirogues de Bercy 75012 PARIS	100%	100%	100%	100%	2004
SPPICAV Nami Investment	FC	8-12, rue des Pirogues de Bercy 75012 PARIS	100%	100%	100%	100%	2009
FCP Réaumur Actions	FC	21, quai d'Austerlitz 75634 PARIS Cedex 13	100%	100%	100%	100%	2005
FCP ABP Alternatif Offensif	FC	21, quai d'Austerlitz 75634 PARIS Cedex 13	100%	100%	100%	100%	2012
FCP Natixis Ultra Short Term	FC	21, quai d'Austerlitz 75634 PARIS Cedex 13	47%	47%	47%	47%	2013
FCP ABP Vie Mandat	FC	5-7, rue de Monttessuy 75340 PARIS Cedex 07	100%	100%			2016
Equity method (EM)							
BPCE IARD	EM	Chaban de Chauray BP 9003 79093 NIORT Cedex	49%	49%	49%	49%	1997
Adir	EM	Aya Commercial Center, Dora BEIRUT	34%	34%	34%	34%	2001
Ecureuil Vie Développement	EM	Héron Building, 66, avenue du Maine 75014 PARIS	51%	51%	49%	49%	2015

3.3. COMPANIES EXCLUDED FROM THE CONSOLIDATION SCOPE

As a first approach, the criteria used for including UCITS and real-estate long-term investment holdings in the scope of consolidation are as follows:

- according to IFRS 10 and IFRS 11, control over a fund is deemed to exist when Natixis Assurances has the ability to influence the funds' returns due to its power over the entity. Only substantial rights, that is when Natixis Assurances has the practical ability to exrcise them, are taken into account;
- the fund's balance sheet total or net equity exceeds 0.5% of the value of Natixis Assurances' total investments;
- the total for all of the entities excluded from the consolidation scope does not represent more than 5% of total investments.

3.4. NON-CONSOLIDATED LONG-TERM INVESTMENT HOLDINGS

The following lists presents Natixis Assurances' non-consolidated long-term investment holdings. Investment vehicles whose net equity is lower than 0.5% of the total value of Natixis Assurances' investments are not presented.

Name of entity	% ownership 2016	Head office	Comments on consolidation criteria
Companies			
Inter Mutuelle Assistance	2%	11, rue de Grenelle 75007 PARIS	Control over fund or entity not established
SURASSUR	2%	534, rue de Neudorf 2220 LUXEMBOURG	Control over fund or entity not established
Investment companies or funds			
SCI FONCIÈRE 2	98%	8-12, rue des Pirogues de Bercy 75012 PARIS	Materiality threshold not reached
SCI TOUR WINTERTHUR	40%	102, Terrasse Boieldieu 92800 PUTEAUX	Control over fund or entity not established
SCI FLI	7%	8-12, rue des Pirogues de Bercy 75012 PARIS	Control over fund or entity not established
SCPI ATLANTIQUE MUR RÉGIONS	58%	1, rue Françoise Sagan 44919 NANTES	Control over fund or entity not established
SCPI FRUCTIFONDS IMMOBILIER	53%	8-12, rue des Pirogues de Bercy 75012 PARIS	Control over fund or entity not established
SCPI FRUCTIPIERRE	25%	8-12, rue des Pirogues de Bercy 75012 PARIS	Control over fund or entity not established
OPCI FRANCE EUROPE IMMO P	54%	8-12, rue des Pirogues de Bercy 75012 PARIS	Control over fund or entity not established
FCT IDINVEST DETTE	16%	117, av. des Champs-Élysées 75008 PARIS	Control over fund or entity not established
ING L Inst FCR ID	100%	3, rue Jean Piret 2350 LUXEMBOURG	Simplified consolidation method (measured at fair value through profit and loss and recognition of non-controlling interests)
FF. PROFIL6 2DEC	78%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
AAA-ACT. AGRO ALIM.C FCP 2DEC	28%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
NATIXIS EUROPE CONVERTIBLES	25%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
SELECTION PROTEC.85 R FCP 4DEC	25%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
FRUCTIFONDS FRANC.ACT. C FCP 2DEC	24%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
NAT. CONV.EURO I	24%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
DNCA INVEST SICAV - MIURA IC	23%	19, place Vendôme, 75001 PARIS	Control over fund or entity not established
NATIXIS TRESORERIE PLUS IC 4D	20%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
Ossiam Lux iSTOXX Europe Min Var NR 2C EUR CAPI	18%	80, av. de la Grande Armée 75017 PARIS	Control over fund or entity not established
ELITE 1818 EUR RENDEMENT C	17%	115, rue Montmartre 75002 PARIS	Control over fund or entity not established
NAT CASH EURIB 4DEC	15%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
NIFLI EUR. HIGH SAC	14%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
NATIXIS INST JOUR C SI 1DEC	12%	21, quai d'Austerlitz 75634 PARIS Cedex 13	Control over fund or entity not established
MIROVA CORE INFRASTUCTURE FD A	10%	8-12, rue des Pirogues de Bercy 75012 PARIS	Control over fund or entity not established

3.5. SIGNIFICANT NONCONTROLLING INTEREST HELD IN GROUP SUBSIDIARIES

Natixis Assurances holds a €292 million interest in BPCE Assurances. A signifcant portion of this subsidiary's capital (40%) is held by companies outside of the Group:

	Capital ownership
Natixis Assurances	60%
MACIF	25%
MAIF	15%
Total	**100%**

The voting rights in this entity are exactly proportional to the percentage of equity interest held.

BPCE Assurances posted €59 million in net income (on a nonconsolidated basis) in 2016. Dividends in respect of fiscal year 2015 paid to Natixis Assurances in 2016 amounted to €11 million.

BPCE Assurances is headquartered at 50, avenue Pierre Mendès-France, Paris 75013, France. It is Groupe BPCE's non-life insurance subsidiary serving the Caisse d'Epargne network and affiliated banks and, to a lesser extent, the Banque Populaire network. BPCE Assurances has a full range of proprietory property & casualty insurance products. The breakdown of premiums earned in 2016 was as follows:

Earned premiums (in € millions)	12/31/2016
Auto	246
Home	283
Personal accident	89
Health	88
Legal expenses	53
Near banking and major risks	80
Personal protection	17
Total	**856**

The subsidiary's main balance sheet and profit aggregates were as follows:

(in € millions)	12/31/2016
Equity	373
Subordinated debt	40
Underwriting reserves	1,185
BALANCE SHEET TOTAL	**1,772**
Investments	1,158

(in € millions)	12/31/2016
Net insurance income	242
Pre-tax profit	94
IFRS net income	59
Net combined ratio	90%

3.6. INTERESTS HELD IN AFFILIATES

The BPCE IARD, Adir and Ecureuil Vie Développement affiliates, which are accounted for by the equity method, impacted Natixis Assurances' consolidated financial statements by €76 million in balance sheet terms and €9 million in net income terms.

3.7. INTERESTS HELD IN NON-CONSOLIDATED STRUCTURED ENTITIES

The non-consolidated structured entities held by Natixis Assurances are all investment vehicles backing underwriting commitments or shareholders' equity.

The table below presents the carrying value of Natixis Assurances' interests in non-consolidated structured entities, as well as the maximum exposure to the risk of loss attributable to these interests. Maximum exposure to risk of loss corresponds to the cumulative amount of the interests recorded in balance sheet assets plus commitments given. The size of the structured entities corresponds to the total of issues of securitization vehicles recorded in balance sheet liabilities plus the net asset value of investment funds.

(in € millions)	Securitizations	Asset Management
Financial assets at FV through profit and loss (incl. unit-linked contracts)	0	7,558
Available-for-sale financial assets	382	1,672
Loans and receivables	0	0
Total Assets	**382**	**9,230**
Financing commitments given	475	489
Maximum exposure to risk of loss	**857**	**9,716**
Size of structured entities	**946**	**89,183**

3.8. FINANCIAL SUPPORT TO STRUCTURED ENTITIES

Against a backdrop of challenging financial conditions, Natixis Assurances did not grant any financial support to consolidated or nonconsolidated structured entities.

4. ACCOUNTING PRINCIPLES AND METHODS

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

Preparation of the financial statements requires certain estimates and assumptions; it also calls for the use of judgment in applying the accounting 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 policyholder bonuses 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 was booked against 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. Capitalization of IT 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 backing 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 the SPPICAV Nami Investment (an investment company with variable capital investing primarily in real estate), both of which are included in the consolidation scope.

4.2.4. Financial investments

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), equities UCITS and SCPIs;
- 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 backing 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 with-profits portfolio and the unit-linked portfolio.

Hedge accounting

Natixis Assurances subscribed for a forward OAT in the second half of 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 general pricniple is to use the bid price when it is available and relevant.

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 equates to the bid price.

The bid 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 bid 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 investment management mandate for the portfolios held;
- the company responsible for accounting and valuation for 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(2) (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 (more 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 using quoted swaps and futures prices;
  - establishment of an average spread matrix for each rating category using the above observed and reconstituted market data;

(1) Except for bonds held by BPCE Prévoyance which are classified in AFS.
(2) Bloomberg Generic (price calculated by Bloomberg based on contributor prices).

- 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.

Particular 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 countervaluation 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;
- **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 sells assets on a volatile and shallow market.

Investment management principles

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

Investments accepted as representing euro-denominated commitments (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.

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 speculative grade (high yield) bonds (2% of total assets under management), i.e. with ratings ranging from CC (net assets of €739k) to BB+. At December 31, 2016, the breakdown of the portfolio was as follows:

Credit rating:

- bonds with a rating ranging from A to AAA comprised 63% of AuM;
- BBB-rated bonds comprised 30% of AuM;
- bonds rated below BBB comprised 2% of AuM;
- unrated bonds comprised 5% of AuM.

Business sector:

- 35% were bonds issued by government, public or quasi-public issuers;
- 36% were bonds issued by manufacturing or service sector issuers;
- 29% were bonds issued by t h e financial sector (o/w 68% were rated from A to AAA).

Securitizations and CLOs

Under Decree No. 2013-717 of August 2, 2013, which now allows companies to invest in loans to unlisted companies and local authorities, Natixis Assurances has purchased units or debt securities issued by securitization funds for a total amount of €862 million.

Natixis Assurances holds transferable securities classified as asset-backed securities or CLOs (residual gross cost price of €10 million at end-2016). These securities were purchased in 2008 at valuation levels conferring a high spread relative to risk-free returns. The high number of investment lines (55 at end-2016) 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.

Exposure to banking and real estate risks

Exposure to real estate risk is predominantly indirect and usually secured 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 €4.371 billion, 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 loss of €0.9 million on these holdings based on the latest net asset values published at December 31, 2016.

NATIXIS ASSURANCES' ALTERNATIVE INVESTMENTS

Alternative investments are limited to €100 million, i.e. 0.14% of the value of investments in with-profits funds.

SECURITIES LENDING AND REPOS

Repurchase and lending transactions on certain securities held in with-profitsfunds are geared to obtaining an additional return. A significant portion of these transactions is conducted with Groupe BPCE as part of the Group's overall cash management operations. About half of the volume concerned is in the form of loans not secured with either cash or securities and concluded with Natixis; this results in a credit risk associated with the Natixis counterparty, which is subject to a limit. The other half of securities loan transactions is secured by a cash deposit from the counterparty which is adjusted daily according to the market value of the securities loaned; the associated credit risk is therefore very limited. The cash deposits received as collateral are reinvested in certificates of deposit issued by financial institutions of high credit quality. The credit risk resulting from these investments is subject to limits, applied by financial institution, including for Groupe BPCE entities.

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.

In view of:

- 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 commitments,

no extensive investigations were performed on the valuations and valuation work carried out by the asset management companies and verified by the designated Statutory Auditors at the last balance sheet date prior to December 31, 2016. 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;
- 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 conditions as to thershodl 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 policyholder bonuses 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 is the case under French GAAP (CRC 00-05). As the deferred policyholder bonus 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 a deferred policyholder bonus 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 policyholder bonuses at the deferred policyholder bonus rate. The deferred policyholder bonuses thus recognized are subject to deferred tax; the restatements are recognized through profit and loss.

The sufficiently cautious nature of deferred policyholder bonuses is verified using the liability adequacy test (see point 6.2.8).

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 policies

See point 6.2.3. "*Categories of insurance policies*".

4.2.10. Liabilities related to financial contracts without discretionary policyholder bonuses

Financial contracts without discretionary policyholder bonuses 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 6.2.8), 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 with-profits 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 for subscriptions after December 21, 2012, and technical interest rates fixed according to regulations; 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 of return, an additional provision was recorded on the basis of planned premiums set up before February 1, 2016. The amount of this additional provision was €9 million in 2016, compared to €36 million in 2015;
- **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 policyholder bonuses 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 policyholder bonuses 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, with the financial management policy implemented by Natixis Assurances calling for securities to be held to maturity, deferred policyholder bonuses are recorded on all unrealized capital gains or losses generated on these securities.

Shadow accounting measures apply both to insurance policies and to investment contracts with discretionary policyholder bonuses.

Changes in deferred policyholder bonuses 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 policyholder bonus 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 payout ratios for 2017-2019 and in accordance with the payout ratio recorded for 2016, the deferred policyholder bonus rate adopted at December 31, 2016 is 87.0% compared to 90.0% at December 31, 2015. This change reflects the change in the breakdown of the balance sheet between underwriting reserves and capital.

Deferred policyholder bonus assets and recoverability test

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

In its recommendation of December 19, 2008, the CNC recalled the conditions for recognizing deferred policyholder bonus assets.

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

Deferred policyholder bonuses 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 policyholder bonuses is conducted under a process including:

- assessment of the probability of generating unrealized capital lossesat 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 2016, as in 2015, Natixis Assurances recorded net deferred policyholder bonus 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 BPCE IARD provision). A deferred tax is recognized on net changes.

4.2.14. Employee benefits

Supplementary pension plans

Natixis Assurances set up an Article 83 defined-contribution pension plan for its employees, taken out with an external insurer. The plan paid out €1,135k in respect of fiscal year 2016. In addition, Natixis Assurance paid out €565k in respect of the pension fund for insurance sector employees.

End-of-career compensation

An insurance policy was taken out with an external insurer in order to fund end-of-career compensation paid to retiring BPCE Vie employees. A €681k expense was recorded in this respect in 2015.

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 €3,208k, of which €2,573k for the opening of the fiscal year and €635k for changes over the period.

The commitment was measured in accordance with IAS 19 as revised. The total gross commitment amounted to €7,789k. The calculations were carried out individually, with employee benefits recorded on an accruals basis.

The following assumptions were used:

- discount rate: 1.10% to 1.35%;
- expected gross return on plan assets (BPCE Vie): 1.10%;
- inflation rate: 1.60%;
- rate of wage increase: 2.06% for executive status staff and 2.50% for non-executive status staff;
- BPCE Vie executive turnover rate: 8.87% up to 35 years old, 4.85% between 35 and 44, 3.36% between 45 and 54, 1.18% between 55 and 59, and no turnover after 60;

- BPCE Vie non-executive turnover rate: 4.74% up to 35 years old, 3.05% between 35 and 44, 2.03% between 45 and 54, and no turnover after 55;
- BPCE Assurances employee turnover rate: 3.2% up to 14 years of presence, 4.7% between 15 and 24 years of presence, 1.1% between 25 and 34 years of presence, and 0.4% over 35 years of presence;

At end-2016, eligible plan assets totaled €3,230k, bringing the total net obligation to €4,559k.

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: 1.10% to 1.35%;
- inflation rate: 1.60%.

The total obligation came to €2,244k, of which €1,850k 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.

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 policyholder bonuses. They are measured at their amount after taxes.

4.3.2. Revenue from financial contracts without discretionary policyholder bonuses

Revenue from financial contracts without discretionary policyholder bonuses is recorded under "Revenue or income from other activities" and corresponds to premium loading. Revenue from financial contracts without discretionary policyholder bonuses was not material.

4.3.3. Investment income and expenses

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 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 financial 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 keys or the ABC (Activity Based Costing) method. This method involves 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 allocation ensures that operating expenses are allocated to one of the uses provided for in the French Insurance Code, i.e.:

- acquisition costs;
- administrative costs;
- claims 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 2016. At December 31, 2016, Natixis Assurances recorded payroll cost savings of €1,781k.

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

France's 2017 budget law plans to reduce the rate of corporate income tax from 33.33% to 28% for all companies as from 2020. The analysis of the rates applicable at the time of the probable reversal of the main temporary differences giving rise to the recognition of deferred tax demonstrated that most of these taxes would be determined at a rate of 34.43%.

Natixis Assurances therefore applied a rate of 34.43% to calculate deferred taxes. This rate comprises the income tax rate of 33.33% and the social levy of 3.3% applied to income tax as introduced by the French Law 99-1140 of December 29, 1999.

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 (property damage, 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.

