PRESS RELEASE

Paris, 18 May 2017

Publication of CNP Assurances' solo and group SFCRs at 31 December 2016

CNP Assurances has today published its Solvency and Financial Condition Reports (SFCRs) in French, as required by the new regulations. These 2016 reports were approved by CNP Assurances' Board of Directors at its meeting on 10 May 2017. The English-language versions of these reports will soon be available online.

The SFCR is a narrative report intended for public disclosure that insurance undertakings are required to prepare annually as from 2016 in application of the Solvency II directive. These reports are prepared annually:

- At group level, providing consolidated information for CNP Assurances SA and its main subsidiaries in France and abroad
- At legal entity level, providing information for CNP Assurances SA only, without consolidating the operations of its main subsidiaries in France and abroad

KEY INFORMATION

- **CNP Assurances has chosen to measure its solvency in a transparent and conservative manner by immediately applying the Standard Formula recommended by the insurance supervisor as from 1 January 2016, without applying any transitional measures except for the grandfathering of subordinated debt**
- **The Group and all of its subsidiaries enjoy a comfortable solvency position, as evidenced by their SCR coverage ratios, despite last year's historically low interest rates in Europe**
- **At 31 December 2016, the Group had €23.7 billion worth of eligible own funds for SCR calculations, of which 79% consists of Tier 1 capital. In addition, the main subsidiaries have a further €3.0 billion of surplus own funds that are not recognised by the supervisor at Group level**
- **The group SCR amounted to €13.4 billion at 31 December 2016, of which 57% for market risks and 30% for underwriting risks**
- **The group SCR coverage ratio stood at 177% at 31 December 2016**
- **CNP Assurances' solo SCR coverage ratio at the same date was 188%**

1. SCR coverage ratio

The SCR is the amount of own funds needed to absorb the shock provoked by an exceptional loss experience. It is calculated based on the exposure to risks related to the activity of insurance companies.

In the interests of transparency, CNP Assurances has chosen to calculate its SCR coverage ratio using the Standard Formula without applying transitional measures, except for grandfathering[1] of subordinated debt. Solvency II is applied to all of the subsidiaries included in the Solvency II scope of consolidation, including those in Brazil, so that risks are measured in the same way throughout the Group.

The SCR coverage ratios of the main Group subsidiaries were as follows at 31 December 2016:

Country	Scope	Eligible own funds for SCR calculations (€bn)	SCR (€bn)	SCR coverage ratio
Group	**CNP Assurances Group**	**23.7**	**13.4**	**177%**
France	CNP Assurances SA	24.9	13.2	188%
Brazil	Caixa Seguradora[2]	2.6	0.9	294%
Italy	CNP UniCredit Vita	0.8	0.3	239%
Ireland	CNP Santander Insurance Life	0.2	0.1	198%
Ireland	CNP Santander Insurance Europe	0.2	0.1	131%

The group SCR coverage ratio is calculated on the basis of 100% of each subsidiary’s SCR even for subsidiaries that are not wholly owned (for example, Caixa Seguradora in Brazil is 51.75%-owned, CNP UniCredit Vita in Italy is 57.5%-owned and CNP Santander in Ireland is 51.0%-owned).

It does not include the surplus own funds of the main subsidiaries over and above their contribution to the group SCR, which are not recognised by the supervisor at Group level due to the unfungibility rules. At 31 December 2016, these surplus own funds represented €3 billion including non-controlling interests[3] or 22% of the group SCR. The effect of excluding these funds is to treat the subsidiaries as having a 100% SCR coverage ratio for the purpose of calculating the group ratio. From a financial standpoint, however, CNP Assurances nonetheless receives regular dividends from its insurance subsidiaries, totalling €300 million in 2016.

CNP Assurances’ solo SCR coverage ratio at 31 December 2016 represented 188%. This was even better than the Group's 177% ratio, reflecting the fact that CNP Assurances SA's eligible own funds are not affected by the unfungibility rules unlike those of the Group. The SCR coverage ratios of the main Group subsidiaries were also comfortably above 100% at 31 December 2016.

