



NATIXIS STRUCTURED ISSUANCE S.A.
Société Anonyme

R.C.S. Luxembourg B 182.619

51, avenue J.F. Kennedy
L-1855 LUXEMBOURG

Report of the réviseur d'entreprises agréé
and
annual accounts as at 31 December 2016

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Management Report - Report on 2016 Activities

The principal activity of Natixis Structured Issuance S.A. (the "**Company**" or "NSI") is the issue of Euro Medium Term Notes ("**EMTN**"). The Company is a wholly-owned, indirect subsidiary of NATIXIS. The aim of this Company is to be an issuing vehicle for its parent company, for EMTN linked to financial products (performance of index, futures, funds, equity, commodity, credit, currency, inflation, interest rates and hybrid...), warrant and certificates.

Since inception, the following programmes approved by the CSSF (*Commission de Surveillance du Secteur Financier*, the Luxembourg regulator) have been launched:

- On the 21/02/2014, the CSSF granted the approval for the initial EUR 10,000,000,000 Debt Issuance Programme
- On the 19/03/2014, the CSSF granted the approval for the initial Warrant Programme
- On the 15/04/2014, the CSSF granted the approval for the initial EUR 1,000,000,000 German Certificate Programme
- On the 16/09/2014, the CSSF granted the approval for the 2nd version of EUR 10,000,000,000 Debt Issuance Programme
- On the 18/12/2014, the CSSF granted the approval for the 2nd version of EUR 1,000,000,000 German Certificate Programme
- On the 31/03/2015, the CSSF granted the approval for the 2nd version of EUR Warrant Programme
- On the 08/06/2015, the CSSF granted the approval for the 3rd version of EUR 10,000,000,000 Debt Issuance Programme
- On the 11/06/2015, the CSSF granted the approval for a EUR 50,000,000 Debt Issuance Programme (*« Emission d'Obligations d'un montant de 50.000.000 d'euros indexées et dont le remboursement final ou anticipé est indexé sur le cours de l'indice Euro STOXX 50 et venant à échéance le 15 juin 2018 garanties par Natixis SA »*)
- On the 21/12/2015, the CSSF granted the approval for the 3rd version of EUR 1,000,000,000 German Certificate Programme
- On the 29/12/2015; the CSSF granted the approval for the 4th version of EUR 10,000,000,000 Debt Issuance Programme
- On the 31/3/2016, the CSSF granted the approval for the 3rd version of EUR Warrant Programme
- On the 19/12/2016, the CSSF granted the approval for the 4th version of EUR 1,000,000,000, German Certificate Programme
- On the 20/12/2016, the CSSF granted the approval for the 5th version of EUR 10,000,000,000 Debt Issuance Programme

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

Since inception, NSI's activities were in the scaled up trend with an outstanding as of Dec 31st 2016 at 4,364 million equivalent euros:

December 31, 2016	Outstanding (Ccy)	Outstanding (Equiv€)
CHF	102 125 000	100 007 133
EUR	2 603 512 000	2 654 032 932
GBP	200 843 289	234 091 910
JPY	3 457 000 000	28 095 803
RUB	346 800 000	5 457 864
SEK	509 130 000	57 496 897

USD	1 270 690 597	1 252 277 148
AUD	2 770 000	1 901 856
CAD	3 600 000	2 545 067
SGD	12 096 000	7 937 586
NZD	2 200 000	1 454 813
CZK	150 300 000	5 561 464
MXN	28 000 000	1 288 703
Total		4 364 029 176

As of December 31, 2016 The outstanding of Natixis Structured Issuance SA by issuance programme:

- Notes under its English law Debt Issuance Programme in an aggregate nominal amount of €2,914,734,660
- Bonds under its French Bonds Programme - which is governed by French law - in an aggregate nominal amount of €1,156,244,450
- Certificates under its English Language Certificate Programme in an aggregate nominal amount of €98,000,000
- Warrants under its Warrant Programme in an aggregate premium amount of €84,944,708
- Certificates under its German Language Certificate Programme in an aggregate nominal amount of €92,903,000

At the end of 2016, NSI's activities have reached steady state. The outstanding reached 4,364 million equivalent euros as at 31 December 2016. The trend of activity remains stable, the estimated outstanding amount in 2017 should exceed 5,000 million or might even get closer to 6,000 million if market conditions are favourable.

Risk management

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

The credit risk is limited to Natixis SA, the only counterparty and guarantor of the Company.