Natixis Assurances' geographic areas are:

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

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 ON FINANCIAL INSTRUMENTS

5.1 FINANCIAL INSTRUMENTS

5.1.1. Investments

BREAKDOWN OF INVESTMENTS

(in € thousands)	12/31/2016		12/31/2015	
	Balance sheet value	% (balance sheet value)	Balance sheet value	% (balance sheet value)
Investment property at amortized cost	28,449	-	-	-
Investment property at fair value through profit and loss	892,370	1.3%	1,039,713	1.9%
Unit-linked investment property	217,735	0.3%	81,022	0.1%
Investment property	**1,138,554**	**2%**	**1,120,735**	**2%**
Held-to-maturity bonds	2,099,975	3.0%	2,331,000	4.3%
Available-for-sale bonds	34,961,157	50%	35,648,992	65%
Bonds recorded using the fair value option	1,811,329	2.6%	1,517,959	2.8%
Bonds	**38,872,460**	**55%**	**39,497,951**	**72%**
Available-for-sale equities	1,245,482	1.8%	1,131,432	2.1%
Equities recorded using the fair value option	-	0%	-	0%
Equities	**1,245,482**	**2%**	**1,131,432**	**2%**
Available-for-sale UCITS	3,020,865	4.3%	2,808,003	5.1%
UCITS recorded using the fair value option	473,954	0.7%	28,249	0.1%
UCITS held for trading purposes	4,189,657	5.9%	1,182,292	2.2%
UCITS	**7,684,476**	**11%**	**4,018,544**	**7%**
Sub-total financial investments (excl. property and loans and receivables)	**47,802,418**	**68%**	**44,647,927**	**82%**
o/w held-to-maturity financial investments	2,099,975	3%	2,331,000	4%
o/w available-for-sale financial investments	39,227,504	56%	39,588,427	72%
o/w financial investments at fair value through P&L (1)	6,474,939	9%	2,728,500	5%
Loans and receivables	11,213 011	16%	733,061	1.3%
Investments representing unit-linked policies recorded using the fair value option	10,378,017	15%	8,158,399	15%
Derivative assets	52,781	0.1%	39,261	0.1%
INSURANCE BUSINESS INVESTMENTS	**70,584,779**	**100%**	**54,699,384**	**100%**
Derivative liabilities and amounts payable on derivatives	(41,744)		(55,471)	

(1) Excluding investment property.

BREAKDOWN OF INVESTMENTS IN AFFILIATES

(in € thousands)	12/31/2016		12/31/2015	
	Balance sheet value	o/w affiliates	Balance sheet value	o/w affiliates
Investment property at amortized cost	28,449	-	-	-
Investment property at fair value through profit and loss	892,370	-	1,039,713	-
Unit-linked investment property	217,735	-	81,022	-
Investment property	**1,138,554**	**-**	**1,120,735**	**-**
Held-to-maturity bonds	2,099,975	35,680	2,331,000	35,757
Available-for-sale bonds	34,961,157	1,232,559	35,648,992	2,494,134
Bonds recorded using the fair value option	1,811,329	634,858	1,517,959	483,190
Bonds	**38,872,460**	**1,903,097**	**39,497,951**	**3,013,081**
Available-for-sale equities	1,245,482	4,945	1,131,432	4,962
Equities recorded using the fair value option	-	-	-	-
Equities	**1,245,482**	**4,945**	**1,131,432**	**4,962**
Available-for-sale UCITS	3,020,865	-	2,808,003	-
UCITS recorded using the fair value option	473,954	-	28,249	-
UCITS held for trading purposes	4,189,657	-	1,182,292	-
UCITS	7,684,476	-	4,018,544	-
Sub-total financial investments (excl. property and loans and receivables)	**47,802,418**	**1,908,041**	**44,647,927**	**3,018,042**
o/w held-to-maturity financial investments	*2,099,975*	*35,680*	*2,331,000*	*35,757*
o/w available-for-sale financial investments	*39,227,504*	*1,237,504*	*39,588,427*	*2,499,096*
o/w financial investments at fair value through P&L (1)	*6,474,939*	*634,858*	*2,728,500*	*483,190*
Loans and receivables	11,213,011	44,569	733,061	82,916
Investments representing unit-linked policies recorded using the fair value option	10,378,017	1,052,950	8,158,399	801,862
Derivative assets	52,781	1,724	39,261	11,416
INSURANCE BUSINESS INVESTMENTS	**70,584,779**	**3,007,284**	**54,699,384**	**3,914,236**
Derivative liabilities and amounts payable on derivatives	(41,744)	(20)	(55,471)	-

(1) Excluding investment property.

UNREALIZED CAPITAL GAINS OR LOSSES ON FINANCIAL INVESTMENTS

Breakdown of financial investments (in € thousands)	12/31/2016				12/31/2015			
	Amortized cost	Fair value	Carrying amount	Unrealized capital gains	Amortized cost	Fair value	Carrying amount	Unrealized capital gains
Investment property	**972,601**	**1,138,554**	**1,138,554**	**165,954**	**988,452**	**1,120,735**	**1,120,735**	**132,283**
Held-to-maturity bonds (1)	2,099,975	2,524,256	2,099,975	423,929	2,331,000	2,831,920	2,331,000	495,419
Available-for-sale bonds	31,676,087	34,961,157	34,961,157	3,285,070	32,913,413	35,648,992	35,648,992	2,735,579
Bonds measured using the fair value option	1,777,749	1,811,329	1,811,329	33,579	1,418,110	1,517,959	1,517,959	99,849
Bonds	**35,553,811**	**39,296,742**	**38,872,460**	**3,742,578**	**36,662,523**	**39,998,871**	**39,497,951**	**3,330,847**
Available-for-sale equities	915,499	1,245,482	1,245,482	329,983	839,320	1,131,432	1,131,432	292,112
Equities measured using the fair value option	-	-	-	-	-	-	-	-
Equities	**915,499**	**1,245,482**	**1,245,482**	**329,983**	**839,320**	**1,131,432**	**1,131,432**	**292,112**
Available-for-sale UCITS	2,809,476	3,020,865	3,020,865	212,716	2,496,222	2,808,003	2,808,003	311,781
UCITS measured using the fair value option	504,846	473,954	473,954	(30,892)	29,444	28,249	28,249	(1,196)
UCITS held for trading purposes	4,190,487	4,189,657	4,189,657	(831)	1,182,091	1,182,293	1,182,293	202
UCITS	**7,504,810**	**7,684,476**	**7,684,476**	**180,993**	**3,707,756**	**4,018,544**	**4,018,544**	**310,788**
Loans and receivables	11,213,011	11,213,011	11,213,011	-	733,061	733,061	733,061	-
Sub-total financial investments (excl. investment property)	**55,187,131**	**59,439,711**	**59,015,429**	**4,146,944**	**41,942,660**	**45,881,908**	**45,380,988**	**3,933,747**

(1) Unrealized capital gains on HTM bonds are 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. - 0,4 M€.

IMPACTS OF HEDGING RELATIONSHIPS ON INVESTMENTS

	Carrying amount 12/31/2016			
Breakdown of investments (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	28,449	-	-	28,449
Investment property at fair value through P&L	892,370	-	-	892,370
Unit-linked investment property	217,735	-	-	217,735
Investment property	**1,138,554**	**-**	**-**	**1,138,554**
Held-to-maturity bonds	2,099,975	-	-	2,099,975
Available-for-sale bonds	34,961,157	1,070	(2,214)	34,960,013
Bonds recorded using the fair value option	1,811,329	-	730	1,812,059
Bonds	**38,872,460**	**1,070**	**(1,484)**	**38,872,047**
Available-for-sale equities	1,245,482	-	(1,138)	1,244,344
Equities recorded using the fair value option	-	-	-	-
Equities	**1,245,482**	**-**	**(1,138)**	**1,244,344**
Available-for-sale UCITS	3,020,865	-	10,429	3,031,294
UCITS recorded using the fair value option	473,954	-	2,161	476,115
UCITS held for trading purposes	4,189,657	-	-	4,189,657
UCITS	**7,684,476**	**-**	**12,590**	**7,697,066**
Sub-total financial investments (excl. property and loans and receivables)	**47,802,418**	**1,070**	**9,969**	**47,813,457**
o/w held-to-maturity financial investments	*2,099,975*	*-*	*-*	*2,099,975*
o/w available-for-sale financial investments	*39,227,504*	*1,070*	*7,077*	*39,235,652*
o/w financial investments at fair value through P&L (1)	*6,474,940*	*-*	*2,892*	*6,477,831*
Loans and receivables	11,213,011	-	-	11,213,011
Investments representing unit-linked policies recorded at fair value through profit and loss	10,378,017	-	-	10,378,017
Other hedging derivatives	-	-	-	-
OTHER HEDGING DERIVATIVES	**70,532,000**	**1,070**	**9,969**	**70,543,039**

(1) Excluding investment property.

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

IMPACTS OF HEDGING RELATIONSHIPS ON INVESTMENTS

Breakdown of investments (in € thousands)	Carrying amount 12/31/2015			
	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 and loss	1,039,713	-	-	1,039,713
Unit-linked investment property	81,022	-	-	81,022
Investment property	**1,120,735**	-	-	**1,120,735**
Held-to-maturity bonds	2,331,000	-	-	2,331,000
Available-for-sale bonds	35,648,992	471	(21,992)	35,627,471
Bonds recorded using the fair value option	1,517,959	-	982	1,518,940
Bonds	**39,497,951**	**471**	**(21,011)**	**39,477,411**
Available-for-sale equities	1,131,432	-	(663)	1,130,769
Equities recorded using the fair value option	-	-	-	-
Equities	**1,131,432**	**-**	**(663)**	**1,130,769**
Available-for-sale UCITS	2,808,003	-	4,824	2,812,826
UCITS recorded using the fair value option	28,249	-	169	28,418
UCITS held for trading purposes	1,182,292	-	-	1,182,292
UCITS	**4,018,544**	**-**	**4,993**	**4,023,537**
Sub-total financial investments (excl. property and loans and receivables)	**44,647,927**	**471**	**(16,680)**	**44,631,717**
o/w held-to-maturity financial investments	*2,331,000*	-	-	*2,331,000*
o/w available-for-sale financial investments	*39,588,427*	*471*	*(17,831)*	*39,571,067*
o/w financial investments at fair value through P&L (1)	*2,728,500*	-	*1,151*	*2,729,650*
Loans and receivables	733,061	-	-	733,061
Investments representing unit-linked policies recorded at fair value through profit and loss	8,158,399	-	-	8,158,399
Other hedging derivatives	-	-	-	-
INSURANCE BUSINESS INVESTMENTS	**54,660,123**	**471**	**(16,680)**	**54,643,913**

(1) Excluding investment property.

SECURITIES LENDING AND REPOS

Natixis Assurances conducted securities lending and repo transactions for the amounts of €2.844 billion and €2.608 billion, respectively. Some of these transactions were conducted with Natixis.

Loans (in € thousands)	Balance sheet value	
	12/31/2016	12/31/2015
NATIXIS	2,844,060	2,838,258
Total Loans	**2,844,060**	**2,838,258**

Repos (in € thousands)	Balance sheet value	
	12/31/2016	12/31/2015
NATIXIS	3,016	411,713
SOCIÉTÉ GÉNÉRALE	2,035,727	1,128,218
CRÉDIT AGRICOLE	260,153	162,459
HSBC	74,739	95,470
BARCLAYS	107,321	91,897
CRÉDIT SUISSE	70,096	86,306
ROYAL BANK OF SCOTLAND	-	3,781
BNP PARIBAS	56,721	-
Total Repos	**2,607,774**	**1,979,844**

5.1.2. Financial liabilities

PRESENTATION OF FINANCIAL LIABILITIES

Category of instruments classified as financial liabilities (in € thousands)	12/31/2016			12/31/2015		
	Fair value	Carrying amount	% (carrying amount)	Fair value	Carrying amount	% (carrying amount)
Liabilities related to financial contracts with discr. policyholder bonus – excl. UL contracts	(2)	20,514,254	81%	(2)	16,362,426	80%
Liabilities related to financial contracts with discr. policyholder bonus - unit-linked contracts		3,333,432	13%		2,950,918	14%
Instruments classified as financial liabilities under local standards (1)	-	**23,847,686**	**94%**	-	**19,313,344**	**94%**
Liabilities related to financial contracts w/o discr. policyholder bonus – excl. UL policies	-	-	0%	-	-	0%
Subordinated debt and other financial debt	1,368,383	1,325,559	5%	1,219,082	1,190,432	6%
Instruments classified as financial liabilities at amortized cost	**1,368,383**	**1,325,559**	**5%**	**1,219,082**	**1,190,432**	**6%**
Liabilities related to financial contracts w/o discr. policyholder bonus - unit-linked contracts	28,699	28,699	0.1%	10,999	10,999	0.1%
Instruments classified as financial liabilities using the fair value option	**28,699**	**28,699**	**0.1%**	**10,999**	**10,999**	**0.1%**
Derivatives classified as liabilities and amounts payable on derivatives	**41,744**	**41,744**	**0.2%**	**55,471**	**55,471**	**0.3%**
TOTAL FINANCIAL LIABILITIES	**-**	**25,243,688**	**100%**	**-**	**20,570,246**	**100%**

(1) According to the provisions of IFRS 4.

(2) The fair value of financial contracts with discretionary policyholder bonuses has not been determined, as the regulatory framework for the calculation of the fair value of insurance policies and financial contracts with discretionary policyholder bonuses has not been defined; it was the focus of extensive debate during preparatory work for the future IFRS 17 relating to insurance policies.

5.1.3. Offsetting financial assets and financial liabilities

Financial assets offset or covered by a master netting agreement (in € thousands)	12/31/2016					12/31/2015				
	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	15,791	2,502	13,289	-	13,289	24,222	2,609	21,613	-	21,613
Repurchase agreements	-	-	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-	-	-
Total	**15,791**	**2,502**	**13,289**	**-**	**13,289**	**24,222**	**2,609**	**21,613**	**-**	**21,613**

Financial liabilities subject to netting or an enforceable master netting agreement (in € thousands)	12/31/2016					12/31/2015				
	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	2,502	2,502	-	-	-	2,609	2,609	-	-	-
Repurchase agreements	3,031,704	-	3,031,704	2,877,985	153,719	2,148,807	-	2,148,807	2,032,073	116,734
Other financial instruments	-	-	-	-	-	-	-	-	-	-
Total	**3,034,206**	**2,502**	**3,031,704**	**2,877,985**	**153,719**	**2,151,416**	**2,609**	**2,148,807**	**2,032,073**	**116,734**

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)	2016	2015
External investment management expenses	(48,200)	(56,904)
Internal investment management expenses	(6,863)	(7,292)
Management expenses	**(55,063)**	**(64,196)**

Investment property (in € thousands)	2016	2015
Investment income	63,080	64,808
Investment expenses	(28,268)	(14,622)
Management expenses	(3,482)	(2,950)
Change in fair value excluding disposals	35,512	16,134
Gains or losses on disposals	-	2,114
Change in impairments	-	-
Financial income (net of expenses)	**66,842**	**65,484**

Held-to-maturity investments (in € thousands)	2016	2015
Investment income	129,694	145,136
Investment expenses	-	-
Capital gains or losses on disposals net of impairment reversals	2,559	52
Change in impairments	(151)	(184)
Financial income (net of expenses)	**132,102**	**145,004**

Available-for-sale investments (in € thousands)	2016	2015
Investment income	942,532	956,491
Investment expenses	-	-
Capital gains or losses on disposals net of impairment reversals	81,040	433,256
Change in impairments	(44,176)	(33,354)
Financial income (net of expenses)	**979,396**	**1,356,393**

Available-for-sale investments (incl. investments accounted for by the equity method) (in € thousands)	2016	2015
Valuation gain or loss taken to equity	588,572	(477,840)
Impact of transfers of realized profits or losses to the income statement	(58,739)	(423,694)
Total change in fair value (equity)	**529,833**	**(901,534)**

Investments recorded under the fair value option (in € thousands)	2016	2015
Investment income	87,960	89,000
Investment expenses	-	-
Change in fair value excluding disposals	(97,016)	(46,111)
Unit-linked adjustment	259,654	283,542
Gains or losses on disposals	(12,521)	36,324
Change in amount payable to consolidated UCITS unitholders	700	(4,718)
Financial income (net of expenses)	**238,777**	**358,037**

Investments held for trading purposes including derivatives (in € thousands)	2016	2015
Investment income	28,095	27,378
Investment expenses	(102,120)	(62,400)
Change in fair value excluding disposals	42,157	14,342
Gains or losses on disposals	(477)	47,039
Financial income (net of expenses)	**(32,345)**	**26,359**

Loans and receivables (in € thousands)	2016	2015
Investment income	289,977	15,163
Investment expenses	(2,130)	(12,494)
Capital gains or losses on disposals net of impairment reversals	2	43
Change in impairments	-	-
Financial income (net of expenses)	**287,849**	**2,712**

Total insurance business investments (in € thousands)	2016	2015
Non-itemized management expenses	(55,063)	(64,196)
Investment property	66,842	65,484
Held-to-maturity investments	132,102	145,004
Available-for-sale investments	979,396	1,356,393
Investments recorded under the fair value option	238,777	358,037
Investments held for trading purposes	(32,345)	26,359
Loans and receivables	287,849	2,712
Financial income, net of expenses, excl. financing costs	**1,617,558**	**1,889,793**

Among the management expenses paid by Natixis Assurances, €41 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)	12/31/2015	Allowance	Reversal on disposal	Reversal of unused provision (1)	12/31/2016
Held-to-maturity investments	**2,261**	4,615	350	-	**6,527**
Available-for-sale investments	**180,479**	39,712	26,240	-	**193,951**
o/w bonds	***127***	-	*26*	-	***101***
o/w equities and UCITS	***180,352***	*39,712*	*26,214*	-	***193,850***
Total provisions for impairment	**182,740**	**44,327**	**26,590**	**-**	**200,478**

(1) Obsolete provision or partial reimbursement.

5.1.6. Financial instruments recorded at fair value

Techniques used to determine fair value

Details of the fundamental principles for valuing investments are provided in point 4.2.4.

Most financial instruments accounted for at fair value are valued at their market price (level 1). Securities whose fair value is measured via valuation techniques, whether these make reference to market data or not, are presented in the table below.

