Registration Document including the Annual Financial Report 2013

CNP assurances

Contents

2013 REGISTRATION DOCUMENT

The following information is incorporated in this Registration Document:

- the Annual Financial Report that all listed companies are required to prepare and publish within four months of their financial year-end, in accordance with Article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and with Article L.222-3 of the General Regulations of the French financial markets authority *(Autorité des marchés financiers* – AMF)
- the annual management report of the CNP Assurances Board of Directors, to be presented to shareholders at the Annual General Meeting held to approve the financial statements for each financial year, in accordance with Articles L.225-100 *et seq.* of the French Commercial Code *(Code de commerce).*

The concordance table below provides cross references to the information provided in the two above-mentioned reports.

The French version of this Registration Document (*Document de Référence*) was filed with the AMF on 10 April 2014, in accordance with Article 212-13 of the General Regulations of the AMF. The Registration Document may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the AMF.

The document has been translated and adapted from the French *Document de Référence* filed with the AMF. The *Document de Référence* in French is available on request from the Company and can also be downloaded from the CNP Assurances website http://www.cnp.fr. Only the French language version is binding on the Company.

Profile

CNP Assurances designs, develops, distributes and manages savings, pension and personal risk products. Its mission is to offer across-the-board insurance protection in keeping with the Group's proud heritage and deeply-held values.

- Founded over 160 years ago
- Offers a comprehensive range of products for personal risk/protection (term creditor and health insurance), life insurance, savings and pensions
- Present in Europe and Latin America, with robust activity levels in Brazil

- No. 1 in France for personal insurance(1)
- No. 1 in France for term creditor insurance(2)
- No. 3 in France for group pension plans(3)
- No. 3 in Europe for life insurance(4)
- No. 8 in Europe for insurance(5)
- No. 5 in Brazil for insurance(6)

- Over 27 million(7) personal risk/protection policyholders(8) and close to 14 million(7) savings and pensions policyholders worldwide
- Over 4,800 employees worldwide
- €1,030 million profit (Group share) in 2013
- €27.7 billion in premium income in 2013 (IFRS)
- An average of €299 billion in technical reserves in 2013 (excluding deferred participation)

(1) Source: FFSA, 2012 data, June 2013

(2) Source: XERFI, Le marché de l'assurance emprunteur, March 2012

(3) Source: XERFI, Le marché de l'épargne retraite et salariale, April 2013

(4) AFA report, Statistiques internationales de l'assurance française en 2011, July 2013

(5) Premiums written in 2012, L'Argus de l'assurance, December 2013

(6) Source: SUSEP (Brazilian prudential supervisory authority), November 2013

(7) Estimates partly based on the number of contracts under management, rounded up

(8) Protection: term creditor and health insurance cover

Selected financial and non-financial data

Key financial data

(Source: CNP Assurances 2013 annual results)

In € millions	**2013**	2012	Change	% change (like-for-like)
Premium income[1]	27,668	26,460	4.6%	6.2%
Revenues[2]	3,234	3,167	2.1%	6.7%
Administrative costs	(879)	(889)	-1.1%	1.6%
EBIT	2,354	2,278	3.3%	8.7%
Profit attributable to owners of the parent	1,030	951	8.3%	11.6%
ROE	8.54%	8.86%	-0.32pts	-
Margin on new business	14.1%	11.6%	2.5pts	-
S1 (coverage ratio) including latent capital gains	302%	298%	4pts	-
MCEV® €/share	23.3	20.1[3]	16%	-
Net book value[4] €/share	18.18	18.07	0.11pts	

(1) IFRS

(2) Net insurance income + equity income

(3) As at 31 December 2012 post-dividend and dilutive impact

(4) Adjusted for super subordinated debts (TSS); number of shares: 643,500,175 as at 31 December 2012 and 686,618,477 as at 31 December 2013

Key non-financial data

PROVIDING LONG-TERM SUPPORT FOR EMPLOYEES

Headcount: 4,809

CNP Assurances: 3,095

Consolidated French and international subsidiaries: 1,714

Percentage of employees with permanent contracts (CNP Assurances and consolidated subsidiaries): 96%

Training (CNP Assurances and consolidated subsidiaries): 4.3% of payroll

Percentage of women in Executive Management positions (CNP Assurances and consolidated subsidiaries): 28.9%

ASSUMING OUR RESPONSIBILITY TO THE ECONOMY

Percentage of CNP Assurances' (and French subsidiaries') financial assets managed that integrate environmental, social and governance criteria: 80% at end-2013

Mutual fund units deemed to be socially responsible investments or that include social or environmental criteria: €2.3 billion

Forests used as carbon sinks to capture and store 546,299 tCO_2e

ADAPTING OUR OFFERING TO MEET DIVERSE NEEDS

220,000 micro-insurance policies within the Group

Refusal rate for term creditor insurance still below 0.2%

Number of unit-linked contracts deemed to be socially responsible investments: 85,000 (up 13% on 2012)

REDUCING OUR ENVIRONMENTAL FOOTPRINT

Greenhouse gas emissions per employee reduced through adjustments to internal procedures: 1.2% lower than in 2012

Paper consumption cut by over 56% in the last five years on a like-for-like basis (through adjustments to internal procedures and methods used to communicate with customers)

26% contraction in greenhouse gas emissions from employees' business trips since 2009

€27.7
billion in premium income
in 2013

Over
4,800
employees worldwide

No. 1
personal insurer
in France

TOTAL GROSS NEW MONEY[(1)]

(in € billions, French GAAP)

TOTAL PREMIUM INCOME[(1)]

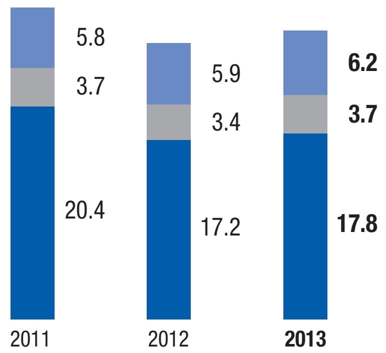
(in € billions, French GAAP)

EBIT[(1)]

(in € millions)

PREMIUM INCOME BY BUSINESS SEGMENT

(in € billions, IFRS)

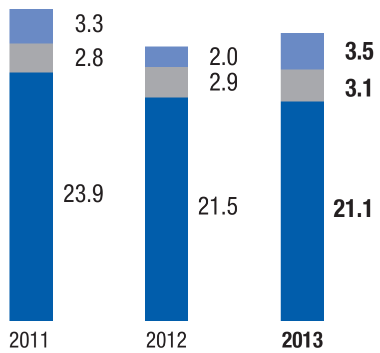


Savings Pensions Personal risk*

*Personal risk, health, term creditor and non-life insurance

PREMIUM INCOME BY GEOGRAPHICAL AREA

(in € billions, IFRS)



France Latin America* Europe excluding France

*Based on current exchange rates

(1) See definition in Note 3.19 to the consolidated financial statements

See Notes 6.3 and 6.4 to the consolidated financial statements for a reconciliation with operating profit

No. 5
in Brazil for insurance

27
million personal risk/protection policyholders worldwide

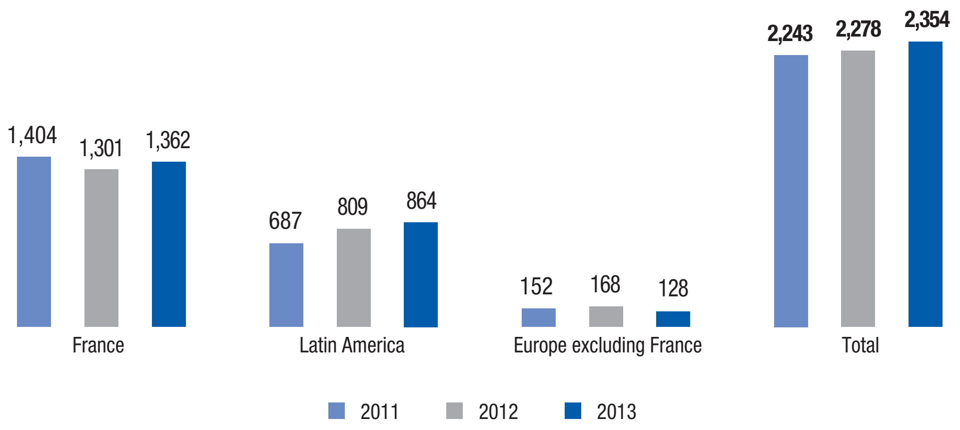
14
million savings and pensions policyholders worldwide

EBIT BY BUSINESS SEGMENT

(in € millions)

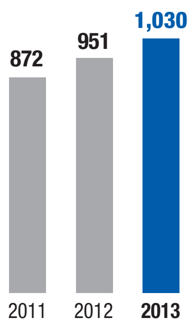
EBIT BY GEOGRAPHICAL AREA

(in € millions)



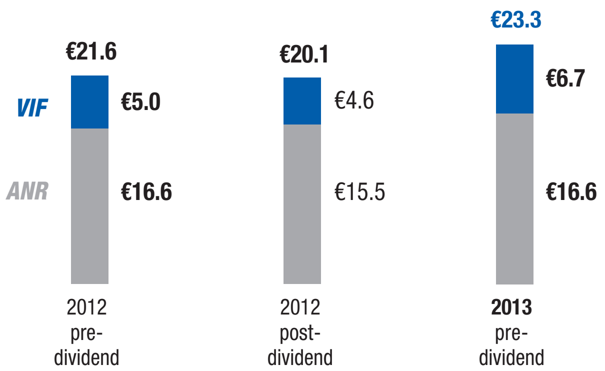
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

(in € millions)



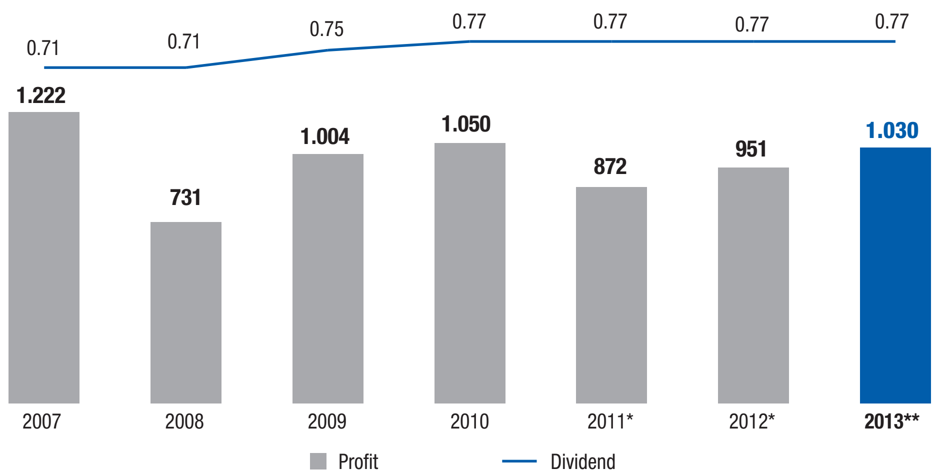
MARKET CONSISTENT EMBEDDED VALUE

(€/share)



PROFIT AND DIVIDEND HISTORY

(in € millions; in €/share)



*With option to pay a scrip dividend
**To be submitted to a shareholders' vote at the AGM on 6 May 2014

RATINGS

(Source: Standard & Poor's – 12 February 2014)

Standard & Poor's – Financial Strength Rating	A, stable outlook
Standard & Poor's – Counterparty Credit Rating	A, stable outlook

Company overview

1

1.1 PROVIDING INSURANCE FOR OVER 160 YEARS

For more than 160 years, CNP Assurances has focused on helping policyholders to protect their future and that of their families at an affordable cost.

Thanks to this longstanding experience, CNP Assurances is ideally placed to track economic and social changes and offer appropriate solutions to customers.

As a general rule, as economies become more developed, people become more risk-averse, while longer life expectancy leads to greater needs in retirement. There is only so much that families can do to meet these needs and state pension schemes can provide only partial coverage. Insurance policies represent a complementary measure to enable policyholders to secure their own future and that of their dependants.

The personal insurer's business is to meet these needs by leveraging several inter-locking competencies. By assessing and pooling risks among groups of insured persons with similar characteristics and securing guarantees both administratively and financially, CNP Assurances attenuates the financial and day-to-day impact of adverse life events.

In keeping with the strong public-service roots of its main shareholders, CNP Assurances fulfils its social responsibility as an insurer by establishing a relationship of trust with all stakeholders and helping to combat financial and social exclusion.

KEY DATES IN THE HISTORY OF CNP ASSURANCES

1850	Creation within Caisse des Dépôts of Caisse Nationale de retraite pour la vieillesse (CNRV), France's first retirement fund.
1868	Creation of Caisse Nationale d'Assurances en cas d'Accident (CNAA), an accident insurance fund, and of Caisse Nationale d'Assurances en cas de Décès (CNAD), a death benefit fund.
1959	Creation of Caisse Nationale de Prévoyance (CNP), a state institution combining the three above-mentioned funds within Caisse des Dépôts.
1960	Launch of the first mutual fund-backed individual insurance policies with La Poste (the French Post Office) and the French Treasury.
1988	Creation of Écureuil Vie with the Caisses d'Épargne savings banks.
1992	CNP becomes CNP Assurances, a *société anonyme* (public limited company) governed by the Insurance Code (Code des assurances).
1995	Creation of Compañia de Seguros de Vida in Argentina.
1998	Stock market flotation. Signing of the CNP Assurances shareholders' agreement.
1999	Acquisition of a controlling stake in Global SA and Global Vida SA in Portugal.
2001	Acquisition of a controlling stake in Caixa Seguros in Brazil. Creation of Filassistance International in conjunction with Azur-GMF, dedicated to the provision of local services.
2003	Signing of a partnership agreement with Mutualité Française covering the period up to 2013.
2005	Establishment in Italy through the acquisition of a 57.5% stake in Fineco Vita, which became Capitalia Vita in 2006, then CNP UniCredit Vita in 2008.
2006	Extension of the shareholders' agreement with La Poste, Groupe Caisse d'Epargne, Caisse des Dépôts and the French State until the end of 2015. Establishment in Spain through the acquisition of a 94% stake in Skandia Vida, renamed CNP Vida.
2007	Purchase by CNP Assurances of the 49.9% stake in Ecureuil Vie held by Groupe Caisse d'Epargne.
2008	Establishment in Cyprus and in Greece through the acquisition of a 50.1% stake in Marfin Insurance Holdings.
2009	Signing in June of a long-term (25-year), exclusive partnership agreement with Barclays, which was strengthened by the creation in September of a joint venture called Barclays Vida y Pensiones Compania de Seguros (BVP) to distribute a full range of life insurance and pension products in Spain, Portugal and Italy.
2010	In June, CNP Assurances and mutual insurer Mutuelle Nationale Territoriale (MNT) agree to renew their partnership through to 31 December 2017. In August, CNP Assurances takes a controlling interest in MFPrévoyance SA and strengthens its ties with public sector mutual insurers.
2011	On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts laid the foundations for a long-term partnership with GDF SUEZ in natural gas transportation in France and the rest of Europe. The partnership is based on the acquisition of a 25% non-controlling interest in GRTgaz for €1.1 billion.
2012	Creation of Groupe Assuristance, which is 66%-owned by CNP Assurances and 34% by Swiss Life, grouping together Filassistance International and Garantie Assistance. It covers all market assistance needs.
2013	*Via* Caixa Seguros, its Brazilian subsidiary, CNP Assurances continues to expand in South America through its acquisition of Previsul, a personal insurance specialist in south Brazil and of Tempo Dental, one of the biggest dental insurance companies in Brazil.