[1] Subordinated notes issued before Solvency II came into effect are included in Tier 1 capital (undated notes) and Tier 2 capital (dated notes) for a period of ten years ending on 1 January 2026.

[2] CNP Assurances applies Solvency II to Caixa Seguradora, without using the Brazilian solvency regulation, solely for the purpose of Group solvency calculations. Caixa Seguradora's SCR coverage ratio has no regulatory impact for the Brazilian insurance undertakings.

[3] Including €2 billion of surplus own funds in Brazil.

2. MCR coverage ratio

The MCR is the amount of eligible basic own funds below which the insurer may have its authorisation withdrawn.

CNP Assurances calculates its MCR is accordance with Solvency II. MCR is a metric based on premiums, claims and benefits and capital at risk. Each subsidiary's MCR represents between 25% and 45% of its SCR. The group MCR is determined by consolidating the MCRs of all the subsidiaries without taking into account any inter-subsidiary diversification benefits.

The MCR coverage ratios of the main Group subsidiaries were as follows at 31 December 2016:

Country	Scope	Eligible own funds for MCR calculations (€bn)	MCR (€bn)	MCR coverage ratio
Group	**CNP Assurances Group**	**20.0**	**6.7**	**300%**
France	CNP Assurances SA	21.0	6.0	354%
Brazil	Caixa Seguradora[4]	2.6	0.3	867%
Italy	CNP UniCredit Vita	0.8	0.2	532%
Ireland	CNP Santander Insurance Life	0.2	0.0	594%
Ireland	CNP Santander Insurance Europe	0.1	0.0	449%

The group MCR coverage ratio was 300% at 31 December 2016.

CNP Assurances' solo MCR coverage ratio at the same date was 354%. The MCR coverage ratios of the main Group subsidiaries were also comfortably above 100% at 31 December 2016.

[4] CNP Assurances applies Solvency II to Caixa Seguradora, without using the Brazilian solvency regulation, solely for the purpose of Group solvency calculations. Caixa Seguradora's MCR coverage ratio has no regulatory impact for the Brazilian insurance undertakings.

3. Impact of the volatility adjustment and transitional measures on technical reserves and interest rates

The Solvency II directive includes transitional measures to allow insurance undertakings time to adapt to the new regulations before they become fully applicable and smooth the financial impacts over time. The CNP Assurances Group has not applied the transitional measures concerning interest rates nor technical reserves.

A static volatility adjustment has been applied to adjust the risk-free interest rate curve used to discount technical reserves.

The following table presents the impact of these measures on the Group's solvency indicators at 31 December 2016:

	Impact of transitional measures on technical reserves	Impact of transitional measures on interest rates	Impact of the volatility adjustment
SCR coverage ratio	n/a	n/a	+ 11 pts
SCR (€bn)	n/a	n/a	- 0.5
Eligible own funds for SCR calculations (€bn)	n/a	n/a	+ 0.6

4. Breakdown of SCR

The group SCR at 31 December 2016 breaks down as follows:

€bn	Before loss-absorbing capacity of technical reserves	Net of loss-absorbing capacity of technical reserves
Market risk (i)	30.5	11.6
Life underwriting risk (ii)	5.3	3.5
Health underwriting risk (iii)	3.2	2.0
Non-life underwriting risk (iv)	0.7	0.7
Counterparty default risk (v)	1.1	1.1
Diversification benefit (vi)	(7.0)	(4.7)
Basic SCR (1) = (i) + (ii) + (iii) + (iv) + (v) + (vi)	**33.7**	**14.2**
Operational risk (2)	1.5	1.5
SCR-absorbing capacity of technical reserves (3)	(19.6)	-
SCR-absorbing capacity of deferred taxes (4)	(2.4)	(2.4)
SCR = (1) + (2) + (3) + (4)	**13.4**	**13.4**

The group SCR[5] at 31 December 2016 breaks down as follows:

- 57% for market risk
- 30% for underwriting risk
- 13% for counterparty default and operational risks

The risk diversification benefit was €4.7 billion, representing 26% of the SCR before diversification (€18.0 billion). This benefit reflects the limited correlation between the various risks (for example, between longevity and mortality risks or between market and underwriting risks) for which the SCR has been calculated in accordance with the standard formula.