Fixed-income securities whose prices are valued by more than five market contributors are accounted for in level 1, while those valued by between two and four contributors are accounted for in level 2. When the valuation is made by a single contributor, the securities are accounted for in level 3.

Investments representing unit-linked policies are predominantly UCITS. The fair value retained equates to the net asset value communicated by the fund manager, with these investments being classed in level 1.

Financial instruments recorded at fair value (in € thousands)	Natixis Assurances consolidated : 12/31/2016				
	Total fair value	Fair value determined using quoted prices	Fair value determined using valuation techniques based on market data	Fair value determined using valuation techniques not based on market data	Breakdown of securities subject to valuation techniques
		Level 1	Level 2	Level 3	
Investment property	**1,110,105**	**-**	**1,110,105**	**-**	
Bonds	34,961,157	30,447,089	1,271,068	3,242,998	- Bonds valued by 2- 4 contributors, CODs (level 2) - 19 illiquid FCTs and 103 bonds valued by at least 2 contributors (level 3)
Equities	1,205,303	1,152,474	27,771	25,058	- SCI Tour W (level 3), other SCIs (level 2)
UCITS	3,020,865	2,336,999	674,131	9,735	- Illiquid SCPIs, liquid FCPRs (level 2) - 2 illiquid FCPRs, alternative funds not quoted daily (level 3)
Investments in affiliates	40,179	-	35,221	4,958	- SCI Foncière 2 (level 2) - Inter Mutuelle Assistance and Surassur (level 3)
Available-for-sale financial assets	**39,227,504**	**33,936,562**	**2,008,192**	**3,282,749**	
Bonds	1,811,329	122,037	-	1,689,292	- 77 bonds valued by at least 2 contributors (level 3)
UCITS	4,663,611	4,260,438	403,172	-	- Illiquid SCPIs and FCPR (level 2)
Financial assets at fair value through profit and loss	**6,474,939**	**4,382,475**	**403,172**	**1,689,292**	
Derivative assets	52,781	37,439	15,343	-	- Calls and puts (level 1)
Derivative liabilities and related payables	(41,744)	(22,140)	(19,603)	-	- Caps, interest rate and currency swaps, forwards (level 2)
Total financial assets/ liabilities (excl. investment property)	**45,713,481**	**38,334,336**	**2,407,104**	**4,972,040**	
% N	100%	83.9%	5.3%	10.9%	
% N-1	100%	79.8%	9.9%	10.3%	

Financial instruments recorded at fair value (in € thousands)	Natixis Assurances consolidated : 12/31/2015				
	Total fair value	Fair value determined using quoted prices	Fair value determined using valuation techniques based on market data	Fair value determined using valuation techniques not based on market data	Breakdown of securities subject to valuation techniques
		Level 1	Level 2	Level 3	
Investment property	**1,120,735**	**-**	**1,120,735**	**-**	
Bonds	35,648,992	29,159,802	3,599,295	2,889,896	- Bonds valued by 2-4 contributors, CODs (level 2), government securities: Portugal and IBRD (level 2) - 14 illiquid FCTs and 100 bonds valued by at least 2 contributors (level 3)
Equities	1,095,641	1,069,232	26,410	-	- SCI (level 2)
UCITS	2,808,003	2,224,025	546,927	37,051	- Illiquid SCPIs, liquid FCPRs, alternative not quoted daily (level 2) - 4 illiquid FCPRs (level 3)
Investments in affiliates	35,790	-	30,828	4,963	- SCI Foncière 2 (level 2) - Inter Mutuelle Assistance and Surassur (level 3)
Available-for-sale financial assets	**39,588,427**	**32,453,059**	**4,203,459**	**2,931,909**	
Bonds	1,517,959	98,920	-	1,419,039	- 68 bonds valued by at least 2 contributors (level 3)
UCITS	1,210,541	1,190,885	19,656	-	- Illiquid SCPIs and FCPR (level 2)
Financial assets at fair value through profit and loss	**2,728,500**	**1,289,805**	**19,656**	**1,419,039**	
Derivative assets	39,261	17,938	21,324	-	- Calls and puts (level 1) - Caps, interest rate and currency swaps, forwards (level 2)
Derivative liabilities and related payables	(55,471)	(11,524)	(43,947)	-	
Total financial assets and liabilities (excl. investment property)	**42,300,717**	**33,749,277**	**4,200,492**	**4,350,947**	
% N	100%	79.8%	9.9%	10.3%	
% N-1	100%	79.2%	12.4%	8.4%	

Changes in levels

(in € thousands)	Level 1	Level 2	Level 3	Total
Unchanged	34,396,228	1,313,257	3,914,213	39,623,698
Acquisition	3,789,888	1,833,350	997,520	6,620,758
From 1 to 2	-	165,498	-	165,498
From 1 to 3	-	-	-	-
From 2 to 1	142,153	-	-	142,153
From 2 to 3	-	-	60,307	60,307
From 3 to 1	6,066	-	-	6,066
From 3 to 2	-	205,105	-	205,105
Total	**38,334,336**	**3,517,209**	**4,972,040**	**46,823,586**

Changes in securities priced according to level 3

(in € thousands)	At January 1st Level 3	Gains and losses recognized over the period		Transactions carried out		Reclassifications over the period			At December 31st 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	1,419,039	(36,446)	-	514,427	(207,727)	-	-	-	1,689,292
Available-for-sale financial assets	2,931,909	-	(7,894)	641,151	(135,829)	(206,894)	60,306	-	3,282,748
Total	**4,350,947**	**(36,446)**	**(7,894)**	**1,155,578**	**(343,557)**	**(206,894)**	**60,306**	**-**	**4,972,040**

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 €1.070k at December 31, 2016. 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

Category of instrument (in € thousands)	Notional value schedule at 12/31/2016			Total notional value	Credit rating					Fair value
	< 1 year	1 - 5 years	> 5 years	12/31/2016	AAA	AA	A	BBB	Not rated	12/31/2016
Interest rate swaps	335,714	380,000	-	715,714	-	-	505,714	210,000	-	(173)
Currency swaps	71,601	95,000	93,971	260,572	-	-	229,468	30,633	471	(16,560)
Swaps	**407,316**	**475,000**	**93,971**	**976,287**	**-**	**-**	**735,183**	**240,633**	**471**	**(16,733)**
Caps bought (1)	500,000	3,100,000	2,600,000	6,200,000	-	-	4,600,000	1,600,000	-	15,302
Caps sold (1)	500,000	3,100,000	2,600,000	6,200,000	-	-	4,600,000	1,600,000	-	(2,484)
Equity puts bought	275,616	295,453	-	571,069	na	na	na	na	na	34,730
Equity puts sold	-	-	-	-	na	na	na	na	na	-
Equity calls sold	452,270	-	-	452,270	na	na	na	na	na	(22,140)
Options	**1,727,886**	**6,495,453**	**5,200,000**	**13,423,339**	**-**	**-**	**9,200,000**	**3,200,000**	**-**	**25,408**
Currency futures	342,259	-	-	342,259	na	na	na	na	na	1,294
Others	**342,259**	-	-	**342,259**	-	-	-	-	-	**1,294**
TOTAL	**2,477,460**	**6,970,453**	**5,293,971**	**14,741,884**	**-**	**-**	**9,935,183**	**3,440,633**	**471**	**9,969**

(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 €1.600 billion and a total fair value of +€2 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, particularly by favoring 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 for 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 net income.

5.3.2. Credit risk

Counterparty risk is monitored and managed 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 comprising members from Natixis Assurances and Natixis Asset Management meets quarterly.

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

Breakdown of bonds (in € thousands)	Business sectors at 12/31/2016					Business sectors at 12/31/2015				
	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	1,101,290	124,072	233,291	641,321	**2,099,975**	1,098,068	60,039	416,519	756,375	**2,331,000**
Available-for-sale bonds	11,013,433	1,334,091	9,464,555	13,149,078	**34,961,157**	10,720,619	1,229,374	12,135,933	11,563,066	**35,648,992**
Bonds recorded using the fair value option	94,420	-	1,716,909	-	**1,811,329**	98,920	-	1,419,039	-	**1,517,959**
Total bonds	**12,209,143**	**1,458,163**	**11,414,755**	**13,790,399**	**38,872,460**	**11,917,607**	**1,289,413**	**13,971,490**	**12,319,441**	**39,497,951**
% N	***31.4%***	***3.8%***	***29.4%***	***35.5%***	***100%***	***30.2%***	***3.3%***	***35.4%***	***31.2%***	***100%***
o/w maturity < 1 yrs [1]	*254,857*	*167,034*	*1,791,236*	*1,071,785*	***3,284,912***	*156,219*	*61,689*	*3,830,037*	*905,901*	***4,953,847***
o/w maturity 1 to 5 yrs [1]	*2,819,143*	*404,363*	*5,115,806*	*5,736,058*	***14,075,371***	*2,438,200*	*484,263*	*5,365,855*	*4,172,914*	***12,461,232***
o/w maturity > 5 yrs [1]	*9,135,143*	*886,766*	*4,507,714*	*6,982,555*	***21,512,177***	*9,323,188*	*743,461*	*4,775,598*	*7,240,626*	***22,082,873***

(1) Contractual maturity or exercise date of issuer call (where applicable).
(2) o/w 24% rated AA or AAA (2015: 20%) and o/w 69% rated A or AA or AAA (2015: 69%).

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

Breakdown of bonds (in € thousands)	Credit ratings at 12/31/2016												12/31/2015
	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not rated[2]	Total	Total
Held-to-maturity bonds	-	919,503	379,937	773,257	25,225	577	641	739	-	-	95	**2,099,975**	**2,331,000**
Available-for-sale bonds	2,012,731	11,540,994	8,076,955	10,574,356	699,106	140,381	-	-	-	-	1,916,633	**34,961,157**	**35,648,992**
Bonds recorded using the FVO	112,405	53,175	1,227,059	342,678	-	-	-	-	-	-	76,011	**1,811,329**	**1,517,959**
Total Bonds	**2,125,136**	**12,513,672**	**9,683,952**	**11,690,290**	**724,331**	**140,959**	**641**	**739**	**-**	**-**	**1,992,740**	**38,872,460**	**39,497,951**
% N	***5.5%***	***32%***	***25%***	***30%***	***1.9%***	***0.4%***	***0%***	***0%***	***0%***	***0%***	***5.1%***	***100%***	
% N-1	***5.0%***	***33%***	***29%***	***27%***	***1.9%***	***0.2%***	***0%***	***0%***	***0%***	***0%***	***4.8%***		***100%***
o/w maturity < 1 yrs [1]	*276,709*	*631,541*	*1,068,694*	*954,869*	*211,992*	*32,199*	*-*	*468*	*-*	*-*	*108,441*	***3,284,912***	***4,953,847***
o/w maturity 1 to 5 yrs [1]	*729,220*	*2,618,433*	*3,875,639*	*5,560,587*	*345,261*	*86,839*	*17*	*209*	*-*	*-*	*859,167*	***14,075,371***	***12,461,232***
o/w maturity > 5 yrs [1]	*1,119,208*	*9,263,699*	*4,739,619*	*5,174,834*	*167,077*	*21,921*	*625*	*62*	*-*	*-*	*1,025,132*	***21,512,177***	***22,082,873***

(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, Altran and Artemis.

Breakdown of bonds (in € thousands)	Rating at 12/31/2015												12/31/2014
	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	Not rated [2]	Total	Total
Held-to-maturity bonds	-	922,605	468,422	883,482	52,173	1,537	2,229	442	-	-	111	**2,331,000**	2,793,033
Available-for-sale bonds	1,855,771	11,901,986	10,039,688	9,149,286	715,263	85,939	-	-	-	-	1,901,059	**35,648,992**	33,943,152
Bonds recorded using the FVO	114,041	70,923	886,672	446,322	-	-	-	-	-	-	-	**1,517,959**	1,199,057
Total bonds	**1,969,812**	**12,895,514**	**11,394,782**	**10,479,090**	**767,435**	**87,477**	**2,229**	**442**	**-**	**-**	**1,901,170**	**39,497,951**	**37,935,242**
% N	***5%***	***33%***	***29%***	***27%***	***1.9%***	***0.2%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***4.8%***	***100%***	
% N-1	***7%***	***35%***	***31%***	***23%***	***2.1%***	***0.1%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***2.6%***		***100%***
o/w maturity < 1 yrs [1]	*136,203*	*388,532*	*2,951,183*	*1,064,606*	*239,027*	*53,775*	*242*	*199*	*-*	*-*	*120,080*	***4,953,847***	*5,269,834*
o/w maturity 1 to 5 yrs [1]	*614,768*	*2,833,259*	*3,459,666*	*4,581,095*	*407,427*	*12,124*	*703*	*243*	*-*	*-*	*551,947*	***12,461,232***	*10,474,100*
o/w maturity > 5 yrs [1]	*1,218,841*	*9,673,723*	*4,983,933*	*4,833,389*	*120,981*	*21,578*	*1,283*	*-*	*-*	*-*	*1,229,143*	***22,082,873***	*22,191,307*

(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.

CARRYING AMOUNT OF SOVEREIGN DEBT SECURITIES ISSUED BY EURO ZONE PERIPHERY COUNTRIES

IFRS category (in € thousands)	Country	Balance sheet value [1]	
		2016	2015
AFS	Ireland	-	10,468
	Italy	886,678	927,176
	Portugal	-	2,084
	Spain	544,082	329,521
	Total	**1,430,760**	**1,269,249**
HTM	Italy	317,480	322,805
	Total	**317,480**	**322,805**
JVO	**Total**	-	-
Total periphery country sovereigns		**1,748,240**	**1,592,053**

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

At end-2016, the fair value of AFS securities in the table above was exclusively determined using quoted prices (level 1). Net exposure to deferred policyholder bonuses and deferred taxes in respect of euro zone periphery country sovereign bonds was €149 million at end-2016 (€104 million in 2015).

5.3.3. Liquidity risk

BREAKDOWN OF FINANCIAL DEBT BY CONTRACTUAL MATURITY

Category of financial debt[1] (in € thousands)	Breakdown of carrying amount at 12/31/2016 by maturity			Carrying amount 12/31/2016	Carrying amount 12/31/2015
	< 1 yr.	1-5 yrs.	> 5 yrs.		
Dated subordinated debt taken out with Natixis or Groupe BPCE entities	30,870	30,000	448,000	508,870	508,754
Dated subordinated debt taken out with non-Group entities	-	-	-	-	-
Total dated subordinated debt	**30,870**	**30,000**	**448,000**	**508,870**	**508,754**
Perpetual subordinated debt issued by Natixis or Groupe BPCE entities [2]	997	-	273,500	274,497	274,497
Perpetual subordinated debt issued by non-Group entities[3]	69	-	251,000	251,069	251,069
Total perpetual subordinated debt	**1,066**	**-**	**524,500**	**525,566**	**525,566**
Total subordinated debt	**31,936**	**30,000**	**972,500**	**1,034,436**	**1,034,320**
Other financial debt issued by Natixis or Groupe BPCE entities	291,123	-	-	291,123	156,112
Other financial debt issued by non-Group entities	-	-	-	-	-
Total financial debt	**323,059**	**30,000**	**972,500**	**1,325,559**	**1,190,432**

(1) Short-term debt is defined 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 5.3.5).
(2) Perpetual subordinated debt with a 10-year call (€20 million at end-2017, €22 million at end-2022); other debt: annual call (first call date past).
(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 12/31/16 (in € thousands)	Equities			Non-consolidated UCITS (breakdown in table below)	Total
	Euro zone	Europe excl. euro zone	International		
Available-for-sale equities and UCITS	1,148,698	96,783	-	3,020,865	4,266,347
Equities and UCITS recorded under the fair value option	-	-	-	473,954	473,954
Equities and UCITS held for trading purposes	-	-	-	4,189,657	4,189,657
Available-for-sale investments in affiliates	-	-	-	-	-
Total equities and UCITS	**1,148,698**	**96,783**	**-**	**7,684,476**	**8,929,958**
% N	*92.2%*	*7.8%*	*0.0%*		
% N-1	*88.8%*	*11.2%*	*0.0%*		

AMF classification of diversified UCITS – carrying amount at 12/31/2016 (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 nonconsolidated UCITS 12/31/2016
Available-for-sale UCITS	512,896	445,692	279,385	157,270	1,041,982	389,000	21	194,619	3,020,865
UCITS recorded under the FVO	-	2	-	-	70,780	-	-	403,172	473,954
UCITS held for trading purposes	-	-	-	4,189,657	-	-	-	-	4,189,657
Total nonconsolidated UCITS	**512,896**	**445,694**	**279,385**	**4,346,927**	**1,112,763**	**389,000**	**21**	**597,791**	**7,684,476**
% N	*7%*	*6%*	*4%*	*57%*	*14%*	*5%*	*0.0%*	*8%*	*100%*
% N-1	*9%*	*23%*	*8%*	*32%*	*14%*	*7%*	*0.0%*	*6%*	*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	
	2016	2015	2016	2015	2016	2015
Offices at fair value through profit and loss	874,025	860,375	44,500	82,760	918,525	943,135
Other categories at fair value through profit and loss	910	900	190,670	176,700	191,580	177,600
Property at fair value through profit and loss	**874,935**	**861,275**	**235,170**	**259,460**	**1,110,105**	**1,120,735**
Other categories at amortized cost	-	-	28,449	-	28,449	-
Total investment property	**874,935**	**861,275**	**263,619**	**259,460**	**1,138,554**	**1,120,735**

FOREIGN EXCHANGE RISK

Breakdown of financial assets and liabilities by currency (1)	12/31/2016		12/31/2015	
	Carrying amount (in € thousands)	% of total	Carrying amount (in € thousands)	% of total
Financial assets denominated in EUR	69,991,192	99.2%	54,205,385	99.1%
Financial assets denominated in GBP (2)	156,040	0.22%	201,401	0.37%
Financial assets denominated in USD (3)	360,891	0.51%	163,811	0.30%
Financial assets denominated in other currencies	76,659	0.11%	128,787	0.24%
TOTAL FINANCIAL ASSETS	**70,584,781**	**100%**	**54,699,384**	**100%**
Financial liabilities denominated in EUR	25,243,688	100%	20,570,246	100%
TOTAL FINANCIAL LIABILITIES	**25,243,688**	**100%**	**20,570,246**	**100%**

(1) Excluding purchase or sale of currency futures or currency swaps for hedging purposes.
(2) o/w €168 million hedged with currency swaps.
(3) o/w €95 million hedged with currency swaps.