Operational risk is managed and minimized by the Directors.

Declaration of the persons responsible for the Annual Accounts 2016

Pursuant to Article 3 (2) (c) of the amended law of 11 January 2008 on transparency requirements concerning information on issuers whose securities are admitted to trading on a regulated market, we declare that these Annual Accounts have been prepared in accordance with the applicable accounting standards and to the best of our knowledge, these Annual Accounts give a true and fair view of the financial position as at December 31, 2016, of the financial performance and of cash flows of the Company and a description of the principal risks and uncertainties faced by the Company. To the best of our knowledge, the Management Report faithfully presents the Company's evolution, results and situation.

Luxembourg

The Board of Directors

Olivier LANSAC
Director

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

R.C.S. Luxembourg B 182.619

51, avenue J.F. Kennedy
L-1855 LUXEMBOURG

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Following our appointment by the Shareholders dated 9 December 2016, we have audited the accompanying annual accounts of **Natixis Structured Issuance S.A.**, which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of directors' for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts; and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the réviseur d'entreprises agréé's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

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

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of **Natixis Structured Issuance S.A.** as of 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Other information

The Board of directors is responsible for the other information. The other information comprises the information included in the management report but does not include the annual accounts and our report of réviseur d'entreprises agréé thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 10 April 2017

For MAZARS LUXEMBOURG, Cabinet de révision agréé
10A, rue Henri M. Schnadt
L-2530 LUXEMBOURG



Bernard TREINEN
Réviseur d'entreprises agréé

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RCSL Nr. : B182619

Matricule : 2013,2225,614

BALANCE SHEET

Financial year from 01/01/2016 **to** 31/12/2016 (in 03 EUR)

NATIXIS STRUCTURED ISSUANCE S.A.

51 avenue J.F. Kennedy

L-1855 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0.00	0.00
I. Subscribed capital not called	1103	0.00	0.00
II. Subscribed capital called but unpaid	1105	0.00	0.00
B. Formation expenses	1107	0.00	0.00
C. Fixed assets	1109 3	4,363,923,229.11	2,664,493,793.15
I. Intangible assets	1111	0.00	0.00
1. Costs of development	1113	0.00	0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	0.00	0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1117	0.00	0.00
b) created by the undertaking itself	1119	0.00	0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	0.00	0.00
4. Payments on account and intangible assets under development	1123	0.00	0.00
II. Tangible assets	1125	0.00	0.00
1. Land and buildings	1127	0.00	0.00
2. Plant and machinery	1129	0.00	0.00

RC SL Nr. : B182619	Matricule : 2013,2225,614
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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 0.00	132 0.00
4. Payments on account and tangible assets in the course of construction	1133	133 0.00	134 0.00
III. Financial assets	1135 3	135 4,363,923,229.11	136 2,664,493,793.15
1. Shares in affiliated undertakings	1137	137 0.00	138 0.00
2. Loans to affiliated undertakings	1139 3	139 4,241,962,790.48	140 2,585,748,241.81
3. Participating interests	1141	141 0.00	142 0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 0.00	144 0.00
5. Investments held as fixed assets	1145 3, 7	145 121,960,438.63	146 78,745,551.34
6. Other loans	1147	147 0.00	148 0.00
D. Current assets	1151	151 36,711,273.25	152 15,482,923.55
I. Stocks	1153	153 0.00	154 0.00
1. Raw materials and consumables	1155	155 0.00	156 0.00
2. Work in progress	1157	157 0.00	158 0.00
3. Finished goods and goods for resale	1159	159 0.00	160 0.00
4. Payments on account	1161	161 0.00	162 0.00
II. Debtors	1163 4, 3	163 9,523,273.30	164 5,555,100.05
1. Trade debtors	1165	165 0.00	166 0.00
a) becoming due and payable within one year	1157	167 0.00	168 0.00
b) becoming due and payable after more than one year	1159	169 0.00	170 0.00
2. Amounts owed by affiliated undertakings	1171 3, 4	171 9,523,273.30	172 5,555,100.05
a) becoming due and payable within one year	1173 3, 4	173 9,523,273.30	174 5,555,100.05
b) becoming due and payable after more than one year	1175	175 0.00	176 0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177 0.00	178 0.00
a) becoming due and payable within one year	1179	179 0.00	180 0.00
b) becoming due and payable after more than one year	1181	181 0.00	182 0.00
4. Other debtors	1183	183 0.00	184 0.00
a) becoming due and payable within one year	1185	185 0.00	186 0.00
b) becoming due and payable after more than one year	1187	187 0.00	188 0.00