The loss-absorbing capacity of technical reserves represented €19.6 billion or 58% of the basic SCR (€33.7 billion). This reduction in the SCR reflects the high proportion of with-profits policies and the low guaranteed yields on CNP Assurances' insurance obligations (0.42% in France at 31 December 2016), as well as the growing proportion of unit-linked contracts in the portfolio.

The loss-absorbing capacity of deferred taxes represented €2.4 billion or 15% of the SCR before tax (€15.7 billion). This absorption capacity is defined as the sum of net deferred tax liabilities in the Solvency II economic balance sheet and a prudent estimate of future income taxes[6].

[5] *Net of the loss-absorbing capacity of technical reserves, before diversification and before loss-absorbing capacity of deferred taxes.*

[6] *Estimate based on stressed business plan projections.*

5. Breakdown of eligible own funds for SCR calculations

Eligible own funds for group SCR calculations break down as follows:

€bn	Own funds in the Solvency II economic balance sheet
Excess of assets over liabilities (1)	**19.7**
Subordinated debt (2)	**7.8**
of which restricted Tier 1	*2.8*[7]
of which Tier 2	*4.0*[8]
of which Tier 3	*1.0*[9]
Total own funds in the Solvency II economic balance sheet = (1) + (2)	**27.5**

€bn	Eligible own funds
Unrestricted Tier 1	15.9[10]
Restricted Tier 1	2.8
Tier 2	4.0
Tier 3	1.0
Total eligible own funds for SCR calculations	**23.7**

Own funds in the Solvency II economic balance sheet at 31 December 2016 amounted to €27.5 billion, including eligible own funds of €23.7 billion. The difference between these two amounts corresponds to:

- Unfungible own funds of €3.0 billion, consisting of the surplus funds of undertakings not wholly owned by the Group that are considered as not available at Group level

- Projected dividends of €0.8 billion[11], representing dividends to be paid for the year, including not only dividends paid to CNP Assurances shareholders but also dividends paid by subsidiaries to non-controlling interests

The Group's financial headroom is based on its high quality eligible own funds:

- 79% of own funds are Tier 1

- The Group does not have any ancillary own funds

[7] *Restricted Tier 1 own funds correspond to subordinated notes classified as Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.*

[8] *Tier 2 own funds correspond to subordinated notes classified as Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.*

[9] *Tier 3 own funds correspond to subordinated notes classified as Tier 3.*

[10] *Unrestricted Tier 1 own funds (€15.9 billion) correspond to the excess of assets over liabilities (€19.7 billion) less unfungible own funds (€3.0 billion) and projected dividends (€0.8 billion).*

[11] *Projected dividends are based on prior year figures and should not be interpreted as a distribution commitment. The dividend is recommended by the Board each year at its discretion and is subject to approval by the Annual General Meeting of Shareholders.*

6. Reconciliation of Solvency II eligible own funds to IFRS equity

The difference between IFRS equity (€19.3 billion) on the one hand and Solvency II eligible own funds for SCR calculations (€23.7 billion) and MCR calculations (€20.0 billion) on the other breaks down as follows:

€bn	CNP Assurances Group
Consolidated equity	**17.5**
Non-controlling interests	1.8
Total IFRS equity	**19.3**
Differences in scope of consolidation	(0.2)
Reclassification of subordinated debt classified as equity in the IFRS balance sheet	(1.8)
Elimination of intangible assets and deferred acquisition costs	(2.0)
Measurement of assets at fair value	1.3
Remeasurement of technical reserves	3.9
Remeasurement of subordinated debt	(0.4)
Other adjustments	(0.4)
Solvency II excess of assets over liabilities	**19.7**
Subordinated debt	7.8
Unfungible own funds	(3.0)
Projected dividends	(0.8)
Eligible own funds for SCR calculations	**23.7**
Application of the cap on subordinated debt classified as Tier 2	(2.7)
Elimination of subordinated debt classified as Tier 3	(1.0)
Eligible own funds for MCR calculations	**20.0**

CNP Assurances has prudently chosen not to value intangible assets in the Solvency II economic balance sheet because no fair value can be attributed to them due to the absence of an active market in which they could be sold.