5.3.5. Interest rate risk

EXPOSURE OF FINANCIAL ASSETS

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

Category of financial assets[(1)] (in € thousands)	Breakdown of carrying amount by maturity at 12/31/2016[(3)]			Carrying amount 12/31/2016	Carrying amount 12/31/2015
	< 1 yr.	1-5 yrs.	> 5 yrs.		
Held-to-maturity bonds	216,115	1,102,885	773,028	2,092,028	2,240,840
Available-for-sale bonds	2,261,921	10,681,628	18,103,849	31,047,398	28,585,202
Bonds recorded under the fair value option	179,045	523,030	158,119	860,194	532,167
Unlisted bonds (amortized cost)	-	-	-	-	-
Fixed-rate bonds	**2,657,081**	**12,307,542**	**19,034,996**	**33,999,619**	**31,358,209**
Fixed-rate loans and receivables	275,455	97,234	10,840,322	11,213,011	733,061
Other net financial assets exposed to fair value risk[(2)]	(460)	(1,242)	1,288	(413)	(20,540)
FIXED-RATE FINANCIAL ASSETS	**2,932,075**	**12,403,535**	**29,876,607**	**45,212,217**	**32,070,730**
% N	***5.9%***	***24.8%***	***59.7%***	***90.3%***	
% N-1	***6.3%***	***27.2%***	***46.2%***		***79.8%***
Bonds held to maturity	468	226	7,252	7,947	90,161
Available-for-sale bonds	569,252	1,091,340	2,253,168	3,913,759	7,063,790
Bonds recorded under the fair value option	58,112	676,263	216,760	951,135	985,792
Unlisted bonds (amortized cost)				-	-
Variable-rate bonds	**627,831**	**1,767,829**	**2,477,181**	**4,872,841**	**8,139,742**
Variable-rate loans and receivables	-	-	-	-	-
Other financial assets exposed to cash flow risk[(2)]	-	-	-	-	-
VARIABLE-RATE FINANCIAL ASSETS	**627,831**	**1,767,829**	**2,477,181**	**4,872,841**	**8,139,742**
% N	***1.3%***	***3.5%***	***4.9%***	***9.7%***	
% N-1	***7.6%***	***4.0%***	***8.7%***		***20.2%***
FINANCIAL ASSETS EXPOSED TO INTEREST RATE RISK	**3,559,907**	**14,171,363**	**32,353,788**	**50,085,058**	**40,210,473**

(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 FINANCIAL LIABILITIES

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

Category of financial liabilities[1] (in € thousands)	Breakdown of projected liability flows at 12/31/2016 by estimated maturity			Projected liability flows 12/31/2016[2]	Carrying amount of liabilities at 12/31/2016
	< 1 yr.	1-5 yrs.	> 5 yrs.		
With-profits underwriting liabilities	*2,654,690*	*8,657,166*	*38,446,323*	*49,758,178*	*40,121,779*
Unit-linked underwriting liabilities	*1,514,192*	*1,741,393*	*5,152,258*	*8,407,844*	*9,080,330*
Total underwriting liabilities	**4,168,882**	**10,398,558**	**43,598,581**	**58,166,021**	**49,202,110**
Subordinated debt and other financial debt	322,969	30,000	836,000	1,188,969	1,188,969
FIXED-RATE LIABILITIES	**4,491,851**	**10,428,558**	**44,434,581**	**59,354,990**	**50,391,078**
Subordinated debt	90	-	136,500	136,590	136,590
VARIABLE-RATE LIABILITIES	**90**	**-**	**136,500**	**136,590**	**136,590**
LIABILITIES EXPOSED TO INTEREST RATE RISK	**4,491,941**	**10,428,558**	**44,571,081**	**59,491,580**	**50,527,668**

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 policyholder bonuses 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.

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

Sensitivity to market risks

Equities market

The sensitivity analysis involved 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

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

Sensitivity of financial assets before deferred policyholder bonus and deferred taxes (in € millions)	12/31/2016			12/31/2015		
	Impact on fair value of investments	Impact on income	Impact on equity	Impact on fair value of investments	Impact on income	Impact on equity
Before impact of hedging derivatives						
+10% variation in the equities market	221.9	29.8	192.1	281.1	37.4	243.7
-10% variation in the equities market	(228.3)	(40.3)	(188.0)	(291.8)	(48.1)	(243.7)
After impact of hedging derivatives						
+10% variation in the equities market	221.8	29.7	192.1	280.7	37.0	243.7
-10% variation in the equities market	(228.1)	(40.2)	(188.0)	(291.4)	(47.7)	(243.7)
Before and after impact of hedging derivatives						
+10% var. in the real estate market	160.6	140.9	19.6	137.2	114.0	23.1
-10% var. in the real estate market	(160.6)	(156.6)	(3.9)	(137.2)	(121.6)	(15.6)

Sensitivity of financial assets after deferred policyholder bonuses and deferred taxes (in € millions)	12/31/2016			12/31/2015		
	Impact on fair value of investments	Impact on income	Impact on equity	Impact on fair value of investments	Impact on income	Impact on equity
Before impact of hedging derivatives						
+10% variation in the equities market	221.9	2.5	16.4	281.1	2.5	16.0
-10% variation in the equities market	(228.3)	(3.4)	(16.0)	(291.8)	(3.2)	(16.0)
After impact of hedging derivatives						
+10% variation in the equities market	221.8	2.5	12.6	280.7	2.4	16.0
-10% variation in the equities market	(228.1)	(3.4)	(12.3)	(291.4)	(3.1)	(16.0)
Before and after impact of instruments derivatives						
+10% var. in the real estate market	160.6	12.0	1.7	137.2	7.5	1.5
-10% var. in the real estate market	(160.6)	(13.4)	(0.3)	(137.2)	(8.0)	(1.0)

The impacts of equity and real estate market variations on income and equity are presented net of deferred policyholder bonuses and deferred taxes.

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 (BPCE Vie, BPCE Prévoyance and BPCE Assurances), i.e. 90% of the total value.

	12/31/2016			12/31/2015		
Sensitivity of financial assets before deferred policyholder bonuses and deferred taxes (in € millions)	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	(2,120)	(37.2)	(1,981)	(1,852)	(25.4)	(1,706)
Variation of -1% in bond yields	2,339	39.9	2,188	2,033	9.5	1,892
After impact of derivatives						
Variation of +1% in bond yields	(2,098)	(14.8)	(1,981)	(1,829)	(3.0)	(1,706)
Variation of -1% in bond yields	2,337	37.3	2,188	2,030	6.8	1,892

(1) Including on HTM bonds.

	12/31/2016			12/31/2015		
Sensitivity of financial assets after deferred policyholder bonus and deferred taxes (in € millions)	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	(2,120)	(3.2)	(169)	(1,852)	(1.7)	(112)
Variation of -1% in bond yields	2,339	3.4	186	2,033	0.6	124
After impact of derivatives						
Variation of +1% in bond yields	(2,098)	(1.3)	(169)	(1,829)	(0.2)	(112)
Variation of -1% in bond yields	2,337	3.2	186	2,030	0.4	124

(1) Including on HTM bonds.

The impacts of interest rate variations on income and equity are presented net of deferred policyholder bonuses and deferred taxes. The change in the impact between 2015 and 2016 stemmed mainly from the fine-tuning of the calculation methodology.

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 is booked as a cash flow hedge.

5.5. RISKS ASSOCIATED WITH UNIT-LINKED POLICIES

Reconciliation of unit-linked policies and contracts (in € thousands)	Stock at 12/31/2016	Stock at 12/31/2015
Consolidated SCI representing unit-linked policies and contracts	217,735	81,022
Other investments representing unit-linked policies and contracts	10,378,017	8,158,399
Total carrying amount of assets representing unitlinked policies and contracts (a)	**10,595,752**	**8,239,421**
Underwriting reserves for unit-linked insurance policies	7,183,871	5,276,849
Liabilities of unit-linked financial contracts	3,362,131	2,961,917
Total liabilities related to unit-linked policies and contracts (b)	**10,546,002**	**8,238,766**
o/w unit-linked loss reserves (c)	-	-
Reserve for floor guarantee	14,933	2,031
Total liabilities related to unit-linked policies and contracts	**10,560,935**	**8,240,797**
Over- or under-coverage linked to temporary investment gap (a) - (b)	**49,750**	**655**
Over- or under-coverage excluding unit-linked loss reserve (a) - (b) + (c)	49,750	655

6. NOTES ON INSURANCE POLICIES AND FINANCIAL CONTRACTS

6.1. INSURANCE POLICIES AND FINANCIAL CONTRACTS

Carrying amount (in € thousands)	12/31/2016	12/31/2015
Underwriting liabilities related to insurance policies	38,617,695	27,915,911
Underwriting liabilities related to financial contracts	23,876,385	19,324,343
Deferred policyholder bonus liability	3,107,271	2,813,917
Liabilities related to contracts	**65,601,351**	**50,054,171**
Share of cessionaires and retrocessionaires	(9,193,964)	(8,095,879)
Deferred policyholder bonus assets	-	-
TOTAL ASSETS AND LIABILITIES RELATED TO CONTRACTS	**56,407,387**	**41,958,292**

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	
	2016	2015	2016	2015	2016	2015	2016	2015
Mathematical reserves	28,746,004	20,276,170	53,668	50,668	-	-	28,799,672	20,326,838
Reserves for unearned premiums	-	-	4,390	4,261	353,162	322,123	357,552	326,384
Loss reserves (a)	191,876	173,142	323,977	284,567	800,550	717,314	1,316,403	1,175,023
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-
Policyholder bonus reserves	883,780	743,801	-	-	-	-	883,780	743,801
Other provisions	-	-	37,080	33,732	39,337	33,284	76,417	67,016
Gross underwriting reserves - Insurance policies excluding unit-linked policies	**29,821,660**	**21,193,113**	**419,115**	**373,229**	**1,193,049**	**1,072,720**	**31,433,824**	**22,639,062**
Gross underwriting reserves - Unit-linked insurance policies	**7,183,871**	**5,276,849**	**-**	**-**	**-**	**-**	**7,183,871**	**5,276,849**
Mathematical reserves and policyholder bonus reserves ceded	3,719,769	4,675,009	-	-	-	-	3,719,769	4,675,009
Reserves for unearned premiums and other provisions ceded	-	-	33,399	32,019	18,082	21,197	51,481	53,216
Loss reserves ceded (b)	97,897	76,634	128,356	130,770	59,663	51,637	285,916	259,041
Provision resulting from liability adequacy test	-	-	-	-	-	-	-	-
Share of cessionaires and retrocessionaires in gross underwriting reserves - Insurance policies excluding unit-linked policies	**3,817,666**	**4,751,643**	**161,755**	**162,789**	**77,745**	**72,834**	**4,057,166**	**4,987,266**
Share of reinsurers in underwriting reserves - Unitlinked insurance policies	**2,643,110**	**2,504,653**	**-**	**-**	**-**	**-**	**2,643,110**	**2,504,653**
TOTAL NET LIABILITIES RELATED TO INSURANCE POLICIES	**30,544,755**	**19,213,666**	**257,360**	**210,440**	**1,115,304**	**999,886**	**31,917,419**	**20,423,992**

(1) Life and non-life

(a) o/w gross IBNR	-	-	85,544	67,173	283,119	262,145	368,663	329,319
(b) o/w IBNR ceded	-	-	29,168	32,058	21,498	15,596	50,665	47,654

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)	2016	2015	2016	2015	2016	2015
Mathematical reserves (b)	19,643,892	15,592,788	-	-	19,643,892	15,592,788
Reserves for unearned premiums	-	-	-	-	-	-
Loss reserves (a) (c)	332,921	282,325	-	-	332,921	282,325
Provision resulting from liability adequacy test	-	-	-	-	-	-
Policyholder bonus reserves	537,441	487,313	-	-	537,441	487,313
Other provisions	-	-	-	-	-	-
Gross liabilities related to financial contracts with discretionary policyholder bonus excluding unit-linked contracts	**20,514,254**	**16,362,426**	**-**	**-**	**20,514,254**	**16,362,426**
Gross liabilities related to financial contracts without discretionary policyholder bonus excluding unit-linked contracts	-	-	-	-	-	-
Gross liabilities related to unit-linked financial contracts (d)	**3,362,131**	**2,961,917**	**-**	**-**	**3,362,131**	**2,961,917**
Mathematical reserves and policyholder bonus reserves ceded	2,358,255	472,623	-	-	2,358,255	472,623
Reserves for unearned premiums ceded, other provisions ceded	-	-	-	-	-	-
Loss reserves ceded	-	-	-	-	-	-
Provision resulting from liability adequacy test	-	-	-	-	-	-
Policy holder bonus reserves	-	-	-	-	-	-
Others reserves ceded	-	-	-	-	-	-
Share of cessionaires in financial contracts with discretionary policyholder bonus excluding unit-linked contracts	2,358,255	472,623	-	-	2,358,255	472,623
Share of cessionaires in financial contracts without discretionary policyholder bonus excluding unit-linked contracts	-	-	-	-	-	-
Share of cessionaires in liabilities related to unit-linked financial contracts	**135,433**	**131,337**	**-**	**-**	**135,433**	**131,337**
TOTAL NET LIABILITIES RELATED TO FINANCIAL CONTRACTS	**21,382,697**	**18,720,383**	**-**	**-**	**21,382,697**	**18,720,383**

(a) o/w IBNR = 0

DETAIL BY GEOGRAPHIC AREA

(b) o/w gross with-profits mathematical reserves - Luxembourg	*2,812,445*	*2,598,780*	-	-	*2,812,445*	*2,598,780*
(c) o/w gross unit-linked loss reserves - Luxembourg	-	-	-	-	-	-
(d) o/w gross unit-linked mathematical reserves - Luxembourg	*1,273,485*	*1,030,506*	-	-	*1,273,485*	*1,030,506*
(d) o/w gross unit-linked loss reserves - Luxembourg	-	-	-	-	-	-
Liabilities sold - Luxembourg	-	-	-	-	-	-
TOTAL LIABILITIES - LUXEMBOURG	**4,085,929**	**3,629,286**	**-**	**-**	**4,085,929**	**3,629,286**

The French branch of the Luxembourg subsidiary belongs to the "France" geographic area.

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

CHANGE IN GROSS VALUES

(in € thousands)	2016		
	Insurance	Financial contracts	Total Life Insurance/Investment Solutions/Pensions
Underwriting reserves and gross financial liabilities at January 1st	**26,469,963**	**19,324,342**	**45,794,305**
Net pure premiums	5,402,626	1,420,051	6,822,677
Claim expense	(2,350,994)	(1,692,174)	(4,043,168)
Revaluation of reserves (interest income, deferred policyholder bonus, unit-linked adjustments and other flows) Internal transfers	689,849	662,446	1,352,295
Portfolio acquisitions	7,017,061	4,584,638	11,601,699
IFRS 5 reclassification	(209,285)	(436,607)	(645,892)
Internal transfers	(13,688)	13,688	-
Underwriting reserves and gross financial liabilities at December 31	**37,005,531**	**23,876,385**	**60,881,916**

6.1.4. Change in loss reserves in the Personal Protection Insurance and Property & Casualty Insurance branches

6.1.4.1. Change in gross values

BREAKDOWN OF CLAIMS EXPENSE AND PAYMENTS BETWEEN PREVIOUS AND CURRENT FISCAL YEARS

(in € thousands)	Personal Protection Insurance		Property & Casualty Insurance	
	2016	2015	2016	2015
Gross loss reserves - direct business at January 1st	**284,567**	**239,805**	**717,314**	**664,100**
Claims expense for year in progress	213,057	160,451	568,593	507,778
Bonuses/penalties on previous years	(58,107)	(37,676)	(38,926)	(47,402)
Claims expense on PPI - Caisse d'Epargne network	35,841	62,160	-	-
Total claims expense	**190,791**	**184,935**	**529,668**	**460,377**
Payments on claims for year in progress	52,423	41,028	270,183	236,560
Payments on claims for previous years	57,972	51,345	175,828	170,883
Payments on claims for PPI - CE network	40,522	49,330	-	-
Total payments	**150,917**	**141,703**	**446,012**	**407,443**
Newly consolidated entities	3,492	-	-	-
Change in coinsurance loss provisions, acceptances, provision for claims management and other expenses	(3,956)	1,530	(420)	281
Total gross loss reserves at December 31	**323,977**	**284,567**	**800,550**	**717,314**

6.1.4.2. Change in share of reinsurers

(in € thousands)	Personal Protection Insurance		Property & Casualty Insurance	
	2016	2015	2016	2015
Share of reinsurers in loss reserves (direct business) at January 1st	**130,770**	**109,970**	**51,637**	**46,200**
Share of reinsurers in total claims expense	74,182	83,298	25,069	18,345
Share of reinsurers in payments on claims	(59,461)	(62,524)	(16,271)	(12,908)
Portfolio acquisitions/disposals	(17,134)	-	(771)	-
Change in share of reinsurers in provisions for other claims	-	26	-	-
Total share of reinsurers in loss reserves at December 31	**128,356**	**130,770**	**59,663**	**51,637**

6.2. INSURANCE RISKS

6.2.1. Main assumptions

Main policy features and account-closing assumptions (in € thousands)	2016	2015
Assumptions related to underwriting reserves - life insurance, investment solutions, pensions		
Average minimum guaranteed rate on insurance policies	0.02%	0.02%
o/w average minimum guaranteed rate excluding unit-linked policies	*0.02%*	*0.03%*
Average deferred policyholder bonus rate (excluding unit-linked policies)	99.2%	99.6%
Assumptions on liabilities of financial contracts with discretionary policyholder bonus		
Assumptions on liabilities of financial contracts with discretionary policyholder bonus	0.41%	0.44%
o/w average minimum guaranteed rate excluding unit-linked contracts	*0.45%*	*0.48%*
Average deferred policyholder bonus rate (excluding unit-linked contracts)	97.6%	97.7%
Assumptions on liabilities of financial contracts without discretionary policyholder bonus		
Average minimum guaranteed rate on financial contracts without deferred policyholder bonus	-	-
Average churn rate	7.55%	11.27%
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	0.50% to 2.50%	1.00% to 2.50%
Average cost of settled claims - personal protection insurance (excluding PPI)	€4.13k	€4.0k
Average cost of settled claims - property & casualty insurance (excluding payment instrument insurance and health insurance)	€0.32k	€0.30k
Average cost of settled claims - payment instrument insurance and health insurance	€0.005k	€0.005k

6.2.2. Presentation of risk management policy

The risk management policy applicable to investment contracts and life insurance policies is presented with the financial risk management policy in point 5.3.1.