1.2 BUSINESS AND STRATEGY OVERVIEW

CNP Assurances designs, develops, distributes and manages savings, pension and personal risk products. Its mission is to offer across-the-board insurance protection in keeping with the Group's proud heritage and deeply-held values.

Our business is providing personal insurance cover

CNP Assurances plays a major role in providing families and private individuals with social protection. Structural factors mean that this need is growing, be it due to family members living in various geographic locations, demographic changes or longer life expectancy in Europe, or to the growth in the middle classes and the increasing demand for microinsurance in Brazil.

CNP Assurances is responding to these very specific and essential needs. It enables people to protect their own and their loved ones' futures against the risks of everyday life, to confidently enter into commitments, and to safely pass on their heritage to future generations.

Providing solutions across the needs spectrum

One distinguishing feature of CNP Assurances is that the Group works closely with each distribution partner to develop offers geared to the profiles of their respective customer bases in terms of age, risk appetite and income. The wide-ranging challenges encompass helping working people to prepare for retirement, estate planning for retirees or solutions for long-term care insurance, guaranteeing quality of life if a partner dies or having access to dental care. Whatever the need, CNP Assurances can offer comprehensive, innovative solutions to its millions of policyholders around the world thanks to its expertise in insuring the various types of risk.

The Group's offers are designed to provide insurance solutions for all budgets. Each product range includes affordable products for customers in all income brackets, thanks to very low minimum premiums offered to European customers and a microinsurance offering for the Latin American market.

To enable people with health issues to invest in real estate projects and have access to mortgages, CNP Assurances was closely involved in discussions to improve the AERAS convention on insurance and loans for people representing an aggravated health risk. The new version of this convention, which seeks to improve access to term creditor insurance for people with health issues, came into force in 2011. CNP Assurances applies the convention with great commitment, as evidenced by a very low loan insurance refusal rate of 0.2% in 2013.

Two continents seeing complementary growth

CNP Assurances has strong growth potential based on structural growth requirements. The Group has a robust and balanced geographic network.

It is the leader on the French market located at the centre of a rich and mature Europe that is undergoing demographic change. As the continent's population ages, growth opportunities abound.

Boasting a strong position on the Brazilian market at the heart of the flourishing Latin American economy, the Group is taking steps to meet the insurance needs of the burgeoning middle classes. Similarly, through its microinsurance business, it can offer insurance cover to millions of very low-income Brazilians.

LEADER IN FRANCE AT THE CENTRE OF A RICH AND MATURE EUROPEAN MARKET

France

A comprehensive offering to meet everyone's needs

In the French personal insurance market, CNP Assurances has focused for more than a century on bancassurance, marketing its insurance products through the banking networks of the Group's two long-standing partners, La Banque Postale and the Caisses d'Epargne savings banks, two of its shareholders. La Banque Postale and the BPCE Group jointly hold a 36.3% stake in CNP Assurances. Together, the two networks represent more than 21,000 full- and limited-service outlets in France and account for 59% of CNP Assurances' 2013 premium income (IFRS). In 2006, the distribution agreements with the two partner networks were renewed until end-2015, together with the shareholders' agreement. In keeping with its partner development strategy, the Group introduced measures in 2013 to adapt its offering to meet the demand of its personal insurance customers for simple and safe long-term savings products. Similarly, it added to its top-end product offering and upped the tempo on development of its personal risk range. Improving the quality of service offered and enhancing its customer interfaces in digital form have provided structure and boosted the value of its partnerships.

Since 2004, CNP Assurances has also had a proprietary sales force, CNP Trésor, which comprises 254 advisors at the service of policyholders who initially purchased their policy through the French Treasury. This extensive network of local outlets markets the Group's savings, pension and personal risk products throughout France.

Individual insurance products are also marketed by independent financial advisors.

Partner activity is helping to grow the social protection offering

CNP Assurances is a major and long-standing player on the social protection market where it boasts firmly established relationships with employee benefit funds, mutual insurance societies, brokers and direct sellers.

As part of the Caisse des Dépôts group, CNP Assurances has been the go-to insurer for Civil Service Mutuals since they were founded in 1945. The Group's robustness, social responsibility and well-established expertise make it the natural partner for these societies in providing employees with health, death/disability and long-term care insurance. A 60-strong team is dedicated to taking care of these customers' requirements and is backed up by the Group's actuarial and financial experts.

CNP Assurances works alongside these Civil Service Mutuals to provide insurance for 3 million civil servants, covering mainly their death, incapacity for work, permanent disability and long-term care insurance needs. France's main Civil Service Mutuals societies have now joined forces with CNP Assurances to form the subsidiary MFPrévoyance. This common subsidiary company offers a comprehensive and specialised range of employee benefits to the whole of the mutual insurance sector.

For local and hospital-employed civil servants, CNP Assurances offers complementary insurance through the mutual insurance societies.

Since the start of the post-war period, the Group has established close ties with mutual insurance societies specialised in offering insurance or reinsurance to independent professionals, particularly in the medical field. The sound knowledge gained of the specific issues these professions face has enabled it to offer products adapted to suit their needs, such as tax-deductible complementary insurance policies (known as "Madelin" contracts).

CNP Assurances also works closely with multi-sector mutual insurance societies to offer social protection to their members. For example, it is reinsurer of the home care services sector's collective bargaining agreement, providing its 220,000 employees with insurance for income protection, incapacity for work, permanent disability and death.

CNP Assurances offers local and regional civil servants joint solutions for participation agreements as well as certified complementary insurance products.

The solutions can take various forms, *i.e.* insurance, co-insurance or reinsurance products.

Since the development of the social economy in the 1980s, CNP Assurances has used its experience, technical expertise (in the actuarial, financial and medical sectors) and ability to anticipate customers' future needs to provide reinsurance assistance to employee benefit funds. Again, the solutions offered can take various forms depending on the customer's needs. For example, proportional reinsurance contracts share the risk between the insurer and the reinsurer (*e.g.* quota-share, surplus share), while non-proportional reinsurance contracts (*e.g.* excess of loss and stop-loss) cap the potential loss and protect our partners against exceptionally high losses that could have an adverse impact on their year-end results.

Customised group insurance products

CNP Assurances develops customised solutions from its comprehensive range of complementary pension and personal risk products for the 4,600 companies and 20,000 local councils, associations and numerous mutual insurance societies and employee benefit funds it counts among its partners. For example, it was one of the first French insurance companies to venture into the long-term care insurance sector. It is currently leader in this sector where it offers compulsory and optional products that protect policyholders against the financial impact of a loss of independence.

Third-biggest player on the French market for company pension and savings plans, CNP Assurances provides customised company pension plan contracts (under Article 39 or Article 83 of the General Tax Code for retirement indemnities) and manages PREFON-retraite, the civil service's optional supplementary pension scheme. Through its stake in InterExpansion Humanis, it distributes collective pension savings plans (PERCO).

Number 1 for term creditor insurance in France, CNP Assurances partners more than 300 financial institutions from across the spectrum, as well as social economy players and mutual insurance societies. Changes to the regulatory framework in France have bolstered protection for policyholders, particularly through the introduction of the Lagarde Bill and the growing duty to provide customers with advice on the products offered. This trend supports CNP Assurances' approach of promoting term creditor insurance as a way of offering real protection to borrowers in case they fall on hard times. The Group provides cover of all types, from death, incapacity for work, permanent disability and redundancy through to budget protection, support services and assistance. It offers high value-added solutions to its partners by combining its capacity for product innovation with its risk control and management skills and technological leadership.

Services offering real personal protection

CNP Assurances Group pays particularly close attention to the services it offers in conjunction with its products to both its partners and policyholders. Through its dedicated subsidiaries, it is able to constantly expand and adapt its expertise in this area. For example, Filassistance International, part of the Assuristance Group (in which CNP Assurances owns a 66% stake), continues to develop its range of personal local services. More than eight million people currently take advantage of this offering which includes all types of assistance, from the most mainstream (everyday care, healthcare services, funeral administration services, etc.) to the most innovative (long-term care, pension administration services, telecare services, etc.). In this way, Filassistance is fulfilling its role as a "life facilitator". It has set up a network of 10,000 service providers specially chosen for their skills, efficiency and effectiveness and ability to offer a warm and welcoming service to its clients. The Âge d'Or Services network, which CNP Assurances acquired in 2002, provides back-up to the Group's 160 franchises and more than 1,300 specialised players. The Assuristance Group is in the process of developing a comprehensive catalogue of global assistance services.

When CNP Assurances launches new employee benefit and health insurance coverage products, it provides its partners with support throughout the entire marketing process. For example, *via* Carrés Bleus, its specialised healthcare platform, CNP Assurances is in a position to help its partners enhance their offering through improved control over the charges its members must pay and through value-added services. Thanks to its extensive knowledge of risk (particularly in relation to the optical marketplace), it adapts its insurance policies to provide the type of cover and services required. It puts its expertise to use in analysing quotes for hearing aids, dental care services, corrective eyewear, and trains its staff to deal with initial quotes. Lastly, in terms of preventive insurance coverage, Carrés Bleus has a combined Internet and call centre platform to ensure customers receive replies to their enquiries as quickly as possible.

Main markets where CNP Assurances offers individual insurance policies

Life insurance/Savings[1]

In 2013, the personal insurance market, key for CNP Assurances, accounted for 72.7% of the total insurance market in France. In the last ten years, this percentage has fluctuated between 72% and 78%. After peaking in 2006, the share of personal insurance decreased while non-life insurance gained ground. Within the personal insurance segment, the share of health and personal injury insurance began to rise in 2006 to exceed 10% in 2012. The inflow of direct business premiums has declined in recent years following two phases of contraction; the first came after the subprime crisis at the end of 2006 and the second came hard on the heels of the sovereign debt crises that assailed Europe in 2010. The French life insurance and endowment market remained concentrated in 2012 with the five biggest players accounting for 53.4% of market share, including 28.6% in the hands of the biggest two.

Most of the top-ranking firms in these two segments are bancassurers followed by the more traditional insurance companies and mutual insurance societies[2].

In 2012, two-thirds of new business (65.2%) was generated by financial advisors employed by financial institutions. Financial advisors employed by insurance companies comprise the second group of players that distribute life insurance contracts (16.3%). In third place with an equal share of between 4% and 6% are general insurance agencies, insurance brokers and independent financial advisors who together accounted for 15.2% of distribution in 2012.

Funeral contracts[3]

This market is highly concentrated, with five companies responsible for half of In-Force business (51%). CNP Assurances is part of this group, notably through its La Banque Postale Prévoyance subsidiary in which it holds a 50% stake.

(1) 2013 overview, FFSA conference, 31 January 2013 and Personal insurance in 2012 and early trends in 2013, FFSA/GEMA July 2013

(2) Distribution of new life insurance and endowment business in 2012, FFSA – July 2013

(3) Characteristics of funeral contracts in 2012 and early trends in 2013, FFSA December 2013

The majority of contracts were distributed by insurance networks (57%) versus 47% by bancassurance networks.

Unforeseen event cover 2012[4]

This is a relatively concentrated market in which one main player held one-third of the contracts at end-December 2012. Four major players jointly own 70% of this market's portfolio. CNP Assurances is not a key player on this market.

Long-term care[5]

Taking all types of contracts into account, 1.8 million people held long-term care insurance policies with insurance companies at the end of 2012. Ninety per cent of these contracts are for long-term care insurance coverage only, while the remaining ten per cent is for another type of coverage which offers long-term care as an option.

A specific market: term creditor insurance[6]

Generating premiums of almost €6 billion a year, the term creditor insurance market has seen strong growth in the last ten years. Outstanding home loans to private individuals rose from €330 billion in 2003 to €802 billion by mid-2013. Accidental death coverage accounted for 70% of term creditor insurance income in 2012. Incapacity for work and permanent disability coverage accounted for 26.8% and redundancy insurance for 2.6%.

In 2012, in relation to stocks of existing contracts, 84.4% of term creditor insurance premiums for real estate loans were generated from banking group contracts (70% premium income) and 15.6% from delegation of insurance contracts, alternative contracts or personal individual contracts. Despite the large number of players on the market – around 40 covered by the French Insurance Code and brokers – the market is dominated by four main companies including CNP Assurances. Together they account for almost 70% of the market.

See also CNP Assurances' business overview, revenue in France – Breakdown by distribution network, section 2.2.2.

Europe

CNP Assurances was Europe's 8th biggest insurer at end-2012[7]. Close to 700 Group employees work in Europe outside France. Operating mainly in southern Europe, the Group distributes savings, term creditor insurance and personal risk policies through five subsidiaries and three branches.

CNP Assurances is aiming to diversify its distribution methods by developing an open model that will be used to offer white-label insurance products to targeted partners based on a multi-channel distribution and direct sales network.

Its long-term partners have well-established distribution networks in their respective markets in Italy, Spain, Portugal, Greece and Cyprus.

Targeted partnerships to promote a specialised range of products in Europe

CNP Assurances offers its term creditor insurance and personal risk and savings products to banking networks and companies looking to diversify their range of solutions. Its CNP Vida subsidiary has a technical platform and expertise that it can put to use throughout Europe, starting with Italy and Spain.

CNP Assurances helps small banking networks, private banks, independent financial advisors, insurance experts and personal loan companies process significant volumes of business by giving them access to the Group's processes, technical expertise, multiple sets of data and innovative capacity.

Spain

CNP Assurances distributes its personal risk, savings and pension fund products through its CNP Vida subsidiary to numerous partners, including independent savings banks, etc.

The Group has also developed a "servicing/third-party fund management" business in conjunction with CNP Insurance Services (CIS). CIS is offering a solution to the challenges the Group will face in the next few years by suggesting that the business model should be transformed from a fully integrated one where the insurer takes care of all of the related functions (back office, finance, distribution etc.) to a delegation-based model along all or part of the value chain. This would allow insurers to focus on their core business of managing risk and creating insurance products.

Italy

The CNP Assurances Group is an important player in the Italian market through CNP Italia, voted best company in the sector by insurance brokers for term creditor insurance at the Leadership Forum Awards in December 2013. CNP Italia provides expertise in term creditor insurance to more than 20 banking partners, including UniCredit and Barclays. The Company has expanded its product range to offer insurance cover to the Italian market. For example, its new "Income Protection" solution is destined to help protect a family's level of income. It entails the payment of a monthly lump sum to the policyholder if there is a fall in their level of income. Alternatively, a capital payment can be made in the case of death.

To meet Company employees' needs for complementary health and pension plans, CNP Assurances is also strengthening its brokerage ties.

Long-term partnerships in Europe

CNP Assurances distributes its personal insurance products through its well-established partner networks in southern Europe.