RCSL Nr. : **B182619**

Matricule :

2013,2225,614

	Reference(s)	Current year	Previous year
III. Investments	1189	0.00	0.00
1. Shares in affiliated undertakings	1191	0.00	0.00
2. Own shares	1209	0.00	0.00
3. Other investments	1195	0.00	0.00
IV. Cash at bank and in hand	1197	27,187,999.95	9,927,823.50
E. Prepayments	1199	0.00	780,624.35
TOTAL (ASSETS)	201	4,400,634,502.36	2,680,757,341.05

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	5	3,108,911.85	2,927,195.47
I. Subscribed capital	1301	2,200,000.00	2,200,000.00
II. Share premium account	1303	0.00	0.00
III. Revaluation reserve	1305	0.00	0.00
IV. Reserves	1307	727,195.47	94,663.63
1. Legal reserve	1309	126,290.22	94,663.63
2. Reserve for own shares	1311	0.00	0.00
3. Reserves provided for by the articles of association	1313	0.00	0.00
4. Other reserves, including the fair value reserve	1315	600,905.25	0.00
a) other available reserves	1429	600,905.25	0.00
b) other non available reserves	1431	0.00	0.00
V. Profit or loss brought forward	1433	0.00	0.00
VI. Profit or loss for the financial year	1319	181,716.38	632,531.84
VII. Interim dividends	1321	0.00	0.00
VIII. Capital investment subsidies	1323	0.00	0.00
B. Provisions	1325	174,810.81	0.00
1. Provisions for pensions and similar obligations	1331	0.00	0.00
2. Provisions for taxation	1333	174,810.81	0.00
3. Other provisions	1335	0.00	0.00
C. Creditors	1337	4,397,188,749.61	2,677,680,361.28
1. Debenture loans	1435	4,373,473,235.05	2,667,686,404.03
a) Convertible loans	1437	0.00	0.00
i) becoming due and payable within one year	1439	0.00	0.00
ii) becoming due and payable after more than one year	1441	0.00	0.00
b) Non convertible loans	1443	4,373,473,235.05	2,667,686,404.03
i) becoming due and payable within one year	1445	566,113,436.21	363,344,360.94
ii) becoming due and payable after more than one year	1447	3,807,359,798.84	2,304,342,043.09
2. Amounts owed to credit institutions	1449	0.00	9,989,583.33
a) becoming due and payable within one year	1355	0.00	9,989,583.33
b) becoming due and payable after more than one year	1357	0.00	0.00
	1359	0.00	0.00

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361	362
		0.00	0.00
a) becoming due and payable within one year	1363	363	364
		0.00	0.00
b) becoming due and payable after more than one year	1365	365	366
		0.00	0.00
4. Trade creditors	1367	367	368
		0.00	0.00
a) becoming due and payable within one year	1369	369	370
		0.00	0.00
b) becoming due and payable after more than one year	1371	371	372
		0.00	0.00
5. Bills of exchange payable	1373	373	374
		0.00	0.00
a) becoming due and payable within one year	1375	375	376
		0.00	0.00
b) becoming due and payable after more than one year	1377	377	378
		0.00	0.00
6. Amounts owed to affiliated undertakings	1379	379	380
		0.00	0.00
a) becoming due and payable within one year	1381	381	382
		0.00	0.00
b) becoming due and payable after more than one year	1383	383	384
		0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
		0.00	0.00
a) becoming due and payable within one year	1387	387	388
		0.00	0.00
b) becoming due and payable after more than one year	1389	389	390
		0.00	0.00
8. Other creditors	1451	451	452
		23,715,514.56	4,373.92
a) Tax authorities	1393 8	393	394
		245,818.34	0.00
b) Social security authorities	1395	395	396
		0.00	0.00
c) Other creditors	1397 9	397	398
		23,469,696.22	4,373.92
i) becoming due and payable within one year	1399 9	399	400
		23,469,696.22	4,373.92
ii) becoming due and payable after more than one year	1401	401	402
		0.00	0.00
D. Deferred income	1403	403	404
		162,030.09	149,784.30
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	406	
		4,400,634,502.36	2,680,757,341.05

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RCSL Nr. : B182619

Matricule : 2013,2225,614

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2016 to ⁰² 31/12/2016 (in ⁰³ EUR)

NATIXIS STRUCTURED ISSUANCE S.A.