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 expenses, 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 BPCE Vie and Natixis Life;
- 50% quota-share on the unit-linked AuM of BPCE Vie life insurance and endowment policies;
- 40% quota-share of new with-profits life insurance and endowment policies sold for investment/pensions purposes by the Caisse d'Epargne network;
- 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 (excluding reenwable credit 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;
- claim surplus treaties on the portfolio of guaranties covering death by accident and illness in the event of an epidemic or pandemic and on the personal protection portfolio in the event of a catastrophic accident;
- various personal accident insurance treaties;
- 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 pool to which BPCE Assurances belongs; Rental risks managed by BPCE Assurances;
- GEMA treaties providing unlimited civil liability coverage for auto insurance and coverage of 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;
- coverage of catastrophic events affecting personal accident policies (death and/or permanent invalidity benefits).

6.2.3. Categories of insurance policies taken out

6.2.3.1. Investment solutions contracts

Discretionary nature of policyholder bonuses

The policyholder bonus clause of Natixis Assurances investments contracts is always discretionary within the meaning of IFRS 4.

For contracts paying out a minimum policyholder bonus of less than 100% of investment income, the policyholder bonus is discretionary in the sense that a higher return may be paid.

For contracts paying out 100% of investment income, the policyholder bonus is also discretionary due to the policyholder bonus 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 with-profits fund for unit-linked vehicles due to their commercial substance: at any time, policyholders can switch between different vehicles at a nonprohibitive cost.

Classification of contracts

For the reasons explained above, most investment contracts are classified as financial contracts with discretionary policyholder bonuses.

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 child 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 policyholder bonuses otherwise.

Multi-vehicle contracts without with-profits funds are classified as unit-linked financial contracts without discretionary policyholder bonuses.

6.2.3.2. Personal protection and property & casualty insurance policies

Personal protection 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.

6.2.4.1. 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 €53.028 billion (€35.227 billion net of reinsurance).

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

(in € thousands)	Gross provisions	Net provisions
Provision for unearned written premiums and mathematical reserves - 2016	50,024	49,818

(in € millions)	Tranche 1 (*)	Tranche 2 (*)	Tranche 3 (*)	Total
Capital at risk - 2016	29,146	50,404	52,119	131,668
% N	*22.1%*	*38.3%*	*39.6%*	*100%*
% N-1	*21.0%*	*43.4%*	*35.6%*	*100%*

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

6.2.4.2. Floor guarantee on death benefit for unit-linked policies

The floor guarantee reserve is calculated using the put method. The provision came to €15.0 million at end-2016 (€2 million at end-2015).

This guarantee is reinsured with a quota-share of 100%. Reinsurance premiums paid in respect of the fiscal year (€4 million) very substantially covered the claims paid by reinsurers (€0.05 million).

Capital at risk (unrealized capital losses on all with-profits funds + unit-linked policies) totaled €15 million at end-2016 versus €10.2 million at end-2015.

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 6.2.4);

• life annuity risk (not material relative to other products).

These contracts are primarily exposed to financial risks (see 5.3).

The main features of the investment contracts presented in point 6.2.1 are the minimum guaranteed rate, policyholder bonus rate and surrender rate. Income and equity sensitivity to a change in these features is relatively low.

The minimum guaranteed rate on investment contracts is currently significantly lower than the rate paid. As the policyholder bonus rate is close to 100% (97.8%), 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 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 6.2.2).

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	A	3,906,324	42%	(1,319)	3,907,955	-	-
RGA Re	AA-	1,703,253	19%	(5,027)	1,704,416	-	-
Hannover Life Re	AA-	1,677,840	18%	11	1,679,218	-	-
Mapfre Re	A	1,124,963	12%	124	1,126,273	-	-
CNP	A	678,759	7%	(2,725)	376,792	(299,242)	-14.85%
CCR	AA	45,927	0.50%	987	13,925	(32,989)	-1.64%
Partner Re	A+	18,681	0.20%	(5,093)	6,770	(6,818)	-0.34%
Surassur	AA-	14,725	0.16%	1,157	-	(15,882)	-0.79%
Scor	AA-	6,187	0.07%	1,032	6,252	(966)	-0.05%
XL RE	A+	3,888	0.04%	232	4,951	-	-
Prévoyance Re	AA-	3,305	0.04%	(440)	-	(2,865)	-0.14%
Swiss Re	AA-	1,607	0.02%	179	2,034	-	-
Arch Reinsurance	A+	1,270	0.01%	110	1,916	-	-
Munich Re	AA-	991	0.01%	43	1,351	-	-
AXA	AA-	793	0.01%	(1,096)	443	-	-
Mut Re	A-	429	0.00%	(78)	781	-	-
Canada Life	AA	337	0.00%	1,523	1,860	-	-
Axis Re	A+	252	0.00%	34	910	-	-
Other cessionaires	de A- à AA+	4,433	0.05%	(708)	4,703	-	-
Total		**9,193,964**	**100%**	**(11,054)**	**8,840,550**	**(358,762)**	**-17.80%**

(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 represented 0.98% of equity.

The unguaranteed amount on CNP stems from the difference between the date on which the underwriting reserves were ceded and the date on which the value of pledged securities was updated (in January 2017).

The unguaranteed amount excluding CCR and CNP represents 1.18% 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 BPCE 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
BPCE Vie	16,412	-	16,412
Adir	1,681	-	1,681
Natixis Life	1,235	-	1,235
Total	**19,328**	**-**	**19,328**

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

COMPOSITION OF AFS RESERVES

Breakdown of AFS reserves - Group share (in € thousands)	12/31/2016	12/31/2015
Revaluation reserve - fixed-income securities	3,329,280	2,747,538
Revaluation reserve - fixed-income securities - reclassified securities	(353)	(5,501)
Revaluation reserve – variable-income securities	539,641	601,221
Revaluation reserve	**3,868,568**	**3,343,258**
Deferred policyholder bonus reserve	(3,325,336)	(2,964,715)
Deferred tax reserve	(186,538)	(129,954)
Impact of revaluation of AFS financial assets	**356,694**	**248,589**
Revaluation reserve - CFH derivatives	1,070	471
Deferred policyholder bonus reserve - CFH derivatives	(931)	(424)
Deferred tax reserve - CFH derivatives	(48)	(16)
Impact of revaluation of hedging derivatives	**91**	**31**
Recyclable revaluation reserve net of shadow accounting adjustments	**356,785**	**248,620**

PROVISIONS FOR CONTINGENCIES

Breakdown of provisions for contingencies (in € thousands)	2016	2015
Provision for claims and litigation	29,343	29,244
Provision for long-service and end-of-career compensation, and anniversary leave	8,537	6,148
Other provisions	-	1,100
Total provisions for contingencies	**37,880**	**36,492**

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.

Carrying amount (in € thousands)	Life Insurance/ Investment Solutions/ Pensions		Personal Protection Insurance		Property & Casualty Insurance		Total Insurance	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Insurance and accepted reinsurance receivables (a)	127,088	31,423	90,691	108,167	399,238	355,746	617,018	495,336
Reinsurance cession receivables (b)	12,339	375	(7,797)	251	4,580	6,039	9,121	6,665
Total	**139,427**	**31,798**	**82,894**	**108,419**	**403,818**	**361,785**	**626,139**	**502,001**
(a) o/w Luxembourg area insurance receivables	1,602	11,561	-	-	-	-	1,602	11,561
(b) o/w Luxembourg area reinsurance receivables	-	-	-	-	-	-	-	-

Carrying amount (in € thousands)	Life Insurance/ Investment Solutions/ Pensions		Personal Protection Insurance		Property & Casualty Insurance		Total Insurance	
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Insurance and accepted reinsurance payables (a)	102,869	71,126	47,845	68,920	69,168	67,468	219,883	207,514
Reinsurance cession liabilities (b)	8,368,869	7,851,148	184,895	192,465	1,290	1,888	8,555,055	8,045,501
Total	**8,471,738**	**7,922,274**	**232,740**	**261,385**	**70,459**	**69,356**	**8,774,937**	**8,253,015**
(a) o/w Luxembourg area insurance payables	33,764	26,634	-	-	-	-	33,764	26,634
(b) o/w Luxembourg area reinsurance payables	423,511	389,887	-	-	-	-	423,511	389,887

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

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

At fiscal year-end, BPCE Vie was in advanced talks with a potential buyer regarding the sale of three ringfenced life insurance portolios representing around 11,800 policies and €689 million in life insurance assets and provisions for policyholder bonuses. In application of IFRS 5, the operations concerned are recorded in the sections *"Assets and liabilities held for sale and discontinued operations"* in the balance sheet.

Detail of non-current assets held for sale and discontinued operations – 12/31/2016			
Available-for-sales investments	(498,441)	Underwriting liabilities related to insurance policies	(7,257)
Investments recorded through the fair value option and held for trading purposes	(29,143)	Underwriting liabilities related to unit-linked insurance policies	(175,100)
Investment loans and receivables	(2,977)	Underwriting liabilities related to financial contracts with discretionary policyholder bonus	(463,545)
Unit-linked financial investments	(173,114)	Deferred policyholder bonus -liabilities	(42,699)
Share of cessionaires in liabilities related to insurance policies and financial contracts	(11)	Deferred tax liabilities	(2,197)
Receivables related to insurance operations and accepted reinsurance	23,275	Operating debts payable to banking sector companies	(3,638)
Other receivables	(65,004)	Payables related to insurance operations and accepted reinsurance	(798)
Cash and cash equivalents	(3,486)	Other payables	(11,243)
NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**748,900**	**LIABILITIES ON ACTIVITIES HELD FOR SALE AND DISCONTINUED OPERATIONS**	**706,476**

7.2. COMMITMENTS GIVEN AND RECEIVED

Commitments (in € thousands)	2016	2015
BPCE guarantee on securities lending transactions	3,001,927	3,012,500
Authorized overdraft from Natixis	5,000	5,000
Securities pledged as collateral by cessionaires and retrocessionaires	305,669	49,471
Commitments received	**3,312,596**	**3,066,971**
Investments not yet paid-up (venture capital funds and securitization funds)	1,788,004	1,059,239
Reinsurance commissions	-	300,000
Sureties and endorsements given	12,678	-
Commitments given	**1,800,682**	**1,359,239**
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)	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Earned premiums	**18,503,347**	**4,232,087**	**758,681**	**702,282**	**934,269**	**858,684**	**20,196,297**	**5,793,053**
o/w France area earned premiums	17,864,034	3,699,409	758,681	702,282	934,269	858,684	19,556,983	5,260,375
o/w Luxembourg area earned premiums	639,314	532,678	-	-	-	-	639,314	532,678

Personal accident, payment instrument and health insurance product activities are classified under Property & Casualty Insurance business. The Luxembourg region only includes the Luxembourg registered office of Natixis Life (the French branch of Natixis Life is included in the France area).

INCOME STATEMENT BY BUSINESS SECTOR

	Life Insurance/ Investment Solutions/ Pensions		Personal Protection Insurance		Property & Casualty Insurance		Others		Total Insurance	
(in € millions)	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	31/12/2015
Net banking income	274	251	172	138	256	245	15	14	717	648
Operating expenses - banking format	(136)	(111)	(44)	(34)	(149)	(139)	(28)	(30)	(357)	(314)
Operating income	**138**	**140**	**127**	**104**	**108**	**106**	**(13)**	**(16)**	**360**	**334**
Finance expenses	-	-	-	-	-	-	-	-	(47)	(50)
Share in income of associates	-	-	-	-	-	-	-	-	9	12
Income tax	-	-	-	-	-	-	-	-	(120)	(104)
Consolidated net income	-	-	-	-	-	-	-	-	**202**	**192**
o/w France area operating income	129	134	127	104	108	106	(13)	(16)	351	328
o/w Luxembourg area operating income	9	6	-	-	-	-	-	-	9	6

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)	2016	2015
Other external purchases other external and expenses	97,495	84,125
Sub-contracting (o/w IT)	75,357	76,470
Payroll costs	128,660	125,880
Taxes	29,221	16,211
Fees and commissions	810,745	685,746
Others	41,986	62,277
Allowances for depreciation, amortization and provisions	25,798	19,155
Non-recurring income	-	-
Total expenses by category	**1,209,261**	**1,069,863**

Breakdown of operating expenses by use (in € thousands)	2016	2015
Internal investment expenses	6,863	7,292
Claims management expenses	77,770	69,296
Acquisition costs	609,688	559,330
o/w fees and commissions	*503,056*	*452,646*
Administrative costs	399,658	319,606
o/w fees and commissions	*307,690*	*233,099*
Other recurring operating income and expenses	115,282	114,339
Total expenses by use	**1,209,261**	**1,069,863**

Expenses related to services and lease agreements with Natixis amounted to €46,788k.
Of the €811 million in fees and commissions, €706 million were paid to the BP and CE networks.

TAX EXPENSE

Breakdown of tax expense (in € thousands)	2016	2015
Tax payable	(104,808)	(90,120)
Adjustment in respect of tax payable on previous fiscal years	682	(820)
Deferred tax expense related to temporary differences	(16,022)	(12,832)
Total tax expense	**(120,148)**	**(103,772)**

7.4. OTHER INFORMATION

7.4.1. Headcount

The average headcount indicated below comprises the number of employees on permanent and fixed-term contracts on a full-time equivalent (FTE) basis.

	Natixis Assurances consolidated scope					
	2016			2015		
	Development	Back-office	Others	Development	Back-office	Others
Management	6	3	29	10	1	26
Executives	127	153	387	108	125	318
Non-executives	8	820	74	20	761	83
Sub-total	**142**	**976**	**490**	**137**	**887**	**427**
Total	**1,608**			**1,451**		

Headcount at end-2016, net of reinvoicing and long-term absences, was 1,567 FTE versus 1,426 FTE at end-2015 (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 19,398,906 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 expenses generated by consolidation are 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, 2016, 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, notably within the framework of an own risk and solvency assessment (ORSA).

Subordinated debt securities eligible for coverage of the solvency capital requirement, with a carrying amount of €1.034 billion, have a fair value of €1.073 billion, of which €531 million for dated subordinated debt and €542 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 €125k were paid to non-employee directors of Natixis for meetings attended in fiscal year 2016.