Barclays in Spain, Portugal and Italy

CNP Assurances has joined forces with Barclays Bank which boasts 1.5 million customers and almost 1,000 branches in

(4) Contracts for unforeseen event cover in 2012, FFSA report, October 2013

(5) Long-term care insurance in 2012, FFSA, June 2013

(6) Term creditor insurance, report by the Inspectorate General of Finance, November 2013

(7) Premiums written in 2012, L'Argus de l'assurance, December 2013

Spain, Portugal and Italy. The joint venture created as a result, CNP Barclays Vida y Pensiones, creates and manages products distributed *via* Barclays' network in Spain, Portugal and Italy.

Most of the business carried out by CNP Barclays Vida y Pensiones concerns savings and term creditor insurance products. At end-2013, Barclays launched its new "Barclays Pensión Horizon 2020" plan in Spain. The plan was designed and managed by CNP Barclays Vida y Pensiones.

UniCredit in Italy

UniCredit boasts 4,000 agencies in Italy and over 8 million customers. In conjunction with the Italian group, CNP Assurances markets a comprehensive range of savings, term creditor insurance and personal risk insurance products through the CNP UniCredit Vita joint venture.

CNP UniCredit Vita has a headcount of over 150 and ranks in the Top 10 Italian personal insurance firms. Most of its business comes from the savings segment, particularly from unit of account insurance products. Although the personal insurance lines are still in their infancy in the Italian market, the deterioration in the economic and financial situation in Italy, the country's high debt levels and the government's gradual withdrawal from certain sectors has made Italians realise that they have to start insuring themselves against life's unexpected events. CNP Assurances has anticipated this need and is offering personal risk products alongside UniCredit on this market.

Bank of Cyprus[(1)] in Cyprus and Greece

CNP Assurances is present in Cyprus and Greece through its CNP Cyprus Insurance holdings (CNP CIH) subsidiary owned jointly with the country's biggest bank, the Bank of Cyprus. The Group has over 300 employees in Cyprus.

CNP CIH offers Cypriot residents life insurance (60% of business) and property and casualty insurance (40%) *via* CNP Asfalistiki, leader in insurance in Cyprus. The products are generally distributed by independent brokers or over the counter at Bank of Cyprus.

In Greece, CNP Assurances Group offers insurance cover for health/permanent disability risk and life and savings products for private individuals and companies. It also offers car, fire and earthquake insurance. These products are distributed through a network of independent brokers, the Bank of Cyprus and Postal Bank.

See also CNP Assurances' business overview, revenue in France – Breakdown by distribution network, section 2.2.2.

Main markets where CNP Assurances operates in Europe outside France

Italian life insurance market[(2)]

This €66 billion market at end-November 2013 grew by 33% compared to November 2012. CNP UniCredit Vita's market share rose from 2.5% at end-November 2012 to 3.1% at end-November 2013.

Spanish life insurance market[(3)]

The Spanish life insurance market reached €19 billion at end-September 2013, down 5% on September 2012. CNP BVP's market share rose from 0.78% at end-September 2012 to 0.41% at end-September 2013. CNP Vida's market share rose from 0.52% at end-September 2012 to 0.42% at end-September 2013.

Portuguese life insurance market[(4)]

With funds of €6.5 billion at end-September 2013, this market gained 40% on September 2012. CNP BVP's market share fell from 2.64% at end-September 2012 to 1.55% at end-September 2013.

STRONG POSITION IN BRAZIL ON THE RAPIDLY GROWING SOUTH AMERICAN MARKET

Premiums in Latin America totalled €3.1 billion, an increase of 4.9% at current exchange rates despite an unfavourable currency effect. Like-for-like growth came to 19.3% for the year compared to 2012, reflecting very robust demand across all business segments in Brazil.

Almost 900 of the Group's employees work in Brazil and Argentina. With its local distribution partners, the Group primarily offers pension, personal risk, health and term creditor insurance products.

CNP Assurances has been operating in Latin America since 1995. The acquisition of Caixa Seguros, its Brazilian subsidiary in 2001 has sped up its growth considerably.

Brazil

CNP Assurances has operated in Brazil since 2001 through its Caixa Seguros subsidiary which it jointly owns with its distributor partner Caixa Economica Federal, the second biggest public bank in Brazil.

Caixa Economica Federal plays an important social and economic role in relation to the Brazilian population. It has 60,000 points of sale including 3,000 branches throughout Brazil and 12,500 lottery offices where its most popular products are sold, *i.e.* insurance cover for funerals and dental costs. Caixa Seguros is the Brazilian leader in microinsurance, for which it has 100 million potential customers.

The bank employs almost 800 staff in Brazil. Boasting more than nine million customers, it is Brazil's 5th biggest insurer.

(1) Following the liquidation of partner Laiki bank, CNP Laiki Insurance Holdings (CNPLIH) became CHP Cyprus Insurance holdings (CNPCIH)

(2) Source: IAMA, Italian prudential supervisory authority

(2) Source: ICEA, Spanish prudential supervisory authority

(4) Source APS, Portuguese prudential supervisory authority

Affordable products

Caixa Seguros offers insurance cover for pensions, savings, health and group real estate acquisitions (*consórcio*) for companies and private individuals. The prime target audience for its personal insurance products is the rapidly expanding Brazilian middle classes whose numbers have grown by 29 million in the last ten years.

Savings and pension products account for half of the revenue generated by the Brazilian insurance market. Caixa Seguros is the market's unrivalled leader for term creditor insurance and already counts 2.5 million Brazilian customers among its mortgage insurance policyholders (for the purchase of their main residence).

To meet the evolving needs of the Brazilian population, CNP Assurances Group is developing its personal insurance product line where Caixa Seguros is currently ranked fifth-biggest player in the market. It also offers innovative solutions to cover the dental costs of its Brazilian policyholders.

The go-to microinsurer

A pioneer in offering insurance to the working classes, Caixa Seguros is the first Brazilian company to enter the microinsurance segment. In February 2013, Caixa Seguros was authorised by SUSEP (Brazil's prudential supervisory authority) to enter this segment. On 15 April 2013, Caixa Seguros launched Amparo, a microinsurance policy to provide funeral cover. Caixa Seguros, the most active company offering microinsurance with some 30,000 policies sold every month, has set itself the target of becoming a key player in this segment.

Easy to purchase and with affordable premiums, microinsurance policies are designed to preserve the socio-economic situation of low-income individuals. With its 95% market share, Caixa Seguros has a considerable head start in this business, which is both highly promising and socially beneficial.

Long-term goals

Caixa Seguros is aiming to grow the personal risk and insurance side of its business in Brazil. Its goal is to offer insurance solutions to the constantly growing Brazilian middle classes as well as products in line with the purchasing power of low-income customers. Caixa Seguros is lending support to Caixa Economica Federal's goals by developing alternative and multiple sales channels and by marketing microinsurance alongside mass retail insurance products. Similarly, it is entering into partnerships with insurance brokerage firms. To this end, it has acquired a majority stake in Prévisul, a south Brazilian firm which boasts 3,000 brokers.

Main Brazilian markets where the Group operates

The Brazilian insurance market (excluding health) generated revenue of 151 billion BRL at end-November 2013 (roughly €50 billion), 13% higher than in November 2012. Caixa Seguro's market share (excluding health) rose from 5% at end-November 2012 to 5.1% at end-November 2013.

Product development

SUSEP published the regulations that govern the sale of microinsurance at end-June 2012; microinsurance is a branch that covers personal, casualty and pension insurance for the entire population. It can be purchased by both low-income and wealthier customers. The regulatory requirements focus on the distribution methods used (new players authorised) and the time taken to settle claims.

The regulations for this new branch allow insurers to distribute microinsurance products through bank advisers or approved microinsurance advisers (*e.g.,* persons legally authorised to distribute the products, such as a beauty salon or bookshop employee, etc.). The regulatory authorities have also created the role of microinsurance broker.

The other points supervised by SUSEP include: a) the use of Internet and the telephone to purchase insurance cover that makes compensation payments within a maximum of ten days; b) the maximum cover possible for microinsurance products: 24,000 BRL for personal insurance and 60,000 BRL for damage to property; c) the possibility of including capitalisation stocks within this category by creating the "Microinsurance Lottery" which is designed to encourage people to purchase microinsurance and develop the microsavings culture.

Insurance companies will seek to develop products that are affordable, easy to sign up for and that provide cover adapted to the policyholder's needs, which on the whole tend to be modest.

Argentina

A key player in the personal risk segment

The Group's oldest foreign subsidiary in Argentina, CNP Assurances Compañía de Seguros, is cementing its position as one of the country's main providers of personal risk insurance. Boasting 2.2 million policyholders, it specialises in personal risk and term creditor insurance. It is co-owned by CNP Assurances and Credicoop Bank, the Group's longstanding commercial partner.

CNP Assurances Compañia de Seguros has developed commercial ties with numerous players on the market. As a result, its products are sold in over 500 bank branches throughout Argentina *via* a network of brokers, cooperatives, mutual insurance societies and associations. The company has also ventured into direct selling which enables customers to contact advisors directly by phone.

See also CNP Assurances' business overview, revenue in Latin America – Breakdown by subsidiary, section 2.2.2.

A responsible insurer

Trust is truly a bedrock issue for CNP Assurances, whose added value consists of providing the assurance of a more secure future. While important for any financial institution, trust is even more critical for a personal insurer that makes very long-term commitments to policyholders and carries them in its balance sheet.

At CNP Assurances, trust is built on three pillars: high ethical standards, effective policy design and administration, and financial management finely calibrated between security and performance.

The highest ethical standards are applied in every aspect of the business. Woven into the design of offers tailored to customers' needs, these standards also inform the training given to the distribution network and influence the information provided to policyholders throughout the life of the policy. They are clearly expressed in the Group's commitments as a member of the insurance industry and in the employee code of conduct, which applies in particular to asset managers and to the teams in charge of processing confidential information, such as medical data or the names of policy beneficiaries. These standards are further backed by an extensive internal control process and anti-money laundering procedures.

Effective policy design and administration is also essential. In reality, insurance policies are complex financial products based on the legal and taxation regulations they are subject to and the duration of the policy. They are also very long-term, covering an average period of around ten years, but sometimes remaining in force for 50 years or more. Another layer of complexity comes from the fact that the insurer deals not just with the customer, but rather with three or more counterparties – the policyholder, the insured (who may not be the policyholder) and the beneficiary or beneficiaries (who may not be the insured). In addition, every policy is made to measure, with the insurer committing to comply with the insured's wishes and to treat such wishes as strictly confidential until the termination of the contract.

The Group's longstanding expertise and the size of its insurance book stand it in good stead when designing and pricing insurance cover. In France, where CNP Assurances is the leading personal insurer, detailed risk data are translated into loss tables which are certified and revised at regular intervals.

In keeping with its business model, the Group has used leading-edge technologies to develop unique expertise in combining personalised service with industrial efficiency (15.5 million individual savings and personal risk contracts managed in France in 2013).

CNP Assurances' high-quality financial management has nurtured a strong base of trust and the expertise and diligence of the Group's teams are widely recognised. This is a particularly important issue in traditional savings products, which offer policyholders a capital guarantee plus a capitalised annual yield. For such products, financial management techniques need to accommodate long-term security (given that policyholders generally have the right to surrender their contracts at any time), performance (to meet policyholders' expectation of a competitive annual rate of return in relation to market interest rates) and regular increases in the capital sum.

Effective financial management is also essential in the Pensions business, since investment performance is anticipated to some extent in the valuation rate of interest applied to benefits. In the Personal Risk business, financial performance helps to optimise premium rates.

Because of the specific features of the insurance business, CNP Assurances' approach to financial management is different from that of a fund manager or a bank. It is also very different from that of a pension fund, which generally knows when liabilities will fall due. The Group pursues a responsible financial strategy, characterised by stable strategic asset allocation, very long investment horizons, and selection and management processes that take account of social, environmental and governance issues.

To enable policyholders to contribute in their own way to sustainable development, CNP Assurances encourages customers to invest in socially responsible investment (SRI) products.

CNP Assurances' corporate social responsibility strategy also includes observance of the rights and duties attached to the assets held. With an average of €299 billion in technical reserves in 2013 (excluding deferred participation), the Group plays a major role in financing the European economy, purchasing both government and corporate paper.

1.3 CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS, COMMITTEES AND EXECUTIVE MANAGEMENT AT 31 DECEMBER 2013

Board of Directors

Directors

Jean-Paul Faugère*, Chairman

Frédéric Lavenir, Chief Executive Officer

Caisse des Dépôts, represented by Jean-Pierre Jouyet

Virginie Chapron du Jeu

Anne-Sophie Grave

Olivier Mareuse(1)

Odile Renaud-Basso(1)

Franck Silvent(1)

Sopassure, represented by Marc-André Feffer

Jean-Yves Forel(1)

François Pérol(1)

Philippe Wahl(1)

Rémy Weber(1)

French State, represented by Ramon Fernandez

Philippe Baumlin

Marcia Campbell*

Stéphane Pallez*

Rose-Marie Van Lerbergh*(1)

Non-voting directors

Pierre Garcin(1)

Jacques Hornez

Alain Quinet

Works Council representatives

Valérie Baron-Loison

Patrick Berthelot

Pascal Oliveau

Nadia Remadna

Secretary to the Board of Directors

Hugues de Vauplane

Special Board Committees

Audit and Risk Committee

Stéphane Pallez*, Chairman

Philippe Baumlin

Marcia Campbell*

Jean-Yves Forel(1)

Olivier Mareuse(1)

Rémy Weber(1)

Remuneration and Nominations Committee

Rose-Marie Van Lerberghe*(1), Chairman

Jean-Paul Faugère*

François Pérol(1)

Odile Renaud-Basso(1)

Philippe Wahl(1)

Strategy Committee

Jean-Paul Faugère*, Chairman

Marc-André Feffer

Jean-Yves Forel(1)

Olivier Mareuse(1)

Stéphane Pallez*

Franck Silvent(1)

Executive Management

Frédéric Lavenir, Chief Executive Officer

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer and Head of International Operations

Antoine Lissowski, Deputy Chief Executive Officer and Finance Director

Honorary Chairman of CNP Assurances

Edmond Alphandéry

* *Independent director according to the criteria in the AFEP-MEDEF Corporate Governance Code*

(1) Subject to approval by the Board of Directors at the Annual General Meeting of 6 May 2014

CHANGES TO THE BOARD OF DIRECTORS' COMPOSITION IN 2013

Composition on 01.01.2013	Changes during the year				Composition on 31.12.2013
	25.04.2013	25.09.2013	06.11.2013	18.12.2013	
Directors					**Directors**
Jean-Paul Faugère*, Chairman					Jean-Paul Faugère*, Chairman
	Frédéric Lavenir, CEO (appointed at the AGM on 25 April 2013)				Frédéric Lavenir, Chief Executive Officer
CDC represented by Antoine Gosset-Grainville	CDC represented by Olivier Mareuse (following the departure of Mr Gosset-Grainville from CDC group)			CDC represented by Jean-Pierre Jouyet (following his decision to personally represent CDC)	CDC represented by Jean-Pierre Jouyet
Michel Bouvard		Odile Renaud-Basso(1) (following the resignation of Mr Bouvard)			Odile Renaud-Basso(1)
Virginie Chapron du Jeu					Virginie Chapron du Jeu
Anne-Sophie Grave					Anne-Sophie Grave
André Laurent Michelson				Olivier Mareuse(1) (following the dismissal of Mr Michelson)	Olivier Mareuse(1)
Franck Silvent					Franck Silvent
Sopassure, represented by Marc-André Feffer					Sopassure, represented by Marc-André Feffer
Jean-Paul Bailly			Rémy Weber(1) (following the resignation of Mr Bailly)		Rémy Weber(1)
Jean-Yves Forel					Jean-Yves Forel(1)
François Pérol					François Pérol(1)
Philippe Wahl					Philippe Wahl(1)
French State, represented by Ramon Fernandez					French State, represented by Ramon Fernandez
Philippe Baumlin					Philippe Baumlin
Marcia Campbell*					Marcia Campbell*
Stéphane Pallez*					Stéphane Pallez*
Henri Proglio		Rose-Marie Van Lerberghe*(1) (following the resignation of Henri Proglio)			Rose-Marie Van Lerberghe*(1)
Non-voting directors					**Non-voting directors**
Pierre Garcin					Pierre Garcin(1)
Jacques Hornez					Jacques Hornez
Alain Quinet					Alain Quinet

** Independent director according to the criteria in the AFEP-MEDEF Corporate Governance Code*
(1) Subject to approval by the Board of Directors at the Annual General Meeting of 6 May 2014

Business and financial review

2

2.1 SIGNIFICANT EVENTS OF THE YEAR

2.1.1 First half

CAIXA SEGUROS, CNP ASSURANCES' SUBSIDIARY IN BRAZIL, ACQUIRES CONTROL OF PREVISUL

In March 2013, CNP Assurances, *via* its Brazilian subsidiary Caixa Seguros, completed the acquisition of 70% of the shares of Previsul, a personal insurer present in Brazil for 106 years, particularly in the state of *Rio Grande do Sul*.