The subordinated notes issued by the Group are measured in the economic balance sheet at an amount corresponding to the market value, as adjusted for the effect of changes in the Group's credit risk (i.e. the value of cash flows discounted at a rate equal to the sum of the risk-free rate and the issue date credit spread paid to note holders). This results in a value of €7.8 billion for subordinated debt in the economic balance sheet versus €7.2 billion in the IFRS balance sheet.

7. Reconciliation of the Solvency II economic balance sheet to the IFRS balance sheet

The CNP Assurances Group's economic balance sheet and IFRS balance sheet at 31 December 2016 can be summarised as follows:

ASSETS (€bn)	
Intangible assets	0.0
Financial assets and derivative instruments	385.2
Reinsurers' share of technical reserves	29.4
Deferred tax assets	0.0
Other assets	9.5
Total assets under Solvency II	**424.1**

ASSETS (€bn)	
Intangible assets	0.9
Financial assets and derivative instruments	383.3
Reinsurers' share of technical reserves	23.0
Deferred tax assets	0.3
Other assets	11.6
Total assets under IFRS	**419.1**

LIABILITIES (€bn)	
Excess of assets over liabilities	19.7
Subordinated debt	7.8
Technical reserves: risk margin (RM)	4.0
Technical reserves: best estimate (BE)	357.9
Derivative instruments	1.2
Deferred tax liabilities	2.3
Other liabilities	31.2
Total liabilities under Solvency II	**424.1**

LIABILITIES (€bn)	
Total equity	19.3
Of which subordinated debt	*1.8*
Subordinated debt	5.4
Insurance and financial liabilities	361.7
Derivative instruments	1.2
Deferred tax liabilities	1.3
Other liabilities	30.2
Total liabilities under IFRS	**419.1**

The Solvency II economic balance sheet is based to a large extent on the fair values of assets and liabilities used in the Group's IFRS balance sheet, as the measurement principles are the same in both cases. These fair values are subjected to the controls performed for the preparation of the IFRS balance sheet and they are audited by the Statutory Auditors. This approach guarantees the reliability of the economic balance sheet, through the application of an efficiently managed and audited process, and its alignment with the IFRS balance sheet.

The main adjustments to the IFRS balance sheet concern:

- Elimination of intangible assets
- Measurement of assets at fair value (held-to-maturity investments, loans and receivables, investments in non-consolidated subsidiaries and affiliates)
- Measurement of technical reserves (cancellation of IFRS technical reserves and recognition of the best estimate of liabilities plus a risk margin)
- Reclassification and remeasurement of subordinated debt
- Adjustments due to the hard close.

8. Best estimate of liabilities and risk margin by region

Technical reserves (also known as technical provisions) represent the amount an insurance undertaking would have to pay if it transferred its contractual rights and obligations immediately to another undertaking.

They correspond to the sum of:

- The best estimate of liabilities, corresponding to the probability-weighted average of future cash-flows, taking account of the time value of money, using the relevant risk-free interest rate term structure.

- The risk margin, calculated as the cost of providing an amount of eligible own funds equal to the underwriting risk SCR (excluding market risk SCR) required to support the insurance obligations over their lifetime.

Following the emergence of negative nominal interest rates in the euro zone in recent years, the models used to prepare the economic balance sheet now include economic scenarios with negative interest rates.

The risk margin is calculated using a cost-of-capital rate of 6%, as recommended by the EIOPA. It is determined based on the SCRs of all Group insurance undertakings without taking into account inter-subsidiary diversification benefits.

At 31 December 2016, the risk margin was calculated based on detailed SCR projections using different risk factors for the French subsidiaries and a duration-based approach for the international subsidiaries, which have only a limited impact on the Group's risk margin.