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

No commitments given or received were recorded with respect to the directors 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 came to €1,588k (with tax) and can be broken down as follows:

	PWC	MAZARS	Total
Certification fees	592	714	1,307
Other procedures related to the statutory auditors'	7	6	12
Other services performed by the statutory auditors	166	103	269
Total	765	823	1,588

4 PARENT COMPANY **financial statements**

PARENT COMPANY FINANCIAL STATEMENTS

BALANCE SHEET

Assets (€)	Gross	Deprec., amort. and provisions/ Others	12/31/2016	12/31/2015
UNCALLED SUBSCRIBED CAPITAL	-	-	-	-
FIXED ASSETS	-	-	-	-
Intangible fixed assets	**842,352**	**164,936**	**677,415**	**452,318**
Set-up costs	-	-	-	-
Research & development costs	-	-	-	-
Concessions, patents, licenses, brands, processes, software, rights and similar assets	-	-	-	-
Goodwill	-	-	-	-
Others	842,352	164,936	677,415	198,259
Other intangible fixed assets in progress	-	-	-	183,196
Advances and prepayments	-	-	-	70,863
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	**2,338,492,453**	**-**	**2,338,492,453**	**1,917,255,092**
Affiliates	1,723,163,618	-	1,723,163,618	1,367,135,974
Receivables related to investments in affiliates	615,328,835	-	615,328,835	550,119,118
Shares and other equity securities	-	-	-	-
Other long-term investments	-	-	-	-
Loans	-	-	-	-
Others	-	-	-	-
CURRENT ASSETS	-	-	-	-
Inventories and assets in progress	**2,024**	**-**	**2,024**	**-**
Raw materials and other supplies	-	-	-	-
Inventories in progress	-	-	-	-
Intermediate and finished products	-	-	-	-
Goods	-	-	-	-
Advances and prepayments on orders	2,024	-	2,024	-
Receivables	**2,256,189**	**33,121**	**2,223,069**	**1,924,054**
Accounts receivable and related receivables	-	-	-	-
Other receivables	2,256,189	33,121	2,223,069	1,924,054
Capital subscribed, called but unpaid	-	-	-	-
Short-term investment securities	**3,824,249**	**-**	**3,824,249**	**10,836,563**
Treasury shares	-	-	-	-
Other securities	3,824,249	-	3,824,249	10,836,563
Cash instruments	-	-	-	-
Cash and cash equivalents	9,327,898	-	9,327,898	7,438,549
Prepaid expenses	-	-	-	-
Accrued income and prepaid expenses	**2,409,728**	**-**	**2,409,728**	**2,295,254**
Expenses deferred over several fiscal years	994,252	-	994,252	1,079,950
Bond redemption premiums	-	-	-	-
Translation adjustments - Assets	1,415,476	-	1,415,476	1,215,304
TOTAL ASSETS	**2,357,154,893**	**198,057**	**2,356,956,836**	**1,940,201,829**

Liabilities (€)	12/31/2016	12/31/2015
Shareholders' equity	**1,412,870,124**	**1,196,486,483**
Share capital	148,013,653	135,077,179
o/w paid-in capital:	*148,013,653*	*135,077,179*
Issue, merger and contribution premiums	1,097,937,064	904,873,325
Revaluation adjustments	-	-
Equity-accounting difference	-	-
Reserves :	-	-
- Legal reserve	13,507,718	12,009,620
- Statutory and contractual reserves	-	-
- Regulated reserves	-	-
- Other reserves	25,878,517	25,878,517
Retained earnings	368,330	764,431
Income for the period	127,164,843	117,883,410
Unallocated income	-	-
Unallocated interim dividends	-	-
Investment subsidies	-	-
Regulated provisions	-	-
Provisions	-	-
Provisions for risks	-	-
Provisions for expenses	-	-
Amounts payable	**944,006,401**	**743,645,139**
Convertible bonds	-	-
Other bonds	251,068,767	251,068,767
Loans and debt from credit institutions	689,376,952	489,173,372
Sundry loans and financial debt	-	-
Advances and prepayments received on orders in progress	-	-
Accounts payable and related payables	81,425	90,805
Tax and social security payables	30,769	6,067
Amounts payable on fixed assets and related payables	-	-
Other amounts payable	3,448,489	3,306,128
Cash instruments	-	-
Prepaid income	-	-
Accrued expenses and other liabilities	**80,310**	**70,208**
	-	-
Translation adjustments - liabilities	-	-
	-	-
TOTAL LIABILITIES AND EQUITY	**2,356,956,836**	**1,940,201,829**

INCOME STATEMENT

(in €)	12/31/2016	12/31/2015
Operating income	**3,653,963**	**2,980,655**
Commissions and brokerage fees	312,539	300,590
Production sold	-	-
Net revenue	**312,539**	**300,590**
o/w exports:		
Inventories	-	-
Capitalized production	-	-
Operating subsidies	-	-
Reversals of provisions, depreciation and amortization, transferred expenses	-	(11,729)
Other income	3,341,424	2,691,794
Operating expenses	**8,162,926**	**5,398,173**
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	7,907,740	5,162,711
Taxes and similar payments	(76)	17,400
Wages and salaries	-	-
Social security expenses	-	10,620
Depreciation, amortization and provisions:	-	-
- on fixed assets: depreciation and amortization	*210,983*	*121,221*
- on fixed assets: provisions	-	-
- on current assets: provisions	-	*33,121*
Contingency reserves: provisions	-	-
Other expenses	44,280	53,100
OPERATING INCOME	**(4,508,963)**	**(2,417,518)**
Share of income on joint ventures	-	-
Profit or transferred loss	-	-
Loss or transferred profit	-	-
Financial income	**160,662,701**	**148,704,639**
From investments in affiliates	160,657,222	148,682,003
From other transferable securities and long-term receivables	-	-
Other interest and similar income	-	-
Reversals of provisions and transferred expenses	-	-
Positive foreign exchange differences	-	-
Net income on disposals of investment securities	5,479	22,637
Financial expenses	**28,988,895**	**28,397,711**
Depreciation, amortization and provisions	-	-
Interest and similar expenses	28,982,035	28,397,711
Negative foreign exchange differences	-	-
Net expenses on disposals of investment securities	6,860	-
FINANCIAL RESULT	**131,673,807**	**120,306,929**
PRE-TAX PROFIT	**127,164,843**	**117,889,410**
Non-recurring income	**-**	**300,000**
On portfolio management transactions	-	-
On capital transactions	-	300,000
Reversals of provisions and transferred expenses	-	-
Non-recurring expenses	-	306,000
On portfolio management transactions	-	-
On capital transactions	-	306,000
Allowances for provisions and transferred expenses	-	-
NON-RECURRING INCOME	-	(6,000)
Employee profit-sharing	-	-
Income tax	-	-
TOTAL INCOME	**164,316,664**	**151,985,294**
TOTAL EXPENSES	**37,151,821**	**34,101,884**
PROFIT OR LOSS	**127,164,843**	**117,883,410**

COMMITMENTS

(in €)	12/31/2016	12/31/2015
Commitments received	**9,512,918**	**4,381,639**
Credit lines (undrawn amounts)	5,000,000	-
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	4,512,918	4,381,639
Commitments given	**4,432,608**	**4,311,639**
Endorsements, sureties and credit guarantees given	-	-
Assets purchased under resale agreements	-	-
Other commitments on securities, assets or revenues	-	-
Interest rate swaps and currency futures	4,432,608	4,311,639
Other commitments given	-	-
Securities pledged as collateral by cessionaires and retrocessionaires	-	-
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;	-	-
- interest rate 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.	-	-

Notes to the parent company financial statements

1. SIGNIFICANT EVENTS OF 2016

1.1. INCREASE IN SHARE CAPITAL

In order to support the group's growth and finance the capital increase for its BPCE Vie subsidiary, Natixis Assurances proceeded with a capital increase via the creation and issue of 1,695,475 new shares, each with a nominal value of €7.63 and coupled with an issue premium of €113.87 per share, thereby raising the size of the issue premium account to €1.097 billion. The issue price was €121.50 per share.

The total issue amount of €206 million was fully subscribed by Natixis. Following this transaction, total share capital amounted to €148 million, in the form of 19,398,906 shares with a nominal value of €7.63.

1.2. INVESTMENTS IN AFFILIATES

By virtue of the partnership agreement signed between the BPCE and CNP groups on March 23, 2015, Natixis Assurances acquired 49% of the capital of Ecureuil Vie Développement (EVD) at the end of 2015. With effect from January 1, 2016, the Company acquired a further 2% capital interest for a price consideration of €3.5k, thus lifting its share of EVD's capital to 51%.

1.3. FINANCING

On August 1, 2016 and as part of a renewable credit agreement in euros, the Company took out a short-term credit facility with Natixis SA. The Bank made a maxium amount of €135 million available to Natixis Assurances, which the Company used in full. This credit line was subject to a rider on December 19, 2006 that extended maturity intim December 29, 2017.

Terms of the loan:

- interest rate from August 1, 2016 to December 31, 2016: fixed at 0.00%
- interest rate from January 1, 2017 to December 29, 2017: Euribor for the duration of the chosen interest period (1, 3 or 6 months), plus an annual spread of 0.15%. Euribor and the spread are subject to floors of zero.

This credit line is designed to finance capital increases for the Company's subsidiaries.

On December 8, 2016, the Company took out a subordinated loan with Natixis SA presenting the following characteristics:

- issue amount: €65 million;
- redemption date: December 8, 2026;
- interest rate: fixed at 3.645%;
- no early redemption option;
- subordination clause on the principal in the event of liquidation/bankruptcy.

1.4. LOANS TO SUBSIDIARIES

Dated subordinated loan granted to BPCE Vie.

On December 8, 2016, the Company granted its wholly-owned subsidiary, BPCE Vie, a subordinated loan presenting the following characteristics:

- issue amount: €65 million;
- redemption date: December 8, 2026;
- interest rate: fixed at 3.645%;
- no early redemption option;
- subordination clause on the principal in the event of liquidation/bankruptcy.

This loan is geared to supplementing coverage of the subsidiary's solvency margin requirement.

1.5. TAX INSPECTION

During 2016, the Company was subject to a verification of its accounting for fiscal years, 2012, 2013 and 2014. Following the inspection, the Department of National and International Verifications sent a letter notifying the Company of the absence of any tax rectification.

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, 2015, 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 No. 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.

2.1. ASSET VALUATION RULES

2.1.1. Intangible assets

Intangible assets comprise purchased software or internally developed software.

Projects to create internal software are run by applying a project management methodology comprising several phases, the first one of which involves preparing a pre-project contract. This procedure is now applied to all significant tasks geared to developing IT applications.

These pre-project contracts are systematically presented to a monthly committee that examines projects and checks that they comply with the criteria defined by CRC rule 2004-06 relating to asset definition, accounting and valuation. These criteria are codified in articles 211-1 to 211-3 and 311-1 of the chart of accounts.

In particular, in accordance with the principles applied in accounting rules, projects are only identified as assets when the following four conditions are fulfilled simultaneously:

- project costs are clearly identifiable;
- the project must have a positive economic value that reflects its anticipated future economic benefits;
- the application developed is controlled by the company;
- project costs can be reliably assessed.

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.

2.1.2. 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 affiliates 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.

2.1.3. 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).

2.1.4. 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.

2.1.5. 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 No. 2007-02 of May 4, 2007. In inventories, translation adjustments on structural foreign exchange positions related to foreign-currency investments in affiliates and their financing (where applicable) are recorded under *"Translation adjustments"*.

3. INFORMATION ON THE INCOME STATEMENT

3.1. 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.

3.2. OTHER EXTERNAL EXPENSES

In the absence of paid staff, the Company has recourse to BPCE Vie's resources and general services. BPCE Vie reinvoices the expenses related to this use, based on cost price and prorata to the time spent.

3.3. NON-RECURRING INCOME

Non-recurring income comprises income from transactions performed by the Company on an exceptional (one-off basis).

3.4. INCOME TAX

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

Due to the existence of a tax loss carry-forward, the Company 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 expenses generated by consolidation are recognized by Natixis as the parent company.

Unless otherwise mentioned, the amounts shown in the commentaries on the accounts are presented in thousands of euros.

4. INFORMATION ON BALANCE SHEET ITEMS

4.1. ASSETS

4.1.1. Intangible fixed assets

Intangible fixed assets	12/312015	Acquisitions	Disposals	12/31/2016
Gross value				
in progress	*254*	*345*	*599*	-
completed	*238*	*604*	-	842
Net value	**492**	**949**	**599**	**842**

Intangible fixed assets	12/31/2015	Allowances	Reversals and disposals	12/31/2016
Amortization and impairment				
completed	*40*	*125*	-	165
Total amortization and impairment	**40**	**125**	**-**	**165**
Net value	**452**	**-**	**-**	**677**

The change in this item reflected the acquisition and development costs related to the implementation of the Solvency 2 regulatory reporting tool. The tool, which was transferred to the *"Completed fixed assets"* category, entered production in fiscal year 2016 and was the subject of an initial amortization charge.

4.1.2. Long-term investments

Long-term investments	12/31/2015	Acquisitions	Disposals	Allowances - Reversals	12/31/2016
Investments in associates	1,367,136	356,028	-	-	1,723,164
Receivables related to investments in associates	550,119	65,210	-	-	615,329
Net value	**1,917,255**	**421,237**	**-**	**-**	**2,338,492**

No impairments were recognized on the long-term investments presented at December 31, 2016.

4.1.2.1. Investments in affiliates

Entity	Quantity of shares at January 1	Net amount at January 1	Quantity of shares at December 31	Net amount at December 31
BPCE Vie	7,634,819	916,064	10,091,841	1,272,088
BPCE Assurances	243,122	291,976	243,122	291,976
Natixis Life	3,600,000	91,141	3,600,000	91,141
BPCE Prévoyance	855,220	47,546	855,220	47,546
BPCE IARD	4,948	14,847	4,948	14,847
Adir	169,970	5,474	169,970	5,474
Ecureuil Vie Développement	1,813	87	1,887	91
Fructi-Télésurveillance	1	N.S.	-	-
Total	**12,509,893**	**1,367,136**	**14,966,988**	**1,723,164**

The changes during the year were as follows:

- subscription to the capital increase initiated by BPCE Vie on January 4, 2016 via the issue of 1,393,022 new shares each with a nominal value of €16, coupled with an issue premium of €131.88 per share, thereby making an issue price of €147.88 per share;
- subscription to the capital increase initiated by BPCE Vie on July 22, 2016 via the issue of 1,064,000 new shares each with a nominal value of €16, coupled with an issue premium of €125.00 per share, thereby making an issue price of €141.00 per share;
- acquisition of 74 shares in Ecureuil Vie Développement for €3.5k from CNP Assurances, representing 2% of the capital and raising the percentage of the capital owned to 51%;
- divestment of the interest in Fructi-Télésurveillance for a cost price of €1.

4.1.2.2. 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:

Subsidiary	Date of loan	Maturity	Interest rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet received at December 31	Total
BPCE Prévoyance	09/29/2004	Indefinite	E3M+ 1.70%	3,000	-	-	3,000	0	3,000
BPCE Vie	12/20/2007	12/20/2017	5.49%	15,000	-	-	15,000	27	15,027
BPCE Vie	12/23/2010	Indefinite	7.32%	10,000	-	-	10,000	18	10,018
Natixis Life	07/31/2012	7/31/2022	6.86%	8,000	-	-	8,000	236	8,236
Natixis Life	07/31/2012	Indefinite	7.86%	22,000	-	-	22,000	745	22,745
BPCE Assurances	07/05/2014	Indefinite	5.17%	5,336	-	-	5,336	-	5,336
BPCE Assurances	07/05/2014	Indefinite	5.17%	9,909	-	-	9,909	-	9,909
BPCE Assurances	07/05/2014	Indefinite	4.39%	5,336	-	-	5,336	-	5,336
BPCE Assurances	07/05/2014	Indefinite	4.30%	9,909	-	-	9,909	-	9,909
BPCE Assurances	07/31/2014	09/15/2025	E3M+ 1.70%	10,000	-	-	10,000	7	10,007
BPCE Prévoyance	09/29/2014	09/29/2019	1.945%	2,000	-	-	2,000	10	2,010
BPCE Vie	12/30/2014	12/22/2025	5.00%	250,000	-	-	250,000	347	250,347
Natixis Life	01/16/2015	12/12/2025	2.695%	10,000	-	-	10,000	14	10,014
BPCE Vie	01/16/2015	12/12/2025	2.695%	173,000	-	-	173,000	259	173,259
BPCE Prévoyance	12/18/2015	12/18/2025	3.76%	15,000	-	-	15,000	20	15,020
BPCE Vie	12/08/2016	12/08/2026	3.645%	-	65,000	-	65,000	156	65,156
Total				**548,490**	**65,000**	**-**	**613,490**	**1,839**	**615,329**

4.1.3. Current assets

	12/31/2015			12/31/2016		
Current assets	Affiliates	Others	Total	Affiliates	Others	Total
Advances and prepayments	-	-	-	-	-	-
Other receivables	1,414	510	1,924	1,645	578	2,223
Short-term investment securities	-	10,837	10,837	-	3,824	3,824
Current accounts and cash	-	7,439	7,439	-	9,328	9,328
Total	**1,414**	**18,785**	**20,199**	**1,645**	**13,730**	**15,375**

Other receivables

The "*Other receivables*" line of €2,223k comprises:

- balances with affiliates for the amount of €1,645k, concerning the reinvoicing of management fees to subsidiaries;
- accrued income for the amount of €578k, in accordance with a co-brokerage agreement covering fiscal years 2015 and 2016.

The "*Other receivables*" line also includes a receivable on Banque Internationale Arabe de Tunisie (BIAT) relating to an additional price consideration for the divestment of long-term investment securities. This receivable is subject to an impairment for its full value.

Short-term investment securities

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

ISIN code	Name	NAV at 12/31/2015	NAV at 12/31/2016	Market value at 12/31/2015
FR0000027864	NATIXIS INST JOUR C SI 1DEC	1,461	-	-
FR0010831693	NAT CASH EURIB 4DEC	9,376	3,824	3,822
Total		**10,837**	**3,824**	**3,822**

These assets showed an unrealized capital loss of €2k at year-end 2016.

Current accounts and cash

"*Current accounts and cash*" had a balance of €9,328k at year-end, consisting of a bank account opened with Caceis.

4.1.4. Maturities of receivables

	Gross amount at 12/31/2015	Gross amount at 12/31/2016	<= 1 year	> 1 year and < 5 years	> 5 years
Receivables related to investments in affiliates	550,119	615,329	16,839	2,000	596,490
Other trade receivables	-	-	-	-	-
Group and affiliates	1,414	1,645	1,645	-	-
Sundry debtors	510	578	578	-	-
Total	**552,043**	**617 552**	**19,062**	**2,000**	**596,490**

4.1.5. Expenses deferred over several fiscal years

At December 31, 2016, this item consisted of bond issuance costs. These costs, which initially amounted to €1,162k, are amortized using an actuarial method over an initial term of 11 years ending on December 29, 2025.

	2015	2016
Deferred expenses	1,080	994
Total	**1,080**	**994**

4.1.6. Translation adjustments – assets

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

Translation adjustments	12/31/2015	12/31/2016
Translation adjustments - assets	1,215	1,415
Total	**1,215**	**1,415**

These translation adjustments comprise:

- €1,335k for exchange-rate losses related to the unwinding of previous hedges;
- €80k for an unrealized loss on hedging in place on inventory date.