This BRL 70 million (€27 million) investment is part of the growth strategy of Caixa Seguros, which markets life insurance, pensions, personal risk, property and casualty and health insurance products.

The acquisition of Previsul is designed to strengthen the Group's operations in Southern Brazil, a market of 24 million people with a strong regional identity.

Founded in 1906, Previsul is a personal insurer with a portfolio of nearly 600,000 policyholders, 143 employees and close to 3,000 partner brokers. In 2012, it reported revenue of BRL 146.5 million (€57 million) and net profit of BRL 5.9 million (€2.3 million).

As part of Caixa Seguros, Previsul will maintain its commitment to serving Southern Brazil as a major insurance company and step up its growth drive.

This acquisition fits perfectly with CNP Assurances' goal of expanding in Brazil by extending its geographic coverage and diversifying its distribution channels.

CONSEQUENCES OF THE CYPRIOT CRISIS

On 25 March 2013, the Eurogroup approved a rescue plan for the Republic of Cyprus providing for the liquidation of Laiki Bank, CNP's partner since 2008.

Under the plan, Laiki's deposits are to be transferred to other financial institutions after the application of a mark down.

Prior to the crisis, CNP LIH's assets totalled €706 million, including €186 million in receivables with Laiki Bank, essentially comprising bank deposits (€156 million).

The Group decided to set aside provisions for all of these assets, beginning in the consolidated financial statements prepared at 31 March 2013. Based on the current evaluation, the impairment of the bank deposits held by CNP LIH (renamed Cyprus Insurance holdings – CNP CIH) had an impact of €13 million on profit attributable to owners of the parent.

Furthermore, in view of financial and economic conditions in Cyprus, the Group decided to write down its share in goodwill and the value of In-Force business by a total amount of €50 million.

SUCCESS OF THE 2012 DIVIDEND REINVESTMENT PLAN

At the Annual General Meeting of CNP Assurances on 25 April 2013, shareholders approved the payment of the proposed 2012 dividend, in an amount of €0.77 per share, and decided to offer the option of reinvesting the dividend in new shares of the Company.

The dividend reinvestment option was enthusiastically embraced by shareholders, particularly the major shareholders (Caisse des Dépôts, Sopassure[1] and the French State), with 88.8% of dividends reinvested over the exercise in new share of the company.

The reinvestment led to the creation of 43,118,302 new shares, which increased the Company's issued capital by €438,944,314. These new shares carry dividend rights from 1 January 2013 and will be fungible with the Company's ordinary shares already trading on the NYSE Euronext Paris stock exchange.

Following the reinvestment programme, the Company's share capital was composed of 686,618,477 shares each with a par value of €1.00.

AWARDS FOR INVESTMENT PRODUCTS

The 27th investment funds awards ceremony sponsored by *Le Revenu* investor magazine was held on 23 May 2013. Awards are given in three categories – insurers, major banking networks and independent brokers – for the best fund performances over three- and ten-year periods.

CNP Assurances came away with the Gold Trophy for the performance of its European equities funds over a three-year period and the Bronze Trophy for best overall performance over three years.

(1) Holding company owned by La Banque Postale (50.1%) and BPCE (49.9%)

AGEFI AWARDS A PRIZE FOR THE TENANT INSURANCE PRODUCT MARKETED THROUGH THE CAISSES D'EPARGNE NETWORK

CNP Assurances and Caisses d'Epargne (savings banks) were awarded a bronze medal at the *Actifs du Patrimoine* awards in the individual personal risk category for their tenant insurance offering.

These awards are given for group financial products, life insurance policies or personal risk solutions marketed in France for high net worth clients. Products launched during the period are analysed in terms of innovation and originality while new options offered on existing products may be also be taken into account.

The tenant insurance offering has enjoyed major commercial success and close to 6,000 new policies were written since the beginning of the year even though it was only marketed in 7 out of a total of 17 savings banks. It will be launched throughout France before the end of the year.

2.1.2 Second half

EXTENSION OF THE AVERAGE MATURITY OF CNP ASSURANCES' SUBORDINATED DEBT

In a move to manage its subordinated debt, on 19 July 2013, CNP announced the partial redemption of an amount of €380 million out of its perpetual bond issue of €1,250 million. The buyback was financed by a new USD 500 million issue of perpetual subordinated notes, placed with Asian and European investors.

Carried out concurrently, the buyback and new issue were designed to lengthen the average maturity of CNP Assurances' subordinated debt, by partially replacing a tranche with a 2016 call date with a new tranche callable in 2019.

The notes have been rated A- by Standard & Poor's, using the rating methodology applied to hybrid capital. They will qualify for inclusion in CNP Assurances' regulatory capital and in Standard & Poor's calculation of economic capital within the allowed limits.

LEADERSHIP OF CAIXA SEGUROS IN THE MICRO-INSURANCE MARKET

On 22 October 2013, a report on the micro-insurance industry in Brazilian business economic newspaper *Valor* confirmed the market leadership of Caixa Seguros, CNP Assurances' Brazilian subsidiary.

Easy to purchase and with affordable premiums, micro-insurance policies are designed to preserve the socio-economic situation of low-income individuals.

According to *Valor*, the micro-insurance market and its 100 million potential clients are currently a major focus of Brazilian insurance companies. With its 95% market share, Caixa Seguros has a considerable head start in this business, which is both highly promising and socially beneficial.

Caixa Seguros's flagship micro-insurance product is the Amparo policy, whose sales are now ramping up to a targeted 100,000 a month. For just BRL 2.50 (less than €1) a month, Amparo offers broad coverage in the event the family breadwinner dies, causing an abrupt loss of revenue. It covers the cost of the funeral, along with comprehensive support services, and the payment of a cash allowance and food aid for three months.

CREATION OF A MAJOR PLAYER IN THE EMPLOYEE SAVINGS MARKET

In December 2013, CNP Assurances and Humanis received approval from France's financial services supervisor (*Autorité de contrôle prudentiel et de résolution* – ACPR) and the French financial markets authority (*Autorité des marchés financiers* – AMF) to merge their employee savings plan management companies, Fongepar SA and Inter Expansion. The new entity, called Inter Expansion-Fongepar, is 65% owned by Humanis, one of France's premier social protection partners, and 35% by CNP Assurances (*via* its subsidiary CNP IAM), France's leading personal insurer. Inter Expansion-Fongepar manages 600,000 savers' accounts.

The new employee savings entity is supported by Humanis Gestion d'Actifs, an asset management company comprised of Inter Expansion and Fongepar Gestion Financière's portfolio management teams. With more than €4 billion in employee savings under management (putting it in fifth place in the AFG ranking[1]), and close to €10 billion in technical reserves, Humanis Gestion d'Actifs has become a key player in the social economy. In keeping with its membership of a group devoted to social protection, Humanis, the asset management company is committed to socially responsible investment.

(1) AFG: Association Française de la Gestion financière

ACQUISITION OF TEMPO DENTAL BY THE BRAZILIAN SUBSIDIARY CAIXA SEGUROS

CNP Assurances, through its Brazilian subsidiary Caixa Seguros, signed an agreement with Tempo Participações to acquire Tempo Dental for BRL 133.6 million (€41.7 million).

Tempo Dental is one of the leading dental insurance companies in Brazil, with more than 524,000 policyholders and revenue of close to BRL 65 million (€20 million) for the first nine months of 2013. The transaction, which is subject to the approval of Brazil's anti-trust authorities (CADE) and health insurance supervisor (ANS), will enable Caixa Seguros to expand its offer in health insurance, a segment where the company has been present since 2011.

Following the acquisition of Previsul in March 2013, this transaction consolidates CNP Assurances' development strategy in South America. It enables its Brazilian subsidiary to expand its distribution network, acquire an operating hub and deepen its presence in the affordable insurance segment.

2.1.3 Subsequent events

No material changes occurred in the Group's financial or commercial position between the end of the year and the date on which the financial statements were approved by the Board of Directors.

2.2 MARKET AND BUSINESS REVIEW

2.2.1 Economic and financial environment

KEY TRENDS IN 2013

The year was dominated by the US Federal Reserve's monetary policy and the announcement by Chairman Ben Bernanke in a speech on 22 May of the Fed's intention to begin scaling back its programme of buying up government bonds and mortgage-backed securities marked a major turning point.

This declaration – which was subsequently confirmed in a meeting held in mid-June – had wide-ranging knock-on effects in international financial markets through December when the Fed finally announced that it would reduce bond purchases by USD 10 billion a month.

Meanwhile, the Fed's dithering – announcing a timetable for exiting quantitative easing in June, then holding monetary policy steady through September – only exacerbated volatility in interest rate and currency markets. Yields on ten-year US government bonds leapt from 1.7% in January to 3% in early September. They fell back to 2.5% by the end of October but finished the year back up at 3%.

The second standout development of 2013 was the radical change in Japanese monetary policy under the stewardship of Shinzo Abe's new government. The Bank of Japan's announcement in early April that it would double the monetary base by the end of 2014, together with its decision to launch a massive government bond buying programme, pushed down the value of the yen against other major currencies and moved yields on long-dated Japanese government bonds down to below 0.7%. After 15 years of deflation, retail prices actually rose by 0.9%. This aggressive stimulus policy boosted the earnings of Japanese businesses (up 40% in 2013) as well as their export market share.

The third economic highlight of 2013 was the stabilisation of the eurozone and a return to calmer waters in European sovereign debt markets. After three years (2010/2012) of unrelenting turmoil and the bail-outs in Greece, Ireland and Portugal, coupled with fears over the long-term survival of the euro, better news came in late 2012 with the announcement of the ECB's Outright Monetary Transactions program (OMT). In 2013, yields on sovereign debt issued by peripheral euro zone countries returned to 2010 levels during the year and yield spreads relative to the German *Bund* narrowed considerably: 100 bps, 150 bps and 170 bps respectively for Italian, Portuguese and Spanish government bonds. And this trend firmed up over the year despite worries over the general election in Italy and the Cypriot banking crisis.

The last key development in 2013 was the slowdown in emerging economies, particularly among the so-called BRICs (*i.e.*, Brazil, Russia, India and China). Years of heady growth have tapered off and emerging economies are having to contend with both a marked economic downturn and lower raw material prices as Chinese demand cools down. This lower growth, teamed with the resumption of growth in developed economies and higher yields on long-dated US bonds have led a lot of investors to move their money out of emerging economies.

MACRO-ECONOMIC PERFORMANCE

Growth in the world economy was down slightly year on year (2.9%, down from 3.2% in 2012) and reflected the impact of good growth in the US (1.8%) and Japan (2%) that helped to offset the slowdown in emerging economies (India and Brazil) and in countries that are major raw materials exporters, as well as anaemic economic growth in Europe. Europe benefited from the recovery in the UK (1.5% growth), the resilience of Germany and the end of recession in peripheral eurozone countries.

Inflation fell back even further in OECD countries in line with lower raw material prices (metals and agricultural products were 15% cheaper) to around 1% in the eurozone and the US, and stabilised in emerging economies where rising salaries and depreciating currencies have become a problem. Gold lost value for the first time in 10 years under pressure from lower inflation and finished the year 28% cheaper.

FINANCIAL MARKET PERFORMANCE

On the whole, this context of moderate, non-inflationary growth, ample liquidity and very low interest rates proved a boon for the financial markets. Just as they did in 2012, the major stock markets notched up double digit growth: 29% for SP500, 22% for the Nikkei, 20% for the Eurostoxx600 and 18% for the CAC40 (all valued at euro rates). All of the key international exchanges have now recorded either historic highs (DJ, SP500, Dax) or record performances since 2000 (Nasdaq, Nikkei) on the back of lower risk premiums linked to improved economic performances and reallocation of capital away from emerging economies where stock markets have stagnated (MSCI EM down 7%) or fallen (Brazil down 16% but down 29% in euros; India up 9% but down 7.5% in euros).

Returns in bond markets have tracked yields on US government bonds. Sovereign debt issued by OECD governments turned in slightly negative performances for the year, however emerging economy government bonds suffered major losses (dollar-denominated and local currency sovereign debt issued by emerging economy governments shed 6% and 12%, respectively, of their value over the year). The debt market held up better as issuers searched for solutions and corporate earnings remained buoyant. Credit spreads continued to narrow despite a wave of primary issues.

As investors moved out of emerging market assets, a number of currencies took a tumble: the Brazilian real, Indian rupee and Indonesian rupiah lost 13%, 11% and 20%, respectively, of their value over the year. The only emerging market currency to buck the trend was the Chinese yuan which gained 3% against the US dollar year on year. In terms of OECD country currencies, the yen continued its slide and reached new lows but the euro was up against the dollar despite very uneven growth and higher yields on long-dated US bonds. Consequently, despite the ECB's repeated efforts to drive down the euro's value (by cutting the repo rate in November and raising the possibility of negative deposit interest rates), the currency still managed to finish the year on a high against the dollar at 1.37 (up from 1.32 at the start of 2013).

2.2.2 Business review

Life insurance premium income grew by 6% in France after two years of decline. This increase was all the more remarkable insofar as it was achieved despite the decline in the household savings ratio to 15.7% of disposable income. Household financial investment flows dropped 7% year on year as savers deserted the most liquid investments – where the effective yield appeared too low – apparently to the benefit of life insurance which generated positive net new money for the year.

On an IFRS basis and at current exchange rates, premium income for the year amounted to €27.7 billion, up 4.6% as reported and 6.2% at comparable scope of consolidation and constant exchange rates (like-for-like).