The table below shows a breakdown of Solvency II technical reserves at 31 December 2016 by region:

Before reinsurance and tax *(€bn)*	**Best estimate**	**Risk margin**	**Risk margin/ Best estimate**
France	332.5	3.5	1.1%
Latin America	10.6	0.4	3.8%
Europe excl. France	14.8	0.1	0.7%
TOTAL	**357.9**	**4.0**	**1.1%**

The risk margin represented 1.1% of the Group’s best estimate at 31 December 2016. The rate was higher in Latin America due to the higher underwriting risk associated with the business written by Caixa Seguradora.

GLOSSARY

Adjusted net asset value (ANAV)	Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets and other items included in the value of In-Force business (VIF). This indicator is net of non-controlling interests. It breaks down between required capital and free surplus.
Administrative costs	Costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. The calculation base includes non-controlling interests.
Annual premium equivalent (APE)	One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period, net of non-controlling interests and ceded premiums. APE is an indicator of underwriting volume.
APE margin (also referred to as new business margin)	Value of new business (NBV) divided by the annual premium equivalent (APE) Measures estimated future profits from insurance policies written during the period.
Change at constant exchange rates	Indicators at constant exchange rates are calculated by translating current period data at the prior period exchange rate. This technique strips out the currency effect from the change in the indicator concerned.
Change on a comparable consolidation scope basis	Indicators on a comparable consolidation scope basis are calculated by excluding (i) the contribution of businesses discontinued or sold during the current period from the prior period data and (ii) the contribution of businesses acquired during the current period from current period data. This technique strips out the effect of acquisitions and divestments from the change in the indicator concerned.
Combined ratio (personal risk/protection segment)	Calculated for the personal risk/protection insurance segment by dividing EBIT by premium income net of ceded premiums and deducting the result from 100%. The combined ratio is an indicator of personal risk/protection business profitability.
Cost/income ratio	Administrative costs divided by net insurance revenue. The cost/income ratio is an indicator of contract administration operating efficiency.
Debt-to-equity ratio	Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity less intangible assets. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).
Dividend cover	Operating free cash flow (OFCF) before cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders.
Earnings before interest and taxes (EBIT)	Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. EBIT represents the margin after deducting administrative costs.
Earnings per share (EPS)	Attributable net profit less finance costs on subordinated notes classified in equity divided by the weighted average number of shares outstanding (IFRS calculation method).
Eligible own funds for MCR calculations	Sum of Tier 1 and Tier 2 own funds eligible for inclusion in the minimum capital requirement (MCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not eligible for inclusion in MCR.
Eligible own funds for SCR calculations	Sum of Tier 1, Tier 2 and Tier 3 own funds eligible for inclusion in the solvency capital requirement (SCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of SCR.

Fair value adjustments and net gains (losses)	Measures the impact on net attributable profit of changes in asset prices (i.e. realised and unrealised capital gains net of recognised impairment losses), impairment losses and exceptional changes in intangible asset values. Fair value adjustments and net gains (losses) are calculated net of policyholder participation, non-controlling interests and income tax expense.
Free surplus	Portion of adjusted net asset value (ANAV) that may be freely used by management to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates, net of non-controlling interests.
Insurance leverage ratio	Sum of total equity and subordinated notes classified in debt, divided by insurance investments less derivative instrument liabilities. Indicator of the Group's solvency before risk-weighting. The higher the ratio, the greater the insurer's ability to absorb potential losses.
Interest cover	EBIT divided by interest paid on total subordinated notes (classified in both debt and equity). Indicator of the Group's ability to pay the interest due to holders of its subordinated notes.
Market consistent embedded value (MCEV©)	A measure of the consolidated value of shareholders' interests in the covered business. It breaks down between adjusted net asset value (ANAV) and the value of In-Force business (VIF) – corresponding to the value of the insurance policies in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.
Mathematical reserves	Sum of the surrender value of savings contracts and the discounted present value of liabilities for pensions contracts.
MCR coverage ratio	Eligible own funds held to cover the MCR divided by the MCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.
Minimum capital requirement (MCR)	Minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time.
Net asset value	Equity attributable to owners of the parent net of subordinated notes classified in equity. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.
Net insurance revenue (NIR)	Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is net of reinsurance. It is the margin generated by the insurance contracts before deducting administrative costs.
Net new money	Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.
Non-recurring items	Indicator used to separately identify non-recurring income and expenses that affect attributable profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.
Operating free cash flow (OFCF)	Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