51 avenue J.F. Kennedy

L-1855 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____ 0.00	702 _____ 0.00
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____ 0.00	704 _____ 0.00
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____ 0.00	706 _____ 0.00
4. Other operating income	1713 _____	713 _____ 0.00	714 _____ 0.00
5. Raw materials and consumables and other external expenses	1671 _____	671 _____ -1,586,406.51	672 _____ -787,507.20
a) Raw materials and consumables	1601 _____	601 _____ 0.00	602 _____ 0.00
b) Other external expenses	1603 _____	603 _____ -1,586,406.51	604 _____ -787,507.20
6. Staff costs	1605 11 _____	605 _____ 0.00	606 _____ 0.00
a) Wages and salaries	1607 _____	607 _____ 0.00	608 _____ 0.00
b) Social security costs	1609 _____	609 _____ 0.00	610 _____ 0.00
i) relating to pensions	1653 _____	653 _____ 0.00	654 _____ 0.00
ii) other social security costs	1655 _____	655 _____ 0.00	656 _____ 0.00
c) Other staff costs	1613 _____	613 _____ 0.00	614 _____ 0.00
7. Value adjustments	1657 _____	657 _____ 0.00	658 _____ 0.00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____ 0.00	660 _____ 0.00
b) in respect of current assets	1661 _____	661 _____ 0.00	662 _____ 0.00
8. Other operating expenses	1621 _____	621 _____ 0.00	622 _____ 0.00

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	0.00	0.00
a) derived from affiliated undertakings	1717	0.00	0.00
b) other income from participating interests	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets	1721 3	142,693,915.85	69,875,599.90
a) derived from affiliated undertakings	1723	142,693,915.85	69,875,599.90
b) other income not included under a)	1725	0.00	0.00
11. Other interest receivable and similar income	1727	0.00	0.00
a) derived from affiliated undertakings	1729	0.00	0.00
b) other interest and similar income	1731	0.00	0.00
12. Share of profit or loss of undertakings accounted for under the equity method	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	0.00	0.00
14. Interest payable and similar expenses	1627 6	-140,505,163.81	-68,455,560.86
a) concerning affiliated undertakings	1629	-106,373,985.56	-66,884,453.37
b) other interest and similar expenses	1631	-34,131,178.25	-1,571,107.49
15. Tax on profit or loss	1635 8	-384,936.15	0.00
16. Profit or loss after taxation	1667	217,409.38	632,531.84
17. Other taxes not shown under items 1 to 16	1637 8	-35,693.00	0.00
18. Profit or loss for the financial year	1669	181,716.38	632,531.84

NOTES TO THE ANNUAL ACCOUNTS

December 31, 2016

NOTE 1 – GENERAL

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

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

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

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

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

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

The Company is included in the consolidated accounts of Natixis S.A., a *société anonyme*, incorporated under the French law, having its registered office at 50, avenue Pierre Mendès France, F-75201 Paris Cedex 13 - France, RCS Paris 542 044 524 ("**Natixis S.A.**") forming the intermediary body of undertakings included in the body of undertakings referred in the above-mentioned paragraph of which the Company forms part as a subsidiary undertaking. The consolidated accounts are available at the registered office of Natixis S.A. Furthermore, the Company is also included in the consolidated accounts of Natixis Trust, *société anonyme*, incorporated under the Luxembourg law registered seat office at L-1855 Luxembourg, 51, avenue J.F. Kennedy, R.C.S. Luxembourg B 35.141 ("**Natixis Trust**"), forming the smallest body of undertakings included in the body of undertakings referred in the above-mentioned paragraph of which the Company forms part as a subsidiary undertaking. The consolidated accounts are available at the registered office of Natixis Trust.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, as amended, and law 18 December 2015, determined and applied by the Board of Managers.

These annual accounts have been prepared in accordance with the law 18 December 2015 and the disclosures were provided following the layout in the Title II of the law of 19 December 2002 on the register of trade and companies and the accounting and annual accounts of undertakings, as subsequently modified.

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

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

The Company's significant accounting policies and valuation rules are as follows:

Financial fixed assets

Financial fixed assets, including loans to undertakings, are valued at nominal value including the expenses incidental thereto.

In case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed assets so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps, futures, foreign exchange contracts, warrants, among others. The Company initially records derivative financial instruments at cost.