In France, premium income was down 1.8% to €21.1 billion, reflecting the decline in traditional Savings business. However, unit-linked sales grew by 35.6% during the year to €1.5 billion, and premiums in the Personal Risk/Protection segment, which includes death/disability, health and term creditor insurance, were up 3.4%.

Premiums in Latin America totalled €3.1 billion, an increase of 4.9% at current exchange rates despite an unfavourable currency effect. Like-for-like growth came to 19.3% for the year, reflecting very robust demand across all business segments in Brazil.

In the "Europe excluding France" region, premium income included €420 million from a newly signed group pension contract. Excluding this new business, the region's underlying premium income surged 50.7% on the upturn in Italy after a historically weak 2012 and the 76.6% growth in unit-linked sales in the region.

The Group reported positive net new money of €1.6 billion in 2013. In France, Life and Pensions net new money was a negative €348 million, reflecting a €423 million net inflow from unit-linked contracts and a €771 million net outflow from traditional savings products.

	Group premium income by Country (IFRS)			
Policyholders' country of residence *(in € millions)*	**2013**	**2012**	**% change (reported)**	**% change (like-for-like[1])**
France	**21,096.5**	**21,487.5**	**- 1.8**	**- 1.8**
Brazil	3,018.5	2,876.9	+ 4.9	+ 19.1
Argentina	55.5	53.1	+ 4.5	+ 30.1
Italy[2]	2,548.2	1,374.3	+ 85.4	+ 85.4
Portugal[3]	82.8	60.2	+ 37.6	+ 37.6
Spain[4]	263.7	367.9	- 28.3	- 28.3
Cyprus	154.4	176.9	- 12.7	- 12.7
Ireland	0.9	1.4	- 31.6	- 31.6
Other	447.2	61.9	n.m.	n.m.
SUB-TOTAL INTERNATIONAL	**6,571.3**	**4,972.6**	**+ 32.2**	**+ 40.6**
TOTAL	**27,667.8**	**26,460.1**	**+ 4.6**	**+ 6.2**

(1) Average exchange rates for the Brazilian real
2013: €1 = BRL 2.87
2012: €1 = BRL 2.51
(2) CNP Italia branch, CNP UniCredit Vita, CNP BVP Italia and CNP Europe Life business written under the EU freedom of services directive
(3) CNP BVP Portugal
(4) CNP España branch, CNP Vida, CNP BVP Spain

	Premium income by business segment (IFRS)			
(in € millions)	**2013**	**2012**	**% change (reported)**	**% change (like-for-like[(1)])**
Savings	17,763.2	17,170.4	+ 3.5	+ 3.5
Pensions	3,702.7	3,357.1	+ 10.3	+ 18.0
Personal Risk	2,009.9	1,904.8	+ 5.5	+ 7.7
Term Creditor Insurance	3,318.1	3,149.0	+ 5.4	+ 7.5
Health Insurance	521.1	514.0	+ 1.4	+ 2.1
Property & Casualty	352.6	364.7	- 3.3	+ 8.0
TOTAL	**27,667.8**	**26,460.1**	**+ 4.6**	**+ 6.2**

(1) Average exchange rates for the Brazilian real
2013: €1 = BRL 2.87
2012: €1 = BRL 2.51

FRANCE: REVENUE BY DISTRIBUTION NETWORK

La Banque Postale

After the resilience of 2012, La Banque Postale's performance fell back a little in 2013. Premium income came in at €8,811 million for the year, down 8.5%. But unit-linked premium income surged 31% on the back of growth in products with lower administration fees and additional returns tied to investing in unit-linked products. The Term Creditor Insurance business rediscovered its momentum as lending took off again and a new product offering was launched that rivalled the best on the market. Personal Risk premium income edged down 1%, reflecting a contrasting year across the different products (growth of 57% in GAV Prévialys, offset by a decline of 35% for Séralys).

Caisses d'Epargne

Premium income for the Caisses d'Epargne network grew 7.3% for the year to €7,526 million. Most of this increase was attributable to the Savings business which was buoyed by a major marketing focus on unit-linked products for high net worth clients and the general public. Premium income from Savings and Pensions rose 6.4% on the year to €6,649 million thanks to good growth in private wealth management which now contributes 52% of Savings and Pensions revenue, up from 42.9% in 2012. 11.4% of business is now in unit-linked products versus 9% last year. The Personal Risk business grew 19% on the year and generated premium income of €156.5 million as sales of funeral insurance began to take off. Term Creditor Insurance continued its momentum, buoyed by the increase in mortgage lending.

CNP Trésor

CNP Trésor focused on diversifying new money from unit-linked and personal risk products throughout the year in line with the annual objectives fixed for the sales network. Net new money held up quite well given the lower number of policyholder advisors and higher premium loading: network premium income came in at €524.3 million, down by 13.2% on 2012. CNP Trésor has demonstrated the ability of its sales network to meet policyholder expectations and to achieve CNP Assurances' objectives in terms of developing alternative protection and investment solutions to traditional savings products. The number of personal risk contracts jumped by 28%: 3,635 new policies were sold in 2013, up from 2,830 last year.

Financial institutions

Premium income generated by the financial institutions grew by 1.1% to €1,504 million. As property transactions failed to stage a recovery and interest rates stayed very low, mortgage lending was driven by the early redemption and renegotiation of existing loans rather than by new lending. The consumer credit market contracted in 2013 due as much to macro-economic factors – that restricted consumer purchasing power and forced banks to be more selective – as to a lack of consumer confidence.

Companies and local authorities

Premium income generated with companies and local authorities edged down by 1.4% year on year to €1,781 million. CNP Assurances pursued its strategy of preserving margins by implementing substantial premium rate increases.

Mutual insurers

Mutual insurers generated premium income of €883 million in the year to 31 December 2013. €232 million of this amount was contributed by MFPrévoyance. This amount was stable year on year. The personal risk and long-term care offerings have been revamped and these marketing efforts will bear fruit in 2014 with the establishment of a new partnership.

LATIN AMERICA: REVENUE BY SUBSIDIARY

Caixa Seguros (Brazil)

New money for Caixa Seguros (excluding Consorcios) came to €3.4 billion, up 3% year-on-year. This included the contribution of Previsul which was acquired in 2013 (growth was 2% on a like-for-like basis). In local currency terms, business was up 18% thanks to good growth across all businesses, with the exception of Savings where premium income was stable year on year. In a highly concentrated market where the top three insurers account for 55% of the total (and the top ten account for 83%), experiencing rapid growth (up 13.3% in 2013), Caixa Seguros' market share was 5.1% at end-November 2013, up by 10 bps.

EUROPE EXCLUDING FRANCE: REVENUE BY SUBSIDIARY

CNP UniCredit Vita (Italy)

New money from CNP Vita grew 86% on the year to €2.6 billion in a booming market that grew by 33% in the year to end-November 2013. CNP Vita's share of new business rose from 2.5% in 2012 to 3.1% in 2013.

CNP Barclays Vida y Pensiones (Spain, Portugal, Italy)

CNP BVP does business in three Southern European countries: Spain, Portugal and Italy. CNP BVP has already been writing policies for a number of years in Spain and Portugal and it has 0.4%(1) of the Spanish and 1.6%(1) of the Portuguese life assurance markets, representing €95 million and €154 million, respectively. The Italian operation began in 2010 and new money for the year ended 31 December 2013 amounted to €120 million, or 0.2%(1) of the Italian life assurance market. This took CNP BVPs total new money for 2013 to €369 million, a 30% decline on the year.

CNP CIH(2) (Cyprus, Greece)

New money for the year was down 14% on prior year to €164.2 million in an especially tough business environment where the banking partner Laiki was wound up and its assets transferred to the Bank of Cyprus.

PREMIUM INCOME BY COUNTRY AND BY PARTNERSHIP CENTRE/SUBSIDIARY

	Premium income under IFRS		
(in € millions)	**2013**	**2012**	**% change**
La Banque Postale	8,810.7	9,624.2	- 8.5
Caisses d'Epargne	7,525.5	7,011.8	+ 7.3
CNP Trésor	524.3	604.0	- 13.2
Financial Institutions (France)	1,503.6	1,487.9	+ 1.1
Mutual Insurers	883.1	885.2	- 0.2
Companies and Local Authorities	1,781.3	1,806.5	- 1.4
Other networks (France)	68.1	68.0	+ 0.1
TOTAL France	**21,096.5**	**21,487.5**	**- 1.8**
Caixa Seguros (Brazil)*	3,018.5	2,876.9	+ 4.9
CNP Seguros de Vida (Argentina)*	55.5	53.1	+ 4.5
CNP Vida (Spain)	186.3	148.3	+ 25.6
CNP UniCredit Vita (Italy)	2,303.8	1,160.3	+ 98.6
CNP Cyprus Insurance holdings	163.1	189.7	- 14.0
CNP Europe (Ireland)	20.7	59.0	- 64.8
CNP BVP (Portugal-Spain-Italy)	288.8	428.2	- 32.6
Branches	534.5	57.1	n.m.
Total International	**6,571.3**	**4,972.6**	**+3 2.2**
TOTAL	**27,667.8**	**26,460.1**	**+ 4.6**

* *Average exchange rates for 2013: Argentina: €1 = ARS 7.27 – Brazil: €1 = BRL 2.87*
Average exchange rates for 2012: Argentina: €1 = ARS 5.85 – Brazil: €1 = BRL 2.51

(1) Market share at end-September 2013

(2) The new name for CNP-LIH

2.2.3 Outlook

The CNP Assurances Group will press ahead with its development, focusing on its four strategic priorities:

- strengthen the Group's resources and its ability to serve its partner networks
- seize development opportunities in the social protection and services segment in France and in Europe
- develop new "open model" partnerships in Europe for savings, personal risk and term creditor solutions
- take advantage of the Group's operations in Brazil and South America more generally

In France, 2014 will be characterised by the renegotiation of the partnership agreements with La Banque Postale and BPCE for the period from 1 January 2016.

In South America, CNP Assurances will continue to seek to diversify its distribution channels and products, especially in the healthcare and micro-insurance segments.

2.3 FINANCIAL REVIEW

2.3.1 Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005 R-01) concerning the presentation of the IFRS financial statements of insurance enterprises, and the guidelines contained in the reports of the CNC workgroups set up to examine the specific issues arising from the application of IFRSs by insurance enterprises (see the notes to the consolidated financial statements).

REVIEW OF RESULTS

Key earnings figures are as follows:

(in € millions)	Segment				Own-funds portfolio	Total 2013	Total 2012	Change (%)
	Savings	Pensions	Personal Risk	Other				
New money	18,483	3,828	6,202			28,513	27,419	4.0%
Insurance and financial outstandings						298,663	292,423	2.1%
Premium income	**17,763**	**3,703**	**6,202**	**-**	**-**	**27,668**	**26,460**	**4.6%**
Total NIR	1,059	185	1,118	95		2,458	2,419	1.6%
Revenue from own-funds portfolios					776	776	748	3.7%
Total costs						(879)	(889)	- 1.1%
EBIT						**2,354**	**2,278**	**3.3%**
Finance costs						(155)	(157)	- 1.5%
Share in earnings of associates						3	0	n.m.
Income tax expense						(793)	(744)	6.7%
Non-controlling interests						(321)	(310)	3.6%
Recurring profit						**1,087**	**1,067**	**1.9%**
Net gains (losses) on equities and property, available-for-sale financial assets and impairment						68	(28)	- 347.7%
Fair value adjustments on securities held for trading						102	183	n.m.
Non-recurring items						(227)	(271)	n.m.
PROFIT						**1,030**	**951**	**8.3%**

EBIT and attributable recurring profit before capital gains are two key performance indicators used by the Group. They have the advantage of being unaffected by realised capital gains on equities and investment property attributable to shareholders or by fluctuations in the financial markets.

EBIT comprises:

- net insurance revenue (NIR), which corresponds to the margin on insurance contracts, excluding administrative costs
- revenues from own-funds portfolios, corresponding mainly to equity-linked assets and
- administrative costs

The two key business indicators are:

- **premium income**, which came in at €27.7 billion (see section 2.2)
- **insurance and financial outstandings**, excluding the deferred participation reserve, which rose 2.1% during the period. This growth reflected the combined impact of higher premium income, the revaluation of policyholder participation and contract terminations. Higher technical reserves, particularly in France and in Latin America to a lesser extent, offset the drop in technical reserves in Europe excluding France.

NIR grew by 1.6% year on year to €2,458 million (and by 7.1% on a like-for-like basis) on the back of brisk business in Latin America (growth of 7.3%, or 22.3% on a like-for-like basis) and a more modest 2.4% increase in French revenue.

NIR in the Savings segment

NIR for the Savings segment was down by 14.9% in 2013 to €1,059 million. This was mainly attributable to France where NIR dropped by €155 million to €866 million for the year due to an unfavourable basis of comparison with 2012 when large amounts of provisions had been reversed. When restated net of technical adjustments, NIR actually grew by 1.9% for the year which tracks the growth in amounts invested in portfolios.

NIR for Latin America came in at €102 million and was fairly stable year on year. The unfavourable currency effect neutralised the impact from higher outstandings and enhanced margins in Brazil. NIR jumped 13.7% on a like-for-like basis.

In the Europe excluding France region, NIR fell by €29 million (or 23.9%) as a result of the combined impacts of (i) technical adjustments on the books of CNP Vita and CNP Vida; and (ii) higher NIR at CNP BVP thanks to a positive volume effect and a move into traditional savings contracts with higher margins.

NIR in the Pensions segment

NIR in the Pensions segment more than doubled in 2013 to €185 million (up 104%).

Year-on-year growth in France to €58 million (up 103%) is largely attributable to a favourable basis of comparison with 2012 when large amounts of provisions had to be set aside.

In Latin America NIR came in at €124 million for the year, up 1.5% (or 16.1% on a like-for-like basis), on the back of continued growth in assets under management, and in spite of a negative €18 million currency effect.

In the Europe excluding France region, NIR in the Pensions segment slumped by 74.3% (down €10 million in 2012 to €4 million this year) as entities built up their provisions for fixed-income investments and administrative costs.

NIR in the Personal Risk/Protection/Property & Casualty segments

The 14.9% increase in NIR to €1,118 for the year was fuelled by strong growth in France and Latin America.

In France, all of the various Personal risk/Protection businesses posted good growth and NIR came in at €383 million, up 27.6% for the year. The enhanced contribution of group risk products was attributable to globally positive technical adjustments while individual personal risk products also made an improved contribution thanks to enhanced underwriting profits and to gains in prior periods. The enhanced contribution of term creditor insurance can be explained by higher levels of business.

NIR from Personal Risk/Protection/Property & Casualty insurance in Latin America grew + 13.7% (or + 29.3% on a like-for-like basis) to €646 million. NIR from the Personal Risk component actually contracted due to the unfavourable currency effect and technical adjustments – if these items are factored out, NIR increased in line with the growth of the Brazilian business. Term Creditor Insurance registered big gains, reflecting sustained growth in Brazil and Argentina.

In the Europe excluding France region, NIR fell back 14.7% to €89 million, reflecting lower levels of activity across all business lines.

NIR from other businesses (€95 million, down €17 million)

The bulk of NIR from other businesses was generated in Latin America from a property financing arrangement (*Consorcio*) in Brazil. The lower NIR figure is mainly down to the depreciation of the Brazilian real.