Outstanding claims reserve	Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.
Payout ratio	Dividends paid to owners of the parent divided by attributable net profit. Measures the proportion of attributable net profit distributed to owners in the form of dividends.
Policyholders' surplus reserve (PSR)	Cumulative underwriting and investment income attributable to policyholders that is distributed on a deferred basis.
Premium income	Earned premiums and premium loading on IAS 39 contracts. This indicator is gross of non-controlling interests and ceded premiums. Premium income is an indicator of underwriting volume.
Proportion of savings/pensions mathematical reserves represented by unit-linked (UL) contracts	Calculated by dividing unit-linked savings/pensions mathematical reserves by total savings/pensions mathematical reserves. This indicator measures the proportion of mathematical reserves related to unit-linked contracts, which do not generally include a capital or yield guarantee.
Proportion of savings/pensions premiums represented by unit-linked (UL) contracts	Calculated by dividing unit-linked savings/pensions premiums by total savings/pensions premiums. This indicator measures the proportion of premium income related to unit-linked contracts, which do not generally include a capital or yield guarantee.
Restricted Tier 1 own funds	Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.
Return on equity (ROE)	Attributable net profit divided by average net asset value for the period. Measures the return on equity contributed by owners of the parent.
Revenue from own-funds portfolios	Mainly revenue generated by investments held to back equity and subordinated notes, and amortisation of the value of acquired In-Force business and distribution agreements. This indicator includes non-controlling interests. It is the margin generated on investments held to back equity and subordinated notes, before deducting administrative costs.
SCR coverage ratio	Eligible own funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.
Solvency capital requirement (SCR)	Level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5 % over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.
Surrender rate	Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.
Technical reserves	Insurance and financial liabilities net of deferred participation reserve, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of ceded reserves. They measure the insurer's liability towards insureds.
Tier 2 own funds	Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.
Tier 3 own funds	Subordinated notes classified in Tier 3 plus any net deferred tax assets also classified in Tier 3.

Total revenue	Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.
Unrestricted Tier 1 own funds	Own funds other than subordinated notes included in Tier 1 own funds, calculated as the sum of share capital, the share premium account and the reconciliation reserve less non-fungible own funds.
Value of In-Force business (VIF)	Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.
Value of new business (NBV)	Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. NBV corresponds to the discounted present value of estimated future profits from insurance policies sold during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.
Withdrawal rate	Paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of claims and benefits paid to policyholders and beneficiaries.

About CNP Assurances

CNP Assurances is France's leading personal insurer with net profit of €1,200 million in 2016. The Group also has operations in other European countries and in Latin America, with a significant presence in Brazil. It has more than 35 million personal risk/protection insureds worldwide and more than 14 million savings and pensions policyholders. For 160 years, CNP Assurances has been protecting people against the risks of everyday life. The Group designs and manages life insurance, pension, personal risk insurance and protection products (term creditor insurance and health insurance).

- In France, CNP Assurances distributes its individual insurance products through La Banque Postale and the Caisses d'Epargne, as well as through its own network: Amétis. In Brazil, its second largest market, the Group's partner is Caixa Econômica Federal, the country's second-biggest state-owned bank.
- In group insurance, CNP Assurances crafts tailor-made personal risk, pension and term creditor insurance products that are aligned with the needs of companies, local authorities, mutual insurers, non-profit organisations, and banks, in Europe and Latin America.

CNP Assurances has been listed on the first market of the Paris Stock Exchange since October 1998 and has a stable shareholder structure thanks to the signing of an agreement between its major shareholders (Caisse des Dépôts, La Banque Postale, Groupe BPCE and the French State).

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