At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. Where there is an economic link between a derivative financial asset and a derivative financial liability, these are valued at their initial cost, the unrealised losses and unrealised gains are not recorded.

Commitment relating to options, swaps, futures, foreign exchange contracts, warrants, among other transactions is disclosed in note 3.

Premiums on notes and certificates

The premiums resulting from the purchase of fixed-income transferable securities having the characteristics of financial fixed assets, at a price exceeding the amount repayable at maturity is included in the profit and loss account on an amortised basis.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply. The Board of Directors assesses specific value adjustments on a debt or by debtor basis throughout the year.

Debts

Debts are recorded at their reimbursement value. They are recorded under subordinated debts when their status is subordinated to unsecured debts.

Premiums or discounts on loans

Premiums or discounts on loans are accounted for in deferred charges and income, independently of the loans to which they are associated and are amortised *prorata temporis* over the life of the loans to which they are related.

Foreign currency translation

The Company maintains its accounts in Euro (EUR) and the balance sheet and the profit and loss account are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Assets and liabilities expressed in currencies other than EUR are translated into EUR at the year-end rate. The unrealized foreign exchange gains resulting from the application of this principle are reflected in the balance sheet as "deferred income" whilst the unrealized foreign exchange losses are included in the profit and loss account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realization.

Cash and cash equivalents expressed in currencies other than EUR are translated into EUR at the exchange rate applicable at the balance sheet date, considering all related exchange gains and losses as realized.

Prepayments

This asset item includes expenditures incurred during the year but relating to a subsequent financial year.

Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year

NOTE 3 – FINANCIAL FIXED ASSETS

The financial fixed assets are composed of loans and derivative financial instruments. The movements of financial fixed assets during the period are as follows:

	Loans to affiliated undertakings	Investments held as fixed assets	Total as at December 31, 2016
	EUR	EUR	EUR
Gross book value - opening balance	2,585,748,241.81	78,745,551.34	2,664,493,793.15
Additions for the period	1,284,868,145.16	43,214,887.29	1,328,083,032.45
Reimbursements for the period	371,346,403.51	-	371,346,403.51
Gross book value - closing balance	4,241,962,790.48	121,960,438.63	4,363,923,229.11
Accumulated value adjustment - opening balance	-	-	-
Accumulated value adjustment - closing balance	-	-	-
Net book value - closing balance	4,241,962,790.48	121,960,438.63	4,363,923,229.11
Net book value - opening balance	2,585,748,241.81	78,745,551.34	2,664,493,793.15

a) Loans to affiliated undertakings

In relation with the Debt Issuance Programme launched by the Company (note 6), the Company entered into an intra-group loan agreement on 23 January 2014. The characteristics of the loans granted to the affiliated undertaking as per this intra-group loan agreement are closely related to the characteristics of the Notes issued by the Company.

As at 31 December 2016, the accrued interests for EUR 9,253,273.30 are included in the current assets as an amount owed by affiliated undertakings becoming due and payable within 1 year. An interest income of EUR 108,933,341.99 has been recorded in the profit and loss account for the year ended 31 December 2016.

b) Investments held as fixed assets

Investments held as fixed assets consist of derivative financial instruments entered by the Company to cover interest and market risks derived from the financing activities of the Company (note 7).

The maturity details of the above mentioned intra-group loans and derivative financial instruments are as follows:

	Within one year EUR	After one year and within five years EUR	After more than five years EUR	Total as at December 31, 2016 EUR
Intra-group loans				
- Principal	555,773,161.89	2,087,896,039.43	1,598,293,589.15	4,241,962,790.47
- Interest (Note 4)	9,523,273.30	-	-	9,523,273.30
Derivative financial instruments	790,268.38	68,268,372.07	52,901,798.19	121,960,438.64
	666,086,703.57	2,156,164,411.50	1,651,195,387.34	4,373,446,502.41

NOTE 4 – Debtors

The caption “Debtors” includes the accrued interests (EUR 9,523,273.30) as at 31 December 2016.

NOTE 5 – CAPITAL AND RESERVES

a) *Movements*

There have been no movements in the share capital during the period.