Revenues from the own-funds portfolio grew €28 million to €776 million thanks to higher investment income generated in Europe both inside and outside France.

Inside France, investment income grew by 5% on the previous year. The increase in income from bonds reflected higher amounts invested which more than offset the impact of lower interest rates. Lower income from treasury portfolios reflects lower revenues on cash balances and lower gains on sales of money market assets.

Most of the decline in Latin American investment income is attributable to an unfavourable currency effect.

The European subsidiaries managed to generate more investment income this year through a combination of higher amounts invested and profit taking.

ADMINISTRATIVE COSTS

Administrative costs were 1.1% lower than in 2012, mainly due to savings made outside France.

Inside France, costs rose 1.2% to €578 million due to the full-year effect of new social security levies and income tax increases. Additional processes explain the fact that costs grew despite lower charges for support and corporate functions.

Latin American administrative costs dropped by 6% thanks to a favourable currency effect – they actually grew 5.2% on a like-for-like basis with inflation estimated at 6% in Brazil in 2013.

In the Europe excluding France region, administrative costs decreased by 3.8% year on year due to lower general expenses in Cyprus and the departure of 60 employees in late September, and lower levels of business in Ireland and Spain.

The Group's operating ratio (*i.e.*, Administrative costs/Recurring NIR) improved by 0.9 points to 35.8% thanks to higher NIR and effective cost control.

EBIT

Consolidated EBIT was up 3.3% for the year, buoyed by 6.9% growth in Latin America.

In 2013, the Personal Risk/Protection/Property & Casualty segments became the leading contributor to EBIT both in absolute terms (€862 million) and in terms of year-on-year growth (18.7%). They now account for 37% of consolidated EBIT, compared to 36% for Savings/Pensions.

INCOME TAX EXPENSE

The effective tax rate increased by 1%, from 35.1% in 2012 to 36.1% in 2013, due to higher French tax rates.

NET GAINS ON EQUITIES AND PROPERTY

These include gains on the disposal of equities and property as part of the Group's profit-taking policy, a €50 million write-down taken on the Group's Cypriot business (€45 million in goodwill impairment provisions and €5 million on the value of its business In-Force), and provisions for losses on various other Cypriot assets totalling €13 million.

In 2012, this caption included a €170 million write-down of all of the goodwill previously recognised for CNP UniCredit Vita.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Profit increased by 8.3% on the year to €1,030 million. On a like for-like basis it grew by 11.7%.

France contributed €784 million to attributable profit which was down 3.1% despite the 2% improvement in recurring profit.

Attributable profit from the Latin American businesses rose 5.7% to €265 million (up 18.6% on a like-for-like basis) and represented nearly a quarter of attributable profit, excluding write-downs taken on CNP CIH's intangible assets. Attributable profit from the Europe excluding France region (not including impairment loss provisions recognised on intangible assets) came in at €31 million.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013

Total assets amounted to €366 billion at 31 December 2013, compared with €353.2 billion at 31 December 2012, representing a 3.6% increase.

Insurance and financial liabilities totalled €320.6 billion, a 1.8% increase compared with 31 December 2012.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 2% year on year while average insurance and financial liabilities were 2.2% higher.

Equity attributable to owners of the parent increased by €480 million year on year to €14,626 million. This increase reflected the combined impact of profit for 2013 (a positive €1,030 million impact), the payment of the 2012 dividend in cash (a negative €56 million impact), fair value adjustments recognised directly in equity (a positive €129 million impact), redemption of deeply-subordinated notes (a negative €374 million impact), interest on deeply-subordinated notes (a negative €56 million impact) and translation adjustments (a negative €182 million impact).

Equity includes €2,142 million in deeply-subordinated notes, which have been reclassified from debt in accordance with the IFRIC interpretation published in November 2006.

SOLVENCY CAPITAL

Solvency capital at 31 December 2013, estimated based on French GAAP equity in accordance with the guidelines issued by the French banking and insurance watchdog (*Autorité de contrôle prudentiel et de résolution*), represented 115% of the regulatory minimum (against 112% one year previously). The enhanced solvency ratio is attributable to dividends taken in the form of shares. These figures include elections for payment of the 2012 dividend in cash or in shares and subordinated notes, but they exclude unrealised gains and losses and intangible assets. If unrealised gains are factored back in, the coverage rate was 302% versus 298% in 2012.

ASSET PORTFOLIO AND FINANCIAL MANAGEMENT

Insurance investments at 31 December 2013 grew 3.6% year on year to €345.7 billion thanks to an increase in amounts invested in portfolios and the improved performance of the financial markets.

Available-for-sale financial assets at 31 December 2013 represented 77.1% of total investments and financial assets at fair value through profit (trading securities) represented 19%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 3.9%.

2.3.2 Financial statements of the Company (French GAAP)

PREMIUM INCOME

CNP Assurances' premium income did not keep pace with the growth in the life insurance and savings market.

(in € millions)	**2013**	2012	2013/2012	2011
Individual insurance premiums	15,712	16,112	-2.5%	18,596
Group insurance premiums	3,274	2,930	11.7%	2,749
TOTAL	**18,985**	**19,042**	**-0.3%**	**21,345**

Individual insurance products

The recovery in sales of unit-linked products was not enough to offset the slowdown in premium income from traditional savings contracts.

Group insurance products

Premium income from death cover benefited from the growth in term creditor insurance.

In 2013, pensions revenue was boosted by the signing of a major new group pension scheme.

(in € millions)	**2013**	2012	2013/2012	2011
Death	1,921	1,834	4.7%	1,821
Pensions	1,333	1,076	23.9%	910
Bodily injury insurance	20	20	0%	16
TOTAL	**3,274**	**2,930**	**11.7%**	**2,749**

EBIT

The net profit of CNP Assurances was up 32.6% at €735.3 million, from €554.7 million in 2012.

Equity

Equity at 31 December 2013 amounted to €8,896.5 million, compared with €8,208.3 million at end-2012. This increase was mainly attributable to the payment of the 2012 dividend in cash (a negative €55.7 million impact), profit for 2013 (a positive €735.3 million impact) and an increase in the capitalisation reserve (positive €6.8 million impact).

Supplier payment deadlines

CNP Assurances settles supplier invoices within the deadlines set out in the terms and conditions of sale and, by default, within 45 days of receipt. It may agree to faster payment deadlines in certain circumstances.

2.3.3 Review of main subsidiaries

CNP IAM (French GAAP)

CNP IAM's revenues were up 3.7% on the year, from €2,137 million to €2,216 million.

It posted a net loss for the year of €41.5 million, compared with a net loss of €106.2 million for 2012.

Caixa Seguros

The results of the Brazilian subsidiary translated into euros reflected the unfavourable currency effect in 2013. The Brazilian real depreciated by 14.4% in relation to the euro and the average real/euro exchange rate fell from 2.51 in 2012 to 2.87 in 2013.

NIR for Caixa Seguros group (including Consorcios) increased by 8% over the period (up 23% like for like) thanks to increased business – both in terms of revenues and assets under management – as well as an improved underwriting result, especially in the Term Creditor Insurance business, despite the exchange rate impact. Revenues from the own-fund portfolio were adversely affected by changes in exchange rates, and contracted by 19%. General expenses measured in euros declined by 6.9% thanks to a favourable currency effect that knocked €27 million off the total. They grew by 6.5% in local currency which was around the same rate as inflation (approximately 6%), despite €5.5 million in extra costs for newly-acquired Previsul – thanks to lower tax expense following a partial amnesty relating to a tax dispute. This resulted in an enhanced operating ratio of 23% (versus 20% in 2012). EBIT jumped 7.1% on the year to €857 million.

Attributable profit for 2013 increased by 6.6% year on year to €260 million.

CNP UniCredit Vita

Total NIR fell back by 27% on one year earlier due in particular to the 26% drop in NIR from the Savings business which had been more favourably impacted by provisions for interest rate risk and other technical factors in 2012. General expenses fell by 1% to €32 million year on year but the operating ratio rose from 30% in 2012 to 40% because NIR declined by a proportionately smaller amount. EBIT came out at €73 million, and was down 22% for the year (down 5% excluding technical factors).

Attributable profit under IFRS increased by 12% in 2013 to almost €27 million (excluding impairment loss provisions). Prior-year profit was badly hit by a provision recorded for a tax dispute.

CNP Barclays Vida y Pensiones (CNP BVP)

NIR was 5% down on 2012 due to lower volumes of Pensions and Term Creditor Insurance business and provisions taken for interest rate risk in the Pensions segment. General expenses increased by 10%. In 2012, revenues from the own-fund portfolio were hit by a €5 million non-recurring loss on securities. EBIT adjusted for amortisation of the value of In-Force business and the network, rose 5% on the year to €54 million.

Attributable profit under IFRS before amortisation of the value of In-Force business and the distribution network was 11% greater than in 2012 at €19 million. Attributable profit under IFRS, adjusted for amortisation of the value of In-Force business and the network was €14.5 million.

CNP CIH

NIR dropped by 16% in line with lower levels of business. Revenues from own-funds portfolios, before amortisation of the value of In-Force business, declined by 44% due to the drop in income from financial products and non-recurring items recognised in 2012. General expenses fell by 6%, which was less than the decline in NIR, leading to a deterioration in the operating ratio year on year, from 54% to 61%. EBIT before amortisation of the value of In-Force business fell 35% to €20 million.

The attributable loss under IFRS before amortisation of the value of In-Force business came out at €6.6 million (compared to attributable profit of €12.6 million in 2012), including the haircut taken by shareholders as part of the Cyprus bail-out and write-downs totalling €13 million on securities, net of tax and non-controlling interests. When adjusted for impairment of goodwill (negative €45 million) and a one-off write-down taken on In-Force business of €5 million (net of tax and non-controlling interests) the attributable loss under IFRS was €57.5 million (compared to attributable profit of €11.5 million in 2012).

2.4 EMBEDDED VALUE

Introduction

Since 1999, the CNP Assurances Group's financial reporting has included disclosures of the embedded value of portfolio contracts as well as the value of new business. The scope covers the Group's entities that have a significant impact on the value, *i.e.*, CNP Assurances and its subsidiaries in France, Latin America and Europe excluding France.

These indicators provide a picture of the present value of future profits expected from insurer's stock portfolio. The value of new business value provides a more detailed view of the new businesses sold during the year under review.

The values disclosed are based on a "Market Consistent" approach. The CNP Assurances Group's calculations comply with MCEV®(1) standards, as set out in the European Insurance CFO Forum Market Consistent Embedded Value Principles, with the exception of the valuation of Caixa Seguros, which is based on the traditional embedded value method.

These valuations are methodologically reviewed and the consistency of the results is verified. The verifications lead to the certification by the actuary firm Milliman.

2.4.1 Results

2.4.1.1 MCEV® AT 31 DECEMBER 2013

Data are shown on the basis of the portion attributable to the Group.

MCEV® Standards	2013 MCEV® before payment of 2013 dividends		2012 MCEV® after payment of 2012 dividends and dilutive effects		Change before payment of 2013 dividends		2012 MCEV® before payment of 2012 dividends	
	€m	€/share*	€m	€/share*	€m	%	€m	€/share*
ANAV – Adjusted Net Asset Value	**11,422**	**16.6**	**10,615**	**15.5**	**807**	**8%**	**10,671**	**16.6**
Required capital	8,665	12.6	8,288	12.1	377	5%	8,288	12.9
Free surplus	2,757	4.0	2,327	3.4	430	18%	2,383	3.7
VIF – Value of In-Force	**4,553**	**6.6**	**3,184**	**4.6**	**1,369**	**43%**	**3,184**	**5.0**
Present value of future profits	7,003	10.2	6,134	8.9	869	14%	6,134	9.6
Time value of options and guarantees	(728)	(1.1)	(1,275)	(1.9)	547	- 43%	(1,275)	(2.0)
Frictional costs of required capital	(1,110)	(1.6)	(1,075)	(1.6)	(35)	3%	(1,075)	(1.7)
Costs of non-hedgeable risks	(612)	(0.9)	(601)	(0.9)	(12)	2%	(601)	(0.9)
MCEV® – Market Consistent Embedded Value	**15,975**	**23.3**	**13,799**	**20.1**	**2,176**	**16%**	**13,855**	**21.6**

* *Number of shares at 31 December 2013: 686,618,477 (average number of shares at 31 December 2012: 641,508,774)*

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The 2013 MCEV® value of CNP Assurances came out at €15,975 million, 16% up on the 2012 figure after dividends. This change is based on a 43% increase in VIF and an 8% increase in ANAV, driven by the results achieved in 2013.

Favourable developments in the financial markets (less interest rate and equities volatility, bullish equity markets) have resulted in a rise in expected profits combined with a fall in the cost of the surrender option and guaranteed rates. These effects also reflect updated claims projection assumptions, in accordance with experience and policyholder characteristics.

Adjusted net asset value

Adjusted net asset value is calculated on the basis of equity under IFRS, after adjusting for the following items:

- elimination of intangible assets on the IFRS balance sheet such as goodwill and distribution agreements, values of In-Force and DAC
- deduction of unrealised capital gains and losses already accounted for in the value of In-Force, and reincorporation of shareholders' interest in unrealised gains not accounted for under IFRS (property and held-to-maturity securities) and
- the reclassification of subordinated debt

2.4.1.2 VALUE OF NEW BUSINESS AT 31 DECEMBER 2013

	2013		2012		Change	
MCEV® Standards	**€m**	**€/share**	**€m**	**€/share**	**€m**	**%**
Present value of future profits	605	0.9	491	0.8	115	23%
Time value of options and guarantees	(98)	(0.1)	(87)	(0.1)	(11)	13%
Frictional costs of required capital	(68)	(0.1)	(54)	(0.1)	(15)	27%
Costs of non-hedgeable risks	(63)	(0.1)	(53)	(0.1)	(10)	19%
Value of New Business	**376**	**0.5**	**297**	**0.5**	**78**	**26%**
APE (Annual Premium Equivalent)(1)	2,659		2,573		87	3%
PVNBP(2)	23,336		22,804		531	2%
APE ratio	**14.1%**		**11.6%**		**2.6%**	**22%**
PVNBP ratio	**1.6%**		**1.3%**		**0.3%**	**23%**

(1) APE is a sales volume indicator equal to one-tenth of the sum of single premiums and flexible premiums written plus the annualised amount of regular premiums written during a given year

(2) PVNBP is the present value of new business premiums

The 2013 value of new business came out at €376 million, up 26%. The main factors explaining growth in the value of new business in the period are an improved product mix, adjusted tariffs of group protection products in France and bullish European financial markets.

The Group's APE ratio reached 14.1%. Latin America and Europe excluding France represent respectively 14.6% and 10.2% of APE volumes in 2013 (14.9% and 6.9% in 2012).

The following table details the changes in the value of new business:

MCEV® standards *(in € millions)*	**VNB**	**Change**	**APE Ratio**
2012 Value of New Business	297		11.6%
Change in model	282	-15	10.9%
Change in APE volume	317	35	11.6%
Change in product mix	334	17	12.2%
Change in experience data	365	31	13.3%
Change in financial market conditions	404	39	14.8%
Change in tax rates	403	-1	14.7%
Change in exchange rates	376	-27	14.1%
2013 Value of New Business	376	78	14.1%

Changes in claims projection assumptions, based on customer characteristics and adjusted cost allocations, reduced VNB by €15 million.