4.2. LIABILITIES

4.2.1. Shareholders' equity

	12/31/2015	2015 allocation	Increase/decrease 2016	12/31/2016
Share capital	135,077	-	12,936	148,014
Additional paid-in capital	904,873	-	193,064	1 097,937
Optional reserve	25,879	-	-	25,879
Legal reserve	12,010	1,498	-	13,508
Retained earnings	764	(396)	-	368
Dividends paid	-	116,781	(116,781)	-
Net income (loss)	117,883	(117,883)	127,165	127,165
Total	**1,196,486**	**-**	**216,384**	**1,412,870**

All of the 19,398,906 shares, each with a nominal value of €7.63, 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.

4.2.2. Debt

4.2.2.1. Bond debt

The *"Other bonds"* debt line comprises bonds issued by Natixis Assurances to private investors in December 2014.

Counterparty	Date of loan	Maturity	Int. Rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet received	Total
Private investors	12/29/2014	Indefinite (*)	5.00%	251,000	-	-	251,000	69	251,069
Total				**251,000**	**-**	**-**	**251,000**	**69**	**251,069**

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

4.2.2.2. Loans and debt from credit institutions

"*Loans and debt*" from credit institutions of €689 million comprise:

- €549 million of medium- and long-term loans taken out by the Company with Natixis and €4 million of accrued interest not yet received related to this debt;
- a €135 million short-term treasury facility taken out with Natixis;
- a bank account with a credit balance of €2 million opened with Natixis.

Counterparty	Date of loan	Maturity	Int. Rate	Amount at January 1	Inflows	Outflows	Amount at December 31	Accrued interest not yet received	Total
Natixis	12/21/2007	12/21/2017	5.13%	15,000	-	-	15,000	21	**15,021**
Natixis	06/20/2011	05/09/2017	4.30%	90,000	-	-	90,000	2,075	**92,075**
Natixis	07/31/2012	07/31/2022	6.86%	8,000	-	-	8,000	236	**8,236**
Natixis	07/31/2012	Indefinite	7.86%	22,000	-	-	22,000	745	**22,745**
Natixis	12/21/2012	12/21/2017	1.96%	49,000	-	-	49,000	27	**49,027**
Natixis	01/16/2015	12/16/2025	2.70%	300,000	-	-	300,000	337	**300,337**
Natixis	12/08/2016	12/08/2026	3.65%	-	65,000	-	65,000	156	**65,156**
Sub-total loans				**484,000**	**65,000**	**-**	**549,000**	**3,596**	**552,596**
Natixis	08/01/2016	12/29/2017	0.00%	-	135,000	-	135,000	-	**135,000**
Sub-total credit line				**-**	**135,000**	**-**	**135,000**	**-**	**135,000**
Total				**484,000**	**200,000**	**-**	**684,000**	**3,596**	**687,596**

4.2.2.3. Accounts payable and related payables

Accounts payable came to €81k and exclusively comprised expenses payable relating to Statutory Auditors' fees.

	12/31/2015		12/31/2016	
	Affiliates	Others	Affiliates	Others
Invoices to be received	-	91	-	81
Total	**-**	**91**	**-**	**81**

4.2.2.4. Tax and social security payables

The sum payable of €31k for fiscal year 2016 comprised the following items:

• €21k in respect of VAT collected and due to DGE;

• €10k in respect of social security contributions levied on attendance fees and due to Urssaf

4.2.2.5. Sundry creditors

	12/31/2015			12/31/2016		
	Affiliates	Others	Total	Affiliates	Others	Total
Sundry creditors	3,040	266	3,306	2 774	675	3,449
Total	**3,040**	**266**	**3,306**	**2 774**	**675**	**3,449**

The "*Sundry creditors*" line, amounting to €3,449k comprises the following items:
• a current account with Natixis in respect of management fees for €2,702k;
• a current account with BPCE Vie for €72k, notably consisting of prepayments in respect of operating expenses reinvoiced to the Company;
• an "Other payables or receivables" account for €675 million comprising expenses payable for external services.

4.2.2.6. Maturities of payables

	Gross amount at 12/31/2015	Gross amount at 12/31/2016	<= 1 year	> 1 year and =< 5 years	> 5 years
Loans – private investors	251,069	251,069	69	-	251,000
Loans - Natixis	487,430	687,596	292,596	-	395,000
Current accounts and cash	1,744	1,781	1,781	-	-
Accounts payable and related payables	91	81	81	-	-
Tax and social security payables	6	31	31	-	-
Other amounts payable	3,306	3,449	3,449	-	-
Total	**743,645**	**944,006**	**298,006**	**-**	**646,000**

4.2.2.7. Commitments by currency

Assets and commitments by currency		2015 balance sheet		2016 balance sheet	
		Assets	Liabilities	Assets	Liabilities
Euro	EUR	1,940,202	1,940,202	2,356,957	2,356,957
Other currencies	OTHERS	-	-	-	-
Total		**1,940,202**	**1,940,202**	**2,356,957**	**2,356,957**

5. INFORMATION ON INCOME

5.1. OPERATING INCOME

5.1.1. Commissions and brokerage fees

Commissions and brokerage fees of €313k comprise €25k for the updated value of amounts receivable for 2015 and €287k for amounts receivable for 2016.

5.1.2. Other income

Other income of €3,341k primarily concerns €2,681k of reinvoiced management fees for 2016.

5.2. OPERATING EXPENSES

5.2.1. Other external purchases and expenses

Other external purchases and expenses amounted to €7,908k and primarily include €4,063k for external services and €2,914k for management fees invoiced by Natixis.

5.2.2. Depreciation and amortization on fixed assets

Depreciation and amortization on fixed assets comprises €125k for amortization of software and €86k for amortization of loan expenses.

5.2.3. Other expenses

This item corresponds to €44k of attendance fees.

5.3. STATUTORY AUDITORS' FEES

Statutory auditors' fees amounted to €317k in 2016, broken down as follows:

• €175k for the legal audit of the individual and consolidated financial statements;

• €142k of advisory fees.

	2015	2016
Independent audit, certification and examination of the individual and consolidated financial statements	89	167
Other procedures and services directly related to the statutory auditors' assignment	4	8
Sub-total	**93**	**175**
Legal, tax and employee related	-	-
Other	30	142
Sub-total	**30**	**142**
Total	**123**	**317**

The sum of €175k paid to the statutory auditors for certifying and examining the individual and consolidated financial statements comprised:

• €98k for Mazars;

• €77k for PricewaterhouseCoopers Audit.

5.4. FINANCIAL INCOME

Financial income mainly comprised income from investments in affiliates and interest on loans granted:

	12/31/2015		12/31/2016	
Income (in € thousands)	Affiliates	Others	Affiliates	Others
Income from investments in affiliates	125,461	-	136,656	-
Income from loans	23,221	-	24,001	-
Net income on disposals of investment securities	-	23	-	5
Change in provision for permanent impairment	-	-	-	-
Total financial income	**148 682**	**23**	**160,657**	**5**

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

Investments in affiliates (in € thousands)	12/31/2015	12/31/2016
BPCE Vie	96,036	101,112
BPCE Prévoyance	14,378	15,223
BPCE Assurances	10,697	11,427
BPCE IARD	2,870	3,716
Adir (Adonis Insurance and Reinsurance)	1,480	1,779
Natixis Life	-	3,400
Total	**125,461**	**136,657**

5.5. FINANCIAL EXPENSES

Financial expenses comprise the following items:

	12/31/2015		12/31/2016	
Expenses (in € thousands)	Affiliates	Others	Affiliates	Others
Interest on loans and similar debt	28,393	-	28,950	-
Interest expenses on current accounts	-	2	-	12
Management fees	-	2	-	19
Foreign exchange loss	-	-	-	7
Total financial expenses	**28,393**	**4**	**28,950**	**39**

5.6. TAX EXPENSE

	12/31/2015	12/31/2016
Tax payable	-	-
Deferred tax expense	-	-
Total tax expense	-	-
o/w non-recurring	-	-
o/w related to previous fiscal years	-	-

Reconciliation between theoretical tax expense and real tax expense

	12/31/2015	12/31/2016
Accounting result before tax	117,883	127,165
Theoretical tax expense at 34.43%	40,587	43,783
Impacts on theoretical tax of:	(40,587)	(43,783)
- income tax at reduced rate (0%) on long-term capital gains	-	-
- limitation on deductibility of financial expenses	445	427
- dividends subject to parent-subsidiary tax scheme	(41,036)	(44,698)
- permanent differences	16	11
- acquisition costs on investments in associates	(119)	(119)
- bond issuance costs	28	30
- transferred expenses	4	-
- other items	-	-
- tax losses deducted during the fiscal year	-	-
Tax loss carry forward	74	569
Real tax expense	-	-

5.7. INCOME

2016 net income amounted to €127.2 million, a €9.3 million increase on 2015, primarily as a result of higher revenues from investments in affiliates.

6. OTHER INFORMATION

6.1. 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. Its accounts and those of its majority-owned subsidiaries are fully consolidated by both Natixis and BPCE.

Likewise, Natixis Assurances' accounts are fully consolidated by Natixis, Natixis Assurances' sole shareholder, whose registered office is located at 30, avenue Pierre Mendès France in the 13th district of Paris, and by BPCE, registered with the RCS trade and companies register under the number 493 455 042, whose registered office is located at 50, avenue Pierre Mendès France in the 13th arrondissement of Paris and the entity that owns the majority of Natixis's capital.

6.2. OFF-BALANCE SHEET COMMITMENTS

Natixis Assurances benefits from a commitment received from Natixis concerning a €5 million authorized overdraft facility.

At December 31, 2016, the Company's off-balance sheet commitment of €4,513k related to a dollar currency hedge on shares held in the affiliated company, Adonis Insurance and Reinsurance (Adir).

7. PARENT COMPANY RESULTS FOR THE LAST FIVE YEARS

(in € thousands)	2012	2013	2014	2015	2016
Share capital at december 31					
Share capital	110,677	110,677	120,096	135,077	148,014
Number of ordinary shares outstanding	14,505,460	14,505,460	15,740,000	17,703,431	19,398,906
Operations and income for the year					
Revenue (without tax)	200	228	234	301	313
Income before tax, depreciation, amortization and provisions	16,817	65,820	121,358	118,038	127,376
Income tax	(4)	(2)	151	-	-
Income after tax, depreciation, amortization and provisions	16,821	65,822	121,207	117,883	127,165
Distributed earnings	16,826	65,793	119,624	116,781	126,093
Earnings/(loss) per share (in €)					
Income after tax but before depreciation, amortization and provisions(1)	1.16	4.54	7.70	6.67	6.57
Income after tax, depreciation, amortization and provisions(1)	1.16	4.54	7.70	6.66	6.56
Dividend per share(2)	1.16	4.18	7.60	6.02	6.50
Employee data					
Average headcount during the fiscal year	-	-	-	-	-
Wage bill for the fiscal year	-	-	-	-	-
Amount paid for employee benefits (social security and welfare)	-	-	-	-	-

(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 No. 27.
(2) The dividend paid on each share reflects the capital increase in May 2015 and the creation of 1,963,431 new shares.

8. 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**					
BPCE Vie 30, avenue Pierre Mendès France 75013 PARIS N° SIREN : 349 004 341 Mixed-activity insurance company	1,255,076	140,754	100	1,272,088	1,272,088	513,000	-	18,429,034	127,261	101,112
BPCE Prévoyance 30, avenue Pierre Mendès France 75013 PARIS N° SIREN : 352 259 717 Non-life insurance company	37,880	2,828	100	47,546	47,546	20,000	-	222,388	17,441	15,223
Natixis Life 51, avenue J.F. Kennedy L-2951 Luxembourg N° RC : B60 633 Life insurance company	90,000	10,235	100	91,141	91,141	40,000	-	747,273[*]	4,937[*]	3,400
BPCE Assurances 88, avenue de France 75013 PARIS N° SIREN : 501 633 275 Non-life insurance company	118,289	195,964	60	291,976	291,976	40,490	-	855,912	59,027	11,427
Ecureuil Vie Développement Héron Building 66, avenue du Maine 75014 PARIS N° SIREN : 503 055 618 Simplified company with shares	37	158	51	91	91	-	-	-	17	-
AFFILIATES (between 10% and 50%-owned)				**Gross**	**Net**					
BPCE IARD Chaban de Chauray BP 9003 79093 NIORT Cedex N° SIREN : 401 380 472 Non-life insurance company	50,000	44,886	49	14,847	14,847	-	-	352,900	9,800	3,716
Adir Aya Commercial Center Dora BEIRUT - LEBANON N° RC : 46 238 Mixed-activity insurance company	14,755	21,801	34	5,474	5,474	-	-	30,865	11,776	1,779
General information										
Subsidiaries (combined)	**1,501,282**	**349,939**	**-**	**1,702,842**	**1,702,842**	**613,490**	**-**	**20,254,607**	**208,683**	**131,162**
Affiliates (combined)	**64,755**	**66,687**	**-**	**20,321**	**20,321**	**-**	**-**	**383,765**	**21,576**	**5,495**

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

5 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, 2016, 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 CONSOLIDATED 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 consolidated 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 consolidated 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, with respect to the set of IFRS standards as adopted in the European Union, the consolidated financial statements give a true and fair view of the result of the whole constituted by the persons and entities included in the consolidation.

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 draw the following items to your attention:

• financial assets and derivatives are recognized and measured as explained in Note 4.2.4 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;

• certain technical items specific to the insurance and reinsurance business, in the assets and liabilities of the Group's financial statements, and particularly regarding underwriting reserves, deferred policyholder bonus assets, deferred acquisition costs and their amortization methods and the value of in-force business, are estimated using statistical and actuarial techniques. The methods of determining these items are described in note 4.2.11 to the consolidated financial statements.

• we satisfied ourselves that the assumptions employed in the calculation models were reasonable, particularly with respect to the Group's experience, its regulatory and economic environment, and verified the coherency of the full set of assumptions;

• deferred tax assets and liabilities are recognized and measured as explained in Note 4.3.10 to the consolidated 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 consolidated 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 regards its fair presentation and its consistency with the consolidated financial statements.

French original signed in Neuilly-sur-Seine and Paris La Défense on May 5, 2017

The Statutory Auditors,

PriceWaterhouseCoopers Audit	Mazars	
Marie-Christine JETIL	Jean-Claude PAULY	Maxime SIMOEN

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, 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, 2016.

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 involve:

- 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 Paris La Défense on May 5, 2017

The Statutory Auditors,

PriceWaterhouseCoopers Audit	Mazars	
Marie-Christine JETIL	Jean-Claude PAULY	Maxime SIMOEN

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, 2016, 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 annual 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 last completed fiscal year 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 draw the following items to your attention:

Investments in affiliates are recognized and measured as described in Note 2.1.2. «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 relating to compensation 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 Paris La Défense on May 5, 2017

The Statutory Auditors,

PriceWaterhouseCoopers Audit	Mazars	
Marie-Christine JETIL	Jean-Claude PAULY	Maxime SIMOEN

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

Shareholders' meeting to approve the financial statements for the year ended December 31, 2016

To the Shareholders
NATIXIS ASSURANCES
30 avenue Pierre Mendès France
75013 PARIS

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

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of the related-party agreements notified 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 related-party agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the benefits resulting from these contractual agreements prior to their approval.

In addition, we are required to inform you, in accordance with Article R. 225-31 of the French Commercial Code, of the execution during the past financial year of the related-party agreements already approved by the General Shareholders' Meeting.

We performed the procedures that we considered necessary to comply with the professional code of the Compagnie Nationale des Commissaires aux Comptes (France's National Association of Statutory Auditors) relating to this assignment. Our work consisted in verifying that the information provided to us is consistent with the underlying documents from which it was extracted.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements authorized during the last completed fiscal year

We inform you that we received no notification of any related-partyl agreement authorized during the last completed fiscal year to be submitted for the approval of the General Shareholders' Meeting, pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

Agreements approved during previous fiscal years and which remained in force during the last completed fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we were informed of the following related-party agreements, which had already been approved by the General Shareholders' Meeting during previous fiscal years and that remained in force during the last completed fiscal year.

General Framework Agreement

Since 2013, Groupe BPCE and its subsidiaries have been working to set up an insurance platform within Natixis. This project led the Group to conduct negotiations with CNP Assurances with a view to repatriating the Group's life insurance production to Natixis Assurances.

These discussions led to the signature on March 23, 2015 of a general framework agreement between CNP Assurances, BPCE and Natixis – the latter acting by virtue of the specific powers granted to it by Natixis Assurances, BPCE Vie and BPCE Prévoyance – which defines the fundamental principles of the future partnership between BPCE, Natixis and CNP. The agreement was authorized by the Board of Directors on March 6, 2015 and took effect on January 1, 2016.

It had operational and financial consequences on some of Natixis Assurances' subsidiaries in 2016, but had no impact on Natixis Assurances' accounts.

Ecureuil Vie Développement shareholders' pact and divestment contract for Ecureuil Vie Développement shares

As part of the general framework agreement signed with CNP Assurances, CNP Assurances, BPCE and Natixis agreed that Natixis Assurances would hold a controlling majority interest in EVD. As a result: In 2015, Natixis Assurances proceeded with the acquisition of BPCE's 49% equity interest in EVD.

During fiscal year 2016, Natixis Assurances purchased from CNP 74 ordinary shares in EVD, representing 2% of EVD's share capital and voting rights. Following this transaction, Natixis Assurances has possessed a controlling majority interest in EVD.