	Subscribed capital EUR	Legal reserve EUR	Other reserves	Result for the financial period EUR	Total EUR
As at 1 January 2016	2,200,000.00	94,663.63	-	632,531.84	2,927,195.47
Legal reserve	-	31,626.59		(31,626.59)	-
Other reserves	-	-	600,905.25	(600,905.25)	-
Result for the financial year ended as at 31 December 2016	-	-	-	181,716.38	181,716.38
As at 31 December 2016	2,200,000.00	126,290.22	600,905.25	181,716.38	3,108,911.85

b) *Subscribed capital*

As at 31 December 2016, the subscribed and fully paid-up capital amounted to EUR 2,200,000 and was represented by 22,000 ordinary shares with a par value of EUR 100 each.

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

c) Legal reserve

Luxembourg companies are required to appropriate to a legal reserve a minimum of 5% of the net profit for the year, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of the Company. The profit for the year ended 31 December 2015 of EUR 632,531.84 has been allocated to the legal reserve of the Company for an amount of EUR 31,626.59 and to other reserve for an amount of EUR 600,905.25.

NOTE 6 – DEBENTURE LOANS

The debenture loans are detailed as follows:

	Within one year EUR	After one year and within five years EUR	After more than five years EUR	Total as at December 31, 2016 EUR
Non convertible debenture loans				
- Principal	555,768,368.36	2,087,896,039.43	1,598,293,589.15	4,241,957,996.94
- Interest	9,444,058.93	-	-	9,444,058.93
Derivative financial instruments	901,008.92	68,268,372.07	52,901,798.19	122,071,179.18
	<u>566,113,436.21</u>	<u>2,156,164,411.50</u>	<u>1,651,195,387.34</u>	<u>4,373,473,235.05</u>

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

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

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

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

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

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

As at 31 December 2016, the maturity dates of the outstanding Notes and Certificates range from 2 January 2017 to 8 December 2036.

As at 31 December 2016 the total amount of the debenture loans amounted to EUR 4,364,029,176.12 (excl. interests).

An interest expense of EUR 106,650,314.90 has been recorded in the profit and loss account for the period ended 31 December 2016.

- (ii) Early 2014, the Company launched a Warrant Programme. According to this programme the Company may issue warrants of any kind including, but not limited to, Warrants relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified debt instrument or a basket of debt instruments, a specified currency or a basket of currencies, a specified commodity or a basket of commodities, a specified fund or a basket of funds (note 7).

As at 31 December 2016 the total premium of the warrants issued amounted to EUR 122,071,179.18

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

NOTE 7 – Derivative financial instruments

On 31 December 2016, the Company has purchased option contracts as detailed below:

Type of option	Number of opti	Issue price	Ccy	maturity
call european	265,722	59.92	EUR	12/09/2034
call european	357,911	59.75	EUR	30/11/2035
call digital eu	100	1,000.00	USD	29/11/2017
call european	236	13,950.00	SEK	21/09/2020
call european	67	14,000.00	SEK	23/10/2019
put european	2,363	63.50	EUR	05/10/2021
call european	10	3,690.00	USD	05/10/2018
put european	6,333	60.00	EUR	24/08/2021
call european	399	11,700.00	SEK	27/07/2020
call european	10	3,950.00	USD	20/07/2018
call european	330	11,550.00	SEK	15/06/2020
call european	4,000	38.00	USD	03/05/2017
call european	10	3,900.00	USD	01/06/2018
call european	291	11,550.00	SEK	05/05/2020
call european	142	10,000.00	SEK	29/04/2021
call european	10	3,780.00	USD	07/05/2018
call european	800	485.00	EUR	10/05/2017
call european	214	12,300.00	SEK	23/03/2020
call european	10	3,900.00	USD	02/04/2018
call european	20	4,000.00	USD	05/02/2018
call european	457	11,300.00	SEK	17/02/2020
call european	559	10,000.00	SEK	02/02/2021
call european	5	4,000.00	USD	05/02/2018
call european	260,126	59.95	EUR	04/01/2033
put european	1,000	50.00	EUR	20/08/2019
put european	1,000	45.00	EUR	27/08/2019
call european	31	150,000.00	RUB	19/03/2018
call european	100	19,000.00	SEK	10/04/2017
call european	56	14,000.00	SEK	30/10/2018
call european	100	675,000.00	USD	10/01/2018

On 31 December 2016, the Company has sold warrants contracts as detailed below:

Type of option	Number of opti	Issue price	Ccy	maturity
call europeen	265,722	59.92	EUR	12/09/2034
call europeen	357,911	59.75	EUR	30/11/2035
call digital eu	100	1,000.00	USD	29/11/2017
call europeen	236	13,950.00	SEK	21/09/2020
call europeen	67	14,000.00	SEK	23/10/2019
put europeen	2,363	63.50	EUR	05/10/2021
call europeen	10	3,690.00	USD	05/10/2018
put europeen	6,333	60.00	EUR	24/08/2021
call europeen	399	11,700.00	SEK	27/07/2020
call europeen	10	3,950.00	USD	20/07/2018
call europeen	330	11,550.00	SEK	15/06/2020
call europeen	4,000	38.00	USD	03/05/2017
call europeen	10	3,900.00	USD	01/06/2018
call europeen	291	11,550.00	SEK	05/05/2020
call europeen	142	10,000.00	SEK	29/04/2021
call europeen	10	3,780.00	USD	07/05/2018
call europeen	800	485.00	EUR	10/05/2017
call europeen	214	12,300.00	SEK	23/03/2020
call europeen	10	3,900.00	USD	02/04/2018
call europeen	20	4,000.00	USD	05/02/2018
call europeen	457	11,300.00	SEK	17/02/2020
call europeen	559	10,000.00	SEK	02/02/2021
call europeen	5	4,000.00	USD	05/02/2018
call europeen	260,126	59.95	EUR	04/01/2033
put europeen	1,000	50.00	EUR	20/08/2019
put europeen	1,000	45.00	EUR	27/08/2019
call europeen	31	150,000.00	RUB	19/03/2018
call europeen	100	19,000.00	SEK	10/04/2017
call europeen	56	14,000.00	SEK	30/10/2018
call europeen	100	675,000.00	USD	10/01/2018

NOTE 8 – TAXES

Since 1 January 2016 the Company is no longer part of the fiscal unity of Natixis Trust S.A., its parent company and is therefore been assessed on a retroactive standalone basis for the tax years 2014 and 2015. Accordingly the Company has submitted individual corporate income and municipal business tax returns and is subject to those taxes on an individual basis. Based on the 2014, 2015 and 2016 audited accounts, the tax charges (CIT-MBT-NWT) amount respectively to EUR 37,428.09; EUR 194,920.25 and EUR 188,280.81.

Given the fact that the Company is part of the Luxembourg horizontal tax consolidation since 1 January 2016 and the immunization capacity for the tax consolidation of the net wealth tax, the Company has to allocate EUR 23,189.10 to the Net Wealth Tax 2017 reserve.

NOTE 9 – OTHER CREDITORS

This item mainly consists of the payable relating to the two loans issued before the end of 2016.

NOTE 10 – AUDIT FEES

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

	December 2016 (in EUR)
Audit fees	59,962.51
Audit-related fees	-
Tax related fees	-
Other fees	-
Total	59,962.51

NOTE 11 – STAFF

The Company does not employ any staff.

NOTE 12 – ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As at 31 December 2016 there were neither advances, nor loans granted to the Board of Directors acting as sole management body of the Company.

NOTE 13 – EMOLUMENTS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As at 31 December 2016 there were no emoluments granted to the Board of Directors acting as sole management body of the Company.

NOTE 14 - CASH-FLOW STATEMENT

The cash flows statement of the company is prepared in accordance with the prescriptions of the International Accounting Standard 7 "Statement of cash flows".

NATIXIS STRUCTURED ISSUANCE S.A.

	31/12/2016	31/12/2015
	EUR	EUR
Cash flows from operating activities		
Profit for the year	181,716.38	632,531.84
Cash flows from financial assets and liabilities		
(Decrease) /increase in EMTN	1,656,209,442.58	1,857,266,379.36
(Decrease) /increase in warrants	43,325,607.85	78,170,533.58
Decrease/(increase) in term loans	(1,656,214,548.67)	(1,857,266,067.14)
Decrease/(increase) in options	(43,214,887.29)	(78,170,513.59)
Adjustments for:		
Movements in receivables and payables		
Decrease/ (Increase) in receivables	(3,968,172.96)	(4,132,564.50)
(Decrease)/Increase in payables	30,137,732.38	1,722,475.51
Decrease/(Increase) in prepayments	780,624.35	(499,122.00)
(Decrease)/Increase in deferred income	12,245.79	(681,471.00)
Net cashflow (used in)/from operating activities	27,249,760.41	(2,957,817.94)
Cash flows from investing activities		-
Cash flows from financing activities		-
Issued capital		-
Net cashflow from financing activities		-
Net increase/(decrease) in cash and cash equivalents	27,249,760.41	(2,957,817.94)
Cash and cash equivalents at the beginning of the year	(61,760.46)	2,896,057.48
Net cash and cash equivalents at the end of the year	27,187,999.95	(61,760.46)