Changes in APE volume per entity had a positive €35 million impact on the value of new business.

Changes in the product mix raised the value of new business by €17 million, with a higher proportion of unit-linked products in France.

Changes in experience data led to a growth in value of €31 million, primarily due to the increase in the average savings premium and revised tariffs for group protection products in France.

Positive changes in the financial markets (less interest rate and equities volatility, increase in interest rates) led to a €39 million increase in the value of new business, raising the APE ratio by 1.4 points.

Changes in tax rates and the worsening EUR/BRL exchange rate led to a €28 million decrease in the cumulative value.

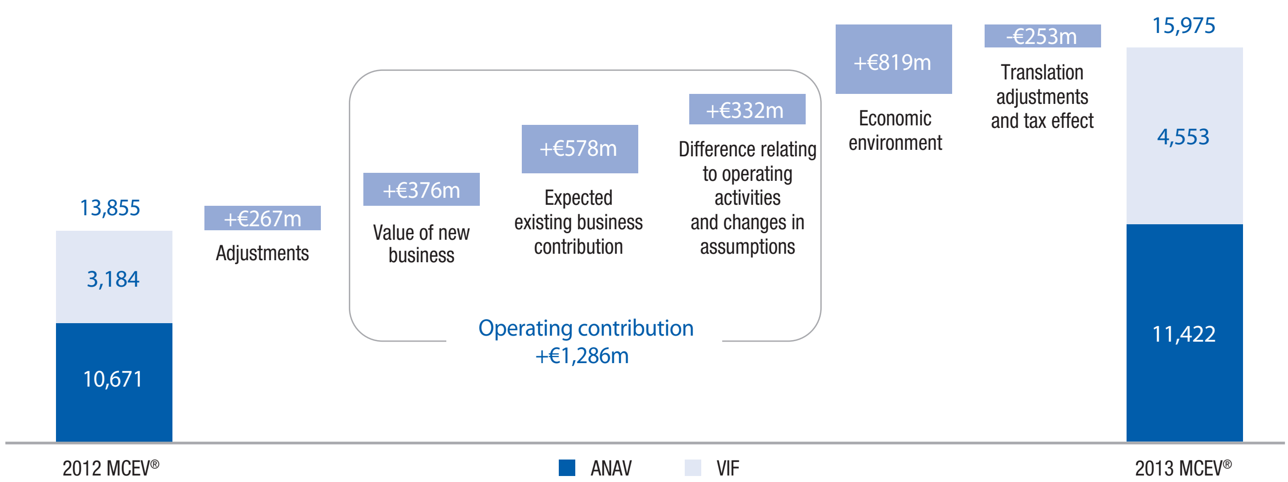
2.4.1.3 SENSITIVITIES

The sensitivities presented below are presented in compliance with CFO Forum requirements.

MCEV® standards *(in € millions)*	**ANAV**	**VIF**	**MCEV®**	**VNB**
MCEV® – Market Consistent Embedded Value	**11,422**	**4,553**	**15,975**	**376**
+100 bp change in the rate curve	(344)	(72)	(416)	31
-100 bp change in the rate curve	346	(358)	(13)	(130)
+10 bp change in the liquidity premium		41	41	2
10% decrease in equity prices	(317)	(284)	(601)	
10% decrease in surrenders		198	198	32
10% decrease in expenses		469	469	35
Required capital		97	97	5
5% decrease in claims rates – risk of longevity		(117)	(117)	(5)
5% decrease in claims rates – risk of mortality and disability		164	164	56
25% increase in rate volatilities		(385)	(385)	(40)
25% increase in equity volatilities		(119)	(119)	(15)

The method used to apply sensitivities is explained in greater detail in section 2.4.3.5 of this document.

2.4.1.4 ANALYSIS OF GROUP EARNINGS



The following table shows the breakdown of earnings between the value of In-Force and ANAV, the latter being broken down into required capital and free surplus. These last two concepts are drawn from MCEV® publication standards as set out by the CFO Forum. Required capital is the capital required for the insurance business according to each insurer's criteria. CNP Assurances has set its capital requirement at 110% of the regulatory solvency margin requirement (Solvency I), 38% of this being funded by subordinated debt. Free surplus is the remaining capital once required capital has been deducted.

MCEV® standards *(in € millions)*	**ANAV**	**Free surplus**	**Required capital**	**VIF**	**MCEV®**
2012 MCEV®	**10,671**	**2,383**	**8,288**	**3,184**	**13,855**
Opening adjustments	(54)	(54)	0	321	267
Adjusted 2012 MCEV®	**10,617**	**2,329**	**8,288**	**3,505**	**14,122**
Value of new business	(22)	(838)	816	398	376
Expected existing business contribution	66	66	0	512	578
Transfers from VIF and required capital to free surplus	787	1,503	(715)	(787)	0
Experience differences	177	(125)	302	132	309
Changes in assumptions relating to operating activities	0	0	0	23	23
Other operating differences	0	0	0	0	0
Operating MCEV® earnings	**1,008**	**606**	**402**	**278**	**1,286**
Economic differences	(39)	(40)	1	857	818
Other non-operating variances	0	0	0	1	1
TOTAL MCEV® *EARNINGS*	**969**	**565**	**403**	**1,137**	**2,106**
Closing adjustments	(163)	(137)	(26)	(90)	(253)
2013 MCEV®	**11,422**	**2,757**	**8,665**	**4,553**	**15,975**

The MCEV® rose by €2,120 million between 2012 and 2013.

The impact of opening adjustments on ANAV (negative €54 million impact) was due mainly to the payment of the 2012 dividend. The positive adjustment relating to VIF in 2012 (positive €321 million impact) was mainly attributable to better claims projection assumptions for savings contracts in France (positive €540 million impact) only partially offset by reviewed cost allocations (negative €280 million impact).

The value of new business contributed €376 million to the change in MCEV®, after taking account of the negative €22 million impact attributable to new business in 2013. The increase in required capital pertaining to new business amounted to €816 million.

The expected contribution of existing business (positive €578 million impact) is valued mechanically and results from the combined effects of the capitalisation of the value of In-Force (positive €512 million impact) and the expected return on the free surplus (positive €66 million impact). Furthermore, 2013 expected profits generated on VIF as at 31 December 2012 were transferred to ANAV without affecting MCEV®.

Observed differences in operating activities had an impact of €132 million on VIF, primarily due to the effect of movements of provisions recognised under ANAV. ANAV also benefits from non-recurring revenues giving rise to a variance between actual and projected income. Recent experience has led the CNP Assurances Group to review certain assumptions relating to operating activity, such as cost and claims assumptions, generating an overall positive impact of €23 million.

The observed experience variance relating to operating activities at required capital level led to a €302 million increase in capital requirements, driven mainly by a reduction in the proportion of subordinated debt funding required capital from 39.4% to 38%.

Developments in financial markets resulted in a rise of €818 million in MCEV® in 2013. Narrowing sovereign spreads (partially offset by higher interest rates) combined with bullish equity markets, leading to an increase in unrealised gains on asset portfolios. The surplus gains associated with diminishing volatilities resulted in a rise in expected profits combined with a fall in the cost of the surrender option.

MCEV® came out at €15,975 million after closing adjustments, chiefly including the decline in the value of the Brazilian real (negative €239 million impact).

2.4.1.5 OPERATING FREE CASH FLOW

Operating free cash flow (or available cash flow) reflects the CNP Assurances Group's ability to generate free surplus in order to:

- pay dividends; and
- expand through sales of new business or through external growth transactions.

(in € millions)	Group 2012	Group 2013
VIF transfers to free surplus	883	787
Financial income from free surplus	46	66
Release of required capital to free surplus	611	715
Experience differences	(38)	(125)
Expected contribution of In-Force	**1,502**	**1,444**
Capital required for new business	(800)	(816)
Earnings attributable to new business	(106)	(22)
Capital required for new business	**(906)**	**(838)**
OPERATING FREE CASH FLOW	**596**	**606**

Operating free cash flow remained robust at €606 million. The cost implied by the reduction in the proportion of subordinated debt funding capital, movements in provisions, and the decline of the current projected return, were more than offset by the increase in new business income and the release of required capital on In-Force contracts.

2.4.1.6 IMPLIED DISCOUNT RATE (IDR)

At 31 December 2013, IDR stood at 5.7% at CNP Assurances Group level, versus 6.3% at end-2012, after the impact of initial adjustments. This change in IDR is mainly attributable to the fall in the cost of options, partially offset by extended durations, higher interest rates, and updated share and property risk premiums.

At 31 December 2013, IDR was calculated on the basis of a 20 basis point spread on the benchmark yield curve and a 20 basis point spread on corporate bonds. Shares and property benefit respectively from a risk premium of 310 basis points and 230 basis points (200 basis points and 150 basis points at 31 December 2012).

2.4.2 Detailed results by geographic area

The following section provides an analysis of the main indicators and trends by geographic area.

2.4.2.1 VIF

The table below shows a breakdown of In-Force values by geographical area:

MCEV® standards *(in € millions)*		**Group**	**France**	**Latin America**	**Europe excl. France**
	Present value of future profits	7,003	6,130	608	265
	Time value of options and guarantees	(728)	(722)	0	(6)
	Frictional costs of required capital	(1,110)	(1,068)	(34)	(8)
	Costs of non-hedgeable risks	(612)	(591)	0	(21)
2013 MCEV®	**Value of In-Force**	**4,553**	**3,749**	**573**	**230**
	Present value of future profits	6,134	5,342	647	146
	Time value of options and guarantees	(1,275)	(1,272)	0	(3)
	Frictional costs of required capital	(1,075)	(1,034)	(35)	(6)
	Costs of non-hedgeable risks	(601)	(580)	0	(20)
2012 MCEV®	**Value of In-Force**	**3,184**	**2,455**	**612**	**117**
	€m	**1,369**	**1,294**	**(39)**	**114**
Change	%	**43%**	**53%**	**-6%**	**97%**

The VIF of the CNP Assurances Group came out at €4,553 million, up by 43% compared to 2012, benefitting from more bullish financial markets in Europe, a better product mix in France and updated claims projection assumptions, based on customer experience and characteristics. Buoyant VIF in Latin America (up 13% at constant exchange rates) was more than offset by the 17% decline in the value of the Brazilian real over the period.

2.4.2.2 VNB

APE VOLUME

(in € millions)	**Group**	**France**	**Latin America**	**Europe excl. France**
IFRS 2013 premium income	27,668	21,097	3,074	3,497
IFRS 2012 premium income	26,460	21,487	2,930	2,043
Premium income growth rate	5%	-2%	5%	71%
2013 APE	**2,659**	**1,998**	**389**	**272**
2012 APE	2,573	2,010	384	178
APE change rate	3%	-1%	1%	53%
2013 PVNBP	**23,336**	**19,340**	**1,800**	**2,195**
2012 PVNBP	22,804	19,641	1,845	1,318
PVNBP change rate	2%	-2%	-2%	67%

France

APE volume in France (€1,998 million) was down slightly by 1% compared with 2012, and was characterised by negative growth in the APE volume of contracts in euros (down 6%) and rises in unit-linked business revenues (up 41%) and individual protection contracts (up 12%). Underwriting of term creditor insurance contracts continued to grow, with the APE volume up by 9%.

Latin America

Caixa Seguros's APE (€389 million) was up by 1% (up 22% at constant exchange rates). The term creditor insurance (18% of Caixa Seguros's APE) and individual retirement savings (34%) activities remain particularly buoyant, up 23% and 18%, respectively, over the year.

Europe excluding France

The APE volume of European subsidiaries and branches (excluding France) was up 53% versus 2012, to €272 million, driven by the upturn in underwritten traditional savings products in Italy (up 68% of APE volume) and unit-linked business (up 31% of APE volume). In Spain and Portugal, the APE volume was down 9% on sluggish life insurance markets (poor performance of euro savings and unit-linked business, and a falloff in term creditor insurance).

VNB

MCEV® standards *(in € millions)*	**Group**		**France**		**Latin America**		**Europe excl. France**	
	VNB	**APE Ratio**	**VNB**	**APE Ratio**	**VNB**	**APE Ratio**	**VNB**	**APE Ratio**
2012 Value of New Business	297	11.6%	147	7.3%	136	35.5%	14	7.6%
Change in model	282	10.9%	136	6.7%	132	34.4%	14	7.5%
Change in APE volume	317	11.6%	135	6.7%	161	34.4%	21	7.9%
Change in product mix	334	12.2%	158	7.9%	154	32.9%	22	8.3%
Change in experience data	365	13.3%	184	9.2%	158	33.7%	23	8.5%
Change in financial market conditions	404	14.8%	213	10.6%	160	34.0%	32	11.9%
Change in tax rates	403	14.7%	211	10.6%	160	34.0%	32	11.8%
Change in exchange rates	376	14.1%	211	10.6%	132	34.0%	32	11.8%
2013 VALUE OF NEW BUSINESS	**376**	**14.1%**	**211**	**10.6%**	**132**	**34.0%**	**32**	**11.8%**
Change	78	2.6%	64	3.2%	-4	-1.5%	18	4.1%

France

With an APE ratio of 10.6%, France's 2013 product mix was characterised by a rise in revenues from unit-linked and term creditor insurance products. Bullish European financial markets (less interest rate and equities volatility, increase in interest rates), the growth in the average saving contracts premium and reviewed tariffs for group protection contributed to the 3.2 percentage point rise in the APE ratio.

Latin America

The value of new business of the Group's Brazilian subsidiary fell by 3% due to the decline in the Brazilian real. At constant exchange rates, VNB was up by 17%. At 34%, the APE ratio was down 1.5 percentage points due to thinner margins on term creditor insurance and individual retirement products.

Europe excluding France

The value of new business in Europe excluding France was up 136% in 2013, with an APE ratio of 11.8%. The 4.1 percentage point rise in the APE ratio compared with 2012 is explained by the upturn in underwritten traditional savings products in Italy (up 68% of APE) and unit-linked products (up 31% of APE).