At December 31, 2016, EVD's capital was owned as follows:

- Natixis Assurances held 1,887 shares, representing 51% of the capital and voting rights;
- CNP Assurances held 1,813 shares, representing 49% of the capital and voting rights.

Agreement to second CNP Assurances personnel to Ecureuil Vie Développement

The secondment agreement between CNP Assurances and Ecureuil Vie Développement, concluded for an initial period of seven years, was renewed on March 23, 2015 for a period of three years between CNP Assurances and Ecureuil Vie Développement in the presence of Natixis and BPCE Vie.

The agreement adheres to Articles L. 8241-1 paragraph 2 and L. 8241- 2 of the French Employment Code (*Code du travail*) regulating loans of staff for not-for-profit purposes. It was specified that certain BPCE Vie employees could also be seconded to Ecureuil Vie Développement, in accordance with the terms of a secondment agreement to be concluded between BPCE Vie and EVD.

This agreement was without effect for Natixis Assurances in fiscal year 2016.

Fait à Neuilly-sur-Seine et La Défense, le 5 mai 2017

Les Commissaires aux comptes,

PriceWaterhouseCoopers Audit	Mazars	
Marie-Christine JETIL	Jean-Claude PAULY	Maxime SIMOEN

6 LEGAL information

1. LIST OF CORPORATE OFFICES

LEQUOY Jean-François			
Company name	**Legal form**	**Function**	**Represents**
NATIXIS ASSURANCES	SA	Chairman of the Board of Directors	
BPCE ASSURANCES	SA	Chairman of the Board of Directors	
BPCE PRÉVOYANCE	SA	Chairman of the Board of Directors	
BPCE VIE (since 09/27/2016)	SA	Chairman of the Board of Directors	
GROUPEMENT FRANÇAIS DES BANCASSUREURS	Association	Vice-Chairman	
SURASSUR (since 12/12/2016)	SA	Chairman of the Board of Directors	
REACOMEX (since 12/12/2016)	SA	Chairman of the Board of Directors	
MPO INTERNATIONAL (ended 09/20/2016)	SA	Director	
FONDS STRATÉGIQUE DE PARTICIPATION - FSP (since 11/01/2016)	SA	Director	
ECUREUIL VIE DÉVELOPPEMENT (since 01/01/2016)	SAS	Director	
BPCE IARD (since 11/16/216)	SA	Member of the Supervisory Board	NATIXIS ASSURANCES

BELLEMON Gérard			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE VAL DE FRANCE	SA	Chairman of the Board of Directors	
SUARD BELLEMON	SAS	Chairman	
SOBEGEST	SAS	Chairman	
NATIXIS ASSURANCES	SA	Director	
NATIXIS GLOBAL ASSET MANAGEMENT (since 10/20/2016)	SA	Director	

BRUNET-LECOMTE Jean			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE LOIRE ET LYONNAIS (ended 02/16/2016)	SA	Chairman of the Board of Directors	
NATIXIS ASSURANCES (ended 02/05/2016)	SA	Director	
Foundation ÉMERGENCE		Director	
JBLD	SARL	Managing Partner	
Foundation DE DOTATION DEVENIR	Foundation	Chairman	

DU PAYRAT Christian			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE PROVENÇALE ET CORSE (ended 11/22/2016)	SA	Chief Executive Officer	
BANQUE CHAIX (ended 11/22/2016)	SA	Chief Executive Officer	
SOCIÉTÉ DE CAPITAL RISQUE PROVENCE CORSE (ended 11/22/2016)	SAS	Chairman	
NATIXIS ASSURANCES (ended 11/22/2016)	SA	Director	
NATIXIS PAYMENT SOLUTIONS (ended 11/22/2016)	SA	Director	
NATIXIS GLOBAL ASSET MANAGEMENT (ended 11/22/2016)	SA	Director	
BPCE ACHATS (ended 11/22/2016)	GIE	Director	
ALBIANT-IT (ended 11/22/2016)	SA	Director	
Foundation AIX-MARSEILLE UNIVERSITÉS	Foundation	Founder Member of the Managing Board	
SCI PYTHEAS PRADO 1	SCI	Managing Partner	
SCI PYTHEAS PRADO 2	SCI	Managing Partner	
ASSOCIATION DES BP POUR LA CRÉATION D'ENTREPRISE (ended 11/22/2016)	Association	Director	BP PROVENÇALE ET CORSE
ASSOCIATION DES BP POUR LA COOPÉRATION ET LE DÉVELOPPEMENT (ended 11/22/2016)	Association	Director	BP PROVENÇALE ET CORSE
INFORMATIQUE - BANQUE POPULAIRE (I-BP) (ended 11/22/2016)	SA	Director	BP PROVENÇALE ET CORSE
INSTITUT DES HAUTES ÉTUDES POUR LA SCIENCE ET LA TECHNOLOGIE (IHEST)	EPA	Director	
BPCE-IT (ended 11/22/2016)	GIE	Director	BP PROVENÇALE ET CORSE
SURASSUR (ended 11/22/2016)	SA	Director	BP PROVENÇALE ET CORSE

DUCHESNE Bruno			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE BOURGOGNE FRANCHE-COMTÉ	SA	Chief Executive Officer	
NATIXIS ASSURANCES	SA	Director	
CRÉDIT FONCIER	SA	Director	
ALBIANT-IT	SA	Director	
PRIAM BANQUE POPULAIRE	GIE	Director	
IM BP	SCI	Managing Partner	
INFORMATIQUE - BANQUE POPULAIRE (I-BP)	SA	Director	BP BOURGOGNE FRANCHE-COMTÉ
BPCE-IT	GIE	Director	BP BOURGOGNE FRANCHE-COMTÉ

FLEURY Bernard			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE CÔTE D'AZUR (ended 11/22/2016)	SA	Chairman of the Board of Directors	
BANQUE POPULAIRE MÉDITERRANÉE (since 11/23/2016)	SA	Deputy Vice-Chairman	
S.C. ELIA	SC	Chairman	
NATIXIS ASSURANCES	SA	Director	
NATIXIS INTEREPARGNE	SA	Director	
BPCE IARD	SA	Guest	
COPELIA - Groupe ALLIOS	Holding company	Director	
CHÂTEAU SAINT JULIEN D'AILLE	SARL	Director of Operations	
Foundation D'ENTREPRISE BANQUE POPULAIRE (since 06/14/2016)	Foundation	Director and Treasurer	BP MÉDITERRANÉE

GARCIN Pierre			
Company name	**Legal form**	**Function**	**Represents**
MURACEF (ended December 2016)	SAM	Chief Executive Officer	
SURASSUR (ended 12/12/2016)	SA	Chairman of the Board of Directors	
REACOMEX (ended 12/12/2016)	SA	Chairman of the Board of Directors	
BPCE ASSURANCES PRODUCTION SERVICES	SAS	Member of the Supervisory Board	
SOPASSURE	SA	Director	
BPCE VIE (ended 11/07/2016)	SA	Director	
HOLASSURE	SAS	Chairman	
CNP ASSURANCES	SA	Non-voting Director	
NATIXIS ASSURANCES	SA	Director	BPCE
BPCE IARD	SA	Member of the Supervisory Board	BPCE

GRENET Yves			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE DU NORD	SA	Director and Vice-Chairman	
NATIXIS ASSURANCES (ended 12/22/2016)	SA	Director	

LECLERC Gilles			
Company name	**Legal form**	**Function**	**Represents**
SA OUEST TRANSACTION	SA	Chairman	
SA MONTGERMONT 1	SA	Chairman	
SAS CELTEA VOYAGES	SA	Chief Executive Officer	
SAS OUEST LOGISTIQUE VOYAGES	SAS	Chief Executive Officer	
SAS SOCIÉTARIAT BPO	SAS	Chief Executive Officer	
SA INGÉNIERIE DÉVELOPPEMENT	SA	Director	
OPCI FRUCTIFRANCE IMMOBILIER	SPPICAV	Director	
NATIXIS ASSURANCES	SA	Director	BP OUEST

MARTINIE Dominique			
Company name	**Legal form**	**Function**	**Represents**
BANQUE POPULAIRE DU MASSIF CENTRAL (ended 12/07/2016)	SA	Chairman of the Board of Directors	
BANQUE POPULAIRE RHÔNE ALPES AUVERGNE (since 12/07/2016)	SA	Chairman of the Board of Directors	
BCI-BANQUE COMMERCIALE INTERNATIONALE (CONGO)	SA	Chairman of the Board of Directors	
FÉDÉRATION NATIONALE DES BANQUES POPULAIRES	Association	Chairman of the Board of Directors	
BENAC	SAS	Chairman	
LABORATOIRES THÉA	SAS	Vice-Chairman	
BPCE	SA	Non-voting member of the Supervisory Board and Chairman of the Cooperative Committee & CSR	
NATIXIS ASSURANCES	SA	Director	
BP DÉVELOPPEMENT	SA	Director	
BPCE INTERNATIONAL ET OUTREMER	SA	Director	
CONFÉDÉRATION INTERNATIONALE DES BANQUES POPULAIRES		Vice-Chairman	
FOUNDATION UNIVERSITÉ AUVERGNE (ended 02/29/2016)	Foundation	Director	
FOUNDATION INSTITUT FRANÇAIS DE MÉCANIQUE AVANCÉE	Foundation	Director	
EUROPHTA	SAM	Director	

OLIVIER André-Jean			
Company name	**Legal form**	**Function**	**Represents**
COFACE - COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE EXTÉRIEUR	SA	Director	
NATIXIS ASSET MANAGEMENT	SA	Director	
NATIXIS ASSURANCES	SA	Director	NATIXIS
NATIXIS CONSUMER FINANCE	SA	Director	NATIXIS
NATIXIS ASSET MANAGEMENT FINANCE	SA	Director	NATIXIS
NATIXIS ASSURANCES	SA	Director	NATIXIS
NATIXIS FINANCEMENT	SA	Director	NATIXIS
NATIXIS PRIVATE EQUITY	SA	Director	NATIXIS

SARDA Didier			
Company name	**Legal form**	**Function**	**Represents**
NATIXIS ASSURANCES	SA	Director	BP SUD

BROUTÈLE Nathalie			
Company name	**Legal form**	**Function**	**Represents**
NATIXIS ASSURANCES	SA	Chief Executive Officer	
BPCE PRÉVOYANCE (ended 10/31/2016)	SA	Chief Executive Officer	
BPCE ASSURANCES (since 11/01/2016)	SA	Chief Executive Officer	
NATIXIS LIFE Luxembourg (ended 11/01/2016)	SA	Chairman of the Board of Directors	
BPCE VIE (ended 09/27/2016)	SA	Chairman of the Board of Directors	
BPCE RELATIONS ASSURANCES	GIE	Chairman of the Board of Directors	
ECUREUIL VIE DÉVELOPPEMENT (from 01/01/2016 to 10/14/2016)	SAS	Chairman of the Board of Directors	
BPCE ASSURANCES PRODUCTIONS SERVICES - BPCE APS (since 11/01/2016)	SAS	Chairman of the Supervisory Board	
GROUPEMENT FRANÇAIS DES BANCASSUREURS	Association	Director	
WOMEN IN NATIXIS NETWORK (WINN)	Association	Chairmane	
UNIVERSITÉ DE L' ASSURANCE	Association	Member of the Executive Board	
BANQUE PRIVÉE 1818 (since 12/08/2016)	SA	Director	
BPCE IARD (since 11/16/2016)	SA	Member of the Management Board	
GROUPE ADONIS D'ASSURANCE ET DE RÉASSURANCE - ADIR SAL	SAL	Director	NATIXIS ASSURANCES
INTER MUTUELLE ASSISTANCE-IMA (since 11/01/2016)	SA	Member of the Supervisory Board	BPCE ASSURANCES

DOUBROVINE Laurent			
Company name	**Legal form**	**Function**	**Represents**
NATIXIS ASSURANCES (ended 09/30/2016)	SA	Chief Operating Officer	
BPCE VIE (ended 09/30/2016)	SA	Chief Executive Officer	
BPCE PRÉVOYANCE (ended 09/30/2016)	SA	Chief Operating Officer	
NATIXIS LIFE - Luxembourg (ended 10/01/2016)	SA	Director	
NAMI AEW EUROPE	SA	Director	NATIXIS
BPCE IARD (ended 11/16/2016)	SA	Member of the Supervisory Board	NATIXIS ASSURANCES

LE PAPE Christophe			
Company name	**Legal form**	**Function**	**Represents**
FRUCTIFONCIER	SCI	Chairman of the Board of Directors	
NATIXIS LIFE (since 11/02/2016)	SA	Chairman of the Board of Directors	
ECUREUIL VIE DÉVELOPPEMENT (since 10/15/2016)	SAS	Chairman of the Board of Directors	
BPCE VIE (since 10/01/2016)	SA	Chief Executive Officer	
BPCE RELATION ASSURANCES	GIE	Sole Director Chief Executive Officer	
BPCE PRÉVOYANCE (since 11/01/2016)	SA	Chief Executive Officer	
NATIXIS ASSURANCES (since 10/01/2016)	SA	Chief Operating Officer	
GROUPE ADONIS D'ASSURANCE ET DE RÉASSURANCE - ADIR SAL	SA	Director	
NAMI INVESTMENT	OPCI	Auditor	
AXELTIS	SA	Director	NATIXIS ASSURANCES

2. PROPOSED RESOLUTIONS TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING OF MAY 24, 2017

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, 2016, hereby approves the parent company financial statements for fiscal year 2016, as presented to the Meeting, and the transactions contained in these financial statements or summarized in these reports, reporting profit of €127,164,843.41.

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 and comprising:

- profit for the year €127,164,843.41
- retained earnings at 12/31/2016.. ....€368,329.80

i.e. a total of €127,533,173.21

as follows:

- dividend €126,092,889.00
- legal reserve. €1,293,647.43
- retained earnings €146,636.78

i.e. a total distribution of €127,533,173.21

The General Shareholders' Meeting notes that the net dividend was €6.50 (*) for each of the 19,398,906 shares forming the share capital.

The dividend is payable as from the date of the present general Shareholders' Meeting.

The General Shareholders' Meeting duly notes that the following dividends were paid in respect of the past three fiscal years:

Fiscal year	2013	2014	2015
Dividend per share	€4.18 (*)	€7.60 (*)	€6.02 (*)
Total amount of dividend paid	€65,793,200	€119,624,000	€116,781,414.12

(*)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, 2016,
- 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 Statutory Auditors' Special Report on the related-party agreements covered in Article L.225-38 and following of the French Commercial Code, and deliberating on this report, hereby approves the conclusions thereof.

FIFTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of Laurent Mignon as Director, as a replacement for Gérard Bellemon, following the latter's resignation, for the residual term of the latter's office, that is until the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

SIXTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of Jean Cheval as Director, as a replacement for Bruno Duchesne, following the latter's resignation, for the residual term of the latter's office, that is until the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2018.

SEVENTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of Anne Lebel as Director, as a replacement for Bernard Fleury, following the latter's resignation, for the residual term of the latter's office, that is until the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2021.

EIGHTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Shareholders' Meetings, hereby decides to ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of Norbert Cron as Director, as a replacement for Dominique Martinie, following the latter's resignation, for the residual term of the latter's office, that is until 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 ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of Jean Raby as Director, as a replacement for BPCE, following the latter's resignation, for the residual term of the latter's office, that is until 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 ratify the cooptation approved by the Board of Directors in its meeting of March 23, 2017 of André-Jean Olivier as Director, as a replacement for Natixis, following the latter's resignation, for the residual term of the latter's office, that is until the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2020.

OF THE COMPETENCY OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

ELEVENTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Shareholders' Meetings, after having heared the report of the Board of Directors, decides to align the Company's articles of association with the provisions of the law.

As a result, the Extraordinary General Shareholders' Meeting decides to amend the articles of association as follows:

- ***"Article 9 - Conditions for the exercise of directors' offices***

Directors are appointed to their functions for a term of six years, subject to the dispostions set out in the following paragraphs. Directors are re-eligible.

The number of directors aged over 70 may not exceed one third of the directors in function.

In the event that one or more directors' seats become vacant for reasons of death or resignation between two Ordinary General Shareholders' Meetings, the Board may decide to make the necessary appointments on a provisional basis, these appointments being subject to ratification by the next Ordinary General Shareholders' Meeting.

Board members appointed in this manner only remain in their functions for their predecessor's residual term of office."

- ***"Article 21 - Convocation***

General Shareholders' Meetings are convened by the Board of Directors or by any person authorized for this purpose or, failing that, by the statutory auditor(s) or by an officer designated by the Chairman of the Commercial Court acting in summary proceedings under the conditions provided for by law.

During the liquidation period, Shareholders' Meetings are convened by the liquidator(s). General Shareholders' Meetings are convened at the registered office or at any other place indicated in the convocation notice.

Notice of convocation is issued at least fifteen (15) days before the date of the Shareholders' Meeting, either by simple or registered letter, or by e-mail adressed to each shareholder, or via a notice inserted in an official bulletin of legal announcements in the département *in which the registered office is located, or by any other means. In the event of convocation by insertion, each shareholder must also receive notice of convocation by simple letter or e-mail or, at the shareholder's own request and cost, by registered letter.*

When a Shareholders' Meeting has been unable to validly deliberate, due to the lack of the required quorum, the second Shareholders' Meeting and, where applicable, the second deferred Shareholders' Meeting, are convened at least six (6) days in advance, in the same form as the first. The convocation notice and letters recall the date of the first Shareholders' Meeting and reproduce its agenda."

TWELFTH RESOLUTION:

The General Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary and Extraordinary 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.