NOTE 15 - OFF BALANCE SHEET COMMITMENTS

As at 31 December 2016, as part of the Programmes launched by the Company (note 6), the Company issued the following Notes, Warrants and Certificates having an effective date on or after 31 December 2016:

Identifier	SecType	Trade Date	EffDate	MatDate	Notional	Ccy
SE0009190796	EMTN	15/12/2016	02/01/2017	04/01/2023	6,130,000	SEK
FR0013223484	EMTN	02/12/2016	02/01/2017	13/04/2023	30,000,000	EUR
FR0013224235	EMTN	02/12/2016	04/01/2017	15/03/2027	30,000,000	EUR
FR0013224474	EMTN	02/12/2016	06/01/2017	07/04/2027	30,000,000	EUR
FR0013228137	EURO	15/12/2016	05/01/2017	05/05/2025	80,000,000	EUR
XS1408708540	EMTN	15/12/2016	05/01/2017	22/12/2022	2,750,000	USD
XS1410016122	EMTN	14/12/2016	04/01/2017	06/01/2020	2,775,000	USD
FR0013228533	EURO	16/12/2016	15/02/2017	12/05/2027	30,000,000	EUR
XS1410016635	EMTN	19/12/2016	03/01/2017	02/01/2020	1,100,000	GBP
XS1468256489	EMTN	20/12/2016	03/01/2017	03/01/2020	10,200,000	EUR
IT0006736414	EMTN	20/12/2016	04/01/2017	03/01/2020	100,000	EUR
XS1468256646	EMTN	21/12/2016	05/01/2017	04/01/2022	1,300,000	EUR
XS1468256562	EMTN	20/12/2016	04/01/2017	29/06/2018	1,000,000	EUR
XS1468256729	EMTN	21/12/2016	05/01/2017	05/01/2027	315,000	EUR
XS1410016718	EMTN	21/12/2016	06/01/2017	05/01/2022	500,000	USD
FR0013229622	EURO	21/12/2016	11/01/2017	10/03/2027	30,000,000	EUR
IT0006736406	EMTN	20/12/2016	04/01/2017	03/01/2020	100,000	EUR
XS1468251332	EMTN	22/12/2016	04/01/2017	30/06/2022	525,000	USD
XS1410017104	EMTN	22/12/2016	05/01/2017	30/12/2019	750,000	USD
XS1410017013	EMTN	22/12/2016	05/01/2017	05/01/2018	800,000	CHF
XS1410016809	EMTN	22/12/2016	05/01/2017	06/01/2020	4,050,000	EUR
XS1410016981	EMTN	22/12/2016	05/01/2017	05/01/2018	800,000	USD
XS1468257370	EMTN	23/12/2016	13/01/2017	06/01/2022	299,000	GBP
XS1410017286	EMTN	23/12/2016	05/01/2017	06/01/2022	1,000,000	USD
FR0013230166	EURO	28/12/2016	11/01/2017	11/01/2027	1,000,000	EUR
XS1468257537	EMTN	29/12/2016	09/01/2017	10/01/2019	450,000	EUR
XS1408699376	EMTN	01/11/2016	05/01/2017	03/01/2023	100,000	GBP
XS1408699889	EMTN	01/11/2016	11/01/2017	04/01/2023	100,000	GBP
XS1408699707	EMTN	01/11/2016	11/01/2017	04/01/2023	100,000	GBP
XS1408702691	EMTN	08/11/2016	10/01/2017	03/01/2023	100,000	GBP
XS1408706171	EMTN	18/11/2016	14/02/2017	08/02/2027	500,000	GBP
XS1408706254	EMTN	18/11/2016	14/02/2017	08/02/2027	500,000	GBP
XS1408706411	EMTN	18/11/2016	03/02/2017	27/01/2023	1,250,000	GBP
XS1408706338	EMTN	18/11/2016	03/02/2017	27/01/2023	1,000,000	GBP
DE000A1V93P7	EMTN	05/10/2016	13/01/2017	13/01/2023	7,000,000	EUR
FR0013217429	EURO	25/10/2016	10/02/2017	10/02/2027	100,000	EUR

Note 16 – Subsequent events

No material event occurred after the balance sheet date ended 31 December 2016.