The following table provides a breakdown of new business indicators by geographic area:

MCEV® standards *(in € millions)*		**Group**	**France**	**Latin America**	**Europe excl. France**
2013	Present value of future profits	605	424	144	37
	Time value of options and guarantees	(98)	(97)	0	(1)
	Frictional costs of required capital	(68)	(56)	(11)	(1)
	Costs of non-hedgeable risks	(63)	(60)	0	(3)
	Value of New Business	**376**	**211**	**132**	**32**
	APE	2,659	1,998	389	272
	PVNBP	23,336	19,340	1,800	2,195
	VNB/APE Ratio	**14.1%**	**10.6%**	**34.0%**	**11.8%**
	VNB/PVNBP Ratio	1.6%	1.1%	7.4%	1.5%
2012	Present value of future profits	491	325	147	19
	Time value of options and guarantees	(87)	(85)	0	(2)
	Frictional costs of required capital	(54)	(42)	(11)	(1)
	Costs of non-hedgeable risks	(53)	(51)	0	(2)
	Value of New Business	**297**	**147**	**136**	**14**
	APE	2,573	2,010	384	178
	PVNBP	22,804	19,641	1,845	1,318
	VNB/APE Ratio	**11.6%**	**7.3%**	**35.5%**	**7.6%**
	VNB/PVNBP Ratio	1.3%	0.8%	7.4%	1.0%

2.4.2.3 SENSITIVITIES

VIF SENSITIVITIES

MCEV® standards *(in € millions)*	**Group**	**France**	**Latin America**	**Europe excl. France**
Value of In-Force	4,553	3,749	573	230
+100 bp change in the rate curve	(72)	(63)	0	(9)
-100 bp change in the rate curve	(358)	(356)	(1)	(2)
+10 bp change in the liquidity premium	41	37	0	4
10% decrease in equity prices	(284)	(275)	0	(9)
10% decrease in surrenders	198	164	24	10
10% decrease in expenses	469	452	6	10
Required capital	97	96	0	1
5% decrease in claims rates – longevity risk	(117)	(114)	0	(3)
5% decrease in claims rates – mortality and disability risk	164	133	24	7
25% increase in interest rate volatilities	(385)	(379)	0	(6)
25% increase in equity volatilities	(119)	(117)	0	(2)

VNB SENSITIVITIES

MCEV® standards *(in € millions)*	**Group**	**France**	**Latin America**	**Europe excl. France**
Value of new business	**376**	**211**	**132**	**32**
+100 bp change in the rate curve	31	25	1	5
-100 bp change in the rate curve	(130)	(117)	(1)	(12)
+10 bp change in the liquidity premium	2	1	0	0
10% decrease in surrenders	32	21	9	1
10% decrease in expenses	35	30	3	2
Required capital	5	5	0	0
5% decrease in claims rates – longevity risk	(5)	(5)	0	0
5% decrease in claims rates – mortality and disability risk	56	46	9	1
25% increase in interest rate volatilities	(40)	(39)	0	(1)
25% increase in equity volatilities	(15)	(15)	0	0

2.4.2.4 VARIANCE ANALYSIS BY GEOGRAPHICAL AREA

France

MCEV® standards *(in € millions)*	**ANAV**	**Free surplus**	**Required capital**	**VIF**	**MCEV®**
2012 MCEV®	**9,251**	**1,339**	**7,912**	**2,455**	**11,706**
Opening adjustments	88	80	7	324	411
Adjusted 2012 MCEV®	**9,339**	**1,419**	**7,920**	**2,778**	**12,117**
Value of new business	5	(715)	720	207	211
Expected existing business contribution	28	28	0	397	425
Transfers from VIF and required capital to free surplus	566	1,219	(653)	(566)	0
Experience differences	117	(161)	278	126	243
Changes in assumptions relating to operating activities	0	0	0	15	15
Other operating differences	0	0	0	0	0
Operating MCEV® earnings	**716**	**371**	**345**	**178**	**895**
Economic differences	28	26	1	792	820
Other non-operating variances	0	0	0	0	0
TOTAL MCEV® EARNINGS	**744**	**397**	**347**	**970**	**1,714**
Closing adjustments	(14)	(14)	0	0	(14)
2013 MCEV®	**10,069**	**1,803**	**8,266**	**3,749**	**13,818**

Opening adjustments include the payment of the 2012 dividend and dividends transferred by subsidiaries in respect of 2012. They also include the improved saving contracts claims projection assumptions, based on customer characteristics (positive €540 million impact) and the review of cost allocations (negative €280 million impact).

In 2013, the value of new business contributed a positive €211 million to the change in MCEV®. The increase in required capital pertaining to this new business amounted to €720 million.

Observed differences in operating activities increased VIF by €126 million, primarily due to the effect of movements in provisions recognized under ANAV. ANAV also benefits from non-recurring revenues giving rise to a difference between actual and projected income. Recent experience has led CNP Assurances to review certain assumptions relating to operating activity, generating an overall positive impact of €15 million.

Experience differences from operating activities affecting the required capital amounted to €278 million, mainly reflecting the relative reduction of subordinated debt in the funding of required capital from 39.4% to 38%. This reduction also translated into a loss in VIF.

Economic conditions had a positive €820 million effect on the value in a context of narrowing spreads (partially offset by higher interest rates), rising share prices and lower volatility. The effects of economic conditions chiefly resulted in an increase in initial gains combined with a drop in credit risk deducted from future yields. The cost of the surrender option in the euro savings range thus fell considerably.

Foreign exchange rates had a negative €14 million impact on ANAV.

Latin America

MCEV® standards *(in € millions)*	**ANAV**	**Free surplus**	**Required capital**	**VIF**	**MCEV®**
2012 MCEV®	**808**	**629**	**179**	**612**	**1,420**
Opening adjustments	(120)	(120)	0	(9)	(128)
Adjusted 2012 MCEV®	**688**	**509**	**179**	**604**	**1,292**
Value of new business	(3)	(69)	67	135	132
Expected existing business contribution	24	24	0	72	96
Transfers from the VIF and required capital to free surplus	161	195	(34)	(161)	0
Experience differences	68	58	9	13	80
Changes in assumptions relating to operating activities	0	0	0	0	0
Other operating differences	0	0	0	0	0
Operating MCEV® earnings	**249**	**208**	**42**	**60**	**309**
Economic differences	(75)	(75)	0	0	(75)
Other non-operating variances	0	0	0	0	0
TOTAL MCEV® EARNINGS	**175**	**133**	**42**	**59**	**234**
Closing adjustments	(149)	(123)	(26)	(90)	(239)
2013 MCEV®	**714**	**519**	**194**	**573**	**1,287**

Opening MCEV® of Caixa Seguros adjusted for the 2012 dividend, improvements in method and model, came out at €1,292 million. New business contributed €132 million to the increase in MCEV® at current exchange rates: new business had a negative €3 million on ANAV and a positive €135 million impact on VIF.

Observed variances relating to operating activities reflect:

- on VIF (€13 million), from movements in provisions
- on ANAV (€68 million), from lower-than-expected claims rates, especially on term creditor insurance and protection portfolios.

Higher interest rates led to unrealised bond losses, which reduced Caixa Seguros' ANAV by €75 million.

The decline in the value of the Brazilian real reduced MCEV® by €239 million.

Europe excluding France

MCEV® standards *(in € millions)*	ANAV	Free surplus	Required capital	VIF	MCEV®
2012 MCEV®	**612**	**415**	**197**	**117**	**728**
Opening adjustments	(22)	(14)	(7)	6	(15)
Adjusted 2012 MCEV®	**590**	**401**	**189**	**123**	**713**
Value of new business	(24)	(54)	30	56	32
Expected existing business contribution	14	14	0	43	57
Transfers from VIF and required capital to free surplus	61	89	(29)	(61)	0
Experience differences	(8)	(22)	14	(7)	(15)
Changes in assumptions relating to operating activities	0	0	0	8	8
Other operating differences	0	0	0	0	0
Operating MCEV® earnings	**42**	**27**	**15**	**40**	**83**
Economic differences	8	8	0	66	73
Other non-operating variances	0	0	0	1	1
TOTAL MCEV® EARNINGS	**50**	**35**	**15**	**107**	**157**
Closing adjustments	0	0	0	0	0
2013 MCEV®	**640**	**435**	**204**	**230**	**870**

Opening MCEV® for Europe excluding France adjusted for the 2012 dividend, improvements in method and model, came out at €713 million.

The value of new business contributed €32 million to the change in MCEV®. This includes a net negative €24 million impact of new business in 2013 due to the discounted commission paid to the UniCredit network in Italy. The increase in required capital pertaining to this new business amounted to €30 million.

The impact of observed variances in operating activities on ANAV mainly reflects movements in provisions in Spain, giving rise to a difference between actual and expected income. The impact on VIF reflects the decrease in surrenders of traditional saving contracts in Italy and unit-linked contracts in Portugal. These two effects also explain the positive experience variance on required capital.

The impact of the economic situation (€73 million) reflects a rise in unrealised gains on asset portfolios further to the narrowing spreads of Italian, Spanish and Portuguese borrowing rates observed in 2013.

2.4.3 Methodology

Embedded value is the consolidated value of shareholders' interests generated by the portfolio's insurance activities as of the measurement date. This value is measured before payment of dividends and taxes thereon. It does not take into account future new business. The methodology adopted by the CNP Assurances Group is based on the MCEV® calculation standards as set out in The European Insurance CFO Forum Market Consistent Embedded Value Principles in October 2009. This section details the principles adopted by the CNP Assurances Group.

2.4.3.1 SCOPE COVERED

The scope covers all CNP Assurances Group entities that have a significant impact on the value in France, Latin America and Europe excluding France, and represents 99% of technical provisions at 31 December 2013.

Geographic area	Entities	Shares owned
	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	MFPrévoyance	64.72%
France	La Banque Postale Prévoyance	50%
Brazil	Caixa Seguros	51.75%
	CNP UniCredit Vita	57.5%
Italy	Italian branch of CNP Assurances	100%
	CNP Vida	94.47%
	Estal Vida	75.86%
Spain	CNP Barclays Vida y Pensiones(1)	50%
Cyprus	CNP Cyprus Insurance holdings	50.1%

(1) Including business activities in Portugal and Italy

The other entities were valued in compliance with IFRS principles.

Group activities:

The CNP Assurances Group's activities are primarily centred on personal insurance:

- individual traditional savings and unit-linked products
- individual retirement savings
- individual and group risk
- group retirement savings
- term creditor insurance.

All calculations are stated as based on the portion attributable to the Group, net of reinsurance and external co-insurance.

2.4.3.2 ADJUSTED NET ASSET VALUE

Adjusted net asset value (ANAV) reflects the market value of the assets underlying shareholders' equity after deduction of intangible assets, subordinated liabilities and other elements used to measure In-Force business.

ANAV is calculated on the basis of equity under IFRS, after restating the following elements:

- elimination of intangible assets such as goodwill and distribution agreements, values of In-Force and DAC
- deduction of unrealised capital gains and losses already accounted for in the value of In-Force, and reincorporation of shareholders' interest in unrealised gains not accounted for in under IFRS (property and held-to-maturity securities) and
- the reclassification of subordinated debt.

Analytically, ANAV is determined as the portion attributable to the Group at the measurement date, and breaks down into required capital and free surplus.

Required capital

"Required capital" is the market value of assets underlying shareholders' equity whose distribution to shareholders is restricted.

Required capital is the level of capital a company sets itself to achieve a target credit rating and control its own risks. The capital level set by the CNP Assurances Group to manage its risk equals 110% of the regulatory solvency margin requirement (Solvency I), net of all other sources of funding such as subordinated debt. Subordinated debt covers 38% of the margin requirement as of 31 December 2013.

Free surplus

"Free surplus" is the market value of any assets allocated to, but not required to support In-Force covered business at the valuation date.

2.4.3.3 VALUE OF IN-FORCE

Present value of future profits

PVFP is the present value of future profits (net of tax) generated by In-Force covered business at the valuation date. It is calculated based on an assumption of business continuity and partnerships extended beyond their initial term.

This value is calculated using a market consistent methodology, with the exception of Caixa Seguros, for which the traditional methodology is used.

This value reflects the intrinsic value of financial options and guarantees (TVOG) in the portfolio, their time value being accounted for separately in the TVOG to determine VIF.

Under MCEV® methodology, no risk premium is included in the projected returns and discount rates. The benchmark interest rate curve is based on the swap rate curve plus a liquidity premium.

Frictional costs of required capital

The need to back required capital for covered business entails allocating a frictional cost to the embedded value and to the value of new business. In a market consistent model, the frictional cost reflects the tax and investment costs on assets backing required capital.

The frictional cost of required capital also takes into account the cost of financing a portion of required capital with subordinated debt, calculated as the difference between the economic and face values of subordinated debt. The CNP Assurances Group defines this economic value as the net present value of future cash flows paid to the debt's holders, based on a discount rate that takes into account each security's spread at inception. For new business, required capital is assumed to be financed by subordinated debt to the same extent as In-Force. This financing is ensured by newly issued subordinated debt, whose economic value is equal to the face value.

Time value of options and guarantees

CNP Assurances has chosen a market consistent approach to value the main financial options and guarantees stipulated in its contracts.

The main options and guarantees include:

- minimum guaranteed interest rate
- profit sharing option
- guaranteed annuity option
- guaranteed minimum death benefits
- guarantee of technical rate for annuity business and guaranteed acquisition premium associated with the L.441 contracts portfolio
- guarantee on the surrender values, surrender option.

The time value of financial options and guarantees (TVOG) is generated by the asymmetrical nature of the distribution of profits between the shareholders and the insured according to the different movements of financial markets. Broadly speaking, a financial loss is entirely incurred by the shareholders, whereas financial gains are shared according to the regulatory and contractual provisions governing the sharing of profits. On the basis of multiple simulations, the use of stochastic calculations covers all possible development in the financial markets and therefore, captures the cost associated with unfavourable market movements.

Method for calculating risk-neutral valuation

Valuation is based on a stochastic model using a risk-neutral approach. This approach defines the price of an asset as the present value of expected future cash flows discounted at the risk-free rate. The scenarios are taken from the model developed by Barrie & Hibbert, which generates 1,000 equiprobable scenarios that forecast:

- changes in a stock index
- changes in a property index
- the actual rate curve for maturities between 1 and 50 years
- the nominal rate curve for maturities between 1 and 50 years

Inflation is determined as the difference between real and nominal rates. Share and property dividend rates (set at 2.5%) are assumed to be constant.

In addition, the projection model includes a dynamic surrender component, which factors in the tendency of insured parties to surrender their contracts when their return underperforms compared with a market reference.

Given the economic and financial context in Brazil, the CNP Assurances Group has opted for a traditional embedded value approach for its Brazilian subsidiary Caixa Seguros. This is motivated by the lack of market inputs needed for a valuation consistent with the principles of the CFO Forum. Moreover, the activities of Caixa Seguros mainly consist in hedging insurance risks, its financial options being considered marginal at Group level.

Costs of residual non-hedgeable risks

In accordance with principles 6 and 9 of the CFO Forum, a cost must be allocated for non-hedgeable financial and non-financial risks. This cost results from:

- risks not taken into account in the PVFP or TVOG
- the asymmetrical effect of some non-hedgeable risks on value
- the underlying uncertainty inherent in “best estimate” assumptions for non-hedgeable risks

In order to measure residual non hedgeable risks, CNP Assurances uses a cost of capital approach. The capital allocated for these risks is the capitalisation target CNP Assurances must achieve to comfortably absorb exceptional shocks, not otherwise included in the TVOG and the PVFP. It is equal to the level of capital required to reduce the probability of ruin to 0.5% within a one-year time frame on each of the specified risks.

Risks not modelled in the TVOG and PFVP

The following risks are not valued:

- default risk
- concentration risk
- operational risk
- catastrophe risk

Asymmetrical risks

The asymmetrical nature associated with the sharing of risk by insured parties and shareholders, depending on various trends in non-financial inputs, generates a cost that must be factored into the valuation of the portfolio. The asymmetrical impact of the mortality/longevity/morbidity risk is the result of contracts that include profit sharing clauses containing a component that is based on the technical result.

Uncertainty

Embedded value calculations are based on several “best estimate” assumptions: claims, surrender rates and expenses. An additional cost, related to the underlying uncertainty inherent in making such assumptions, has also been factored in.

2.4.3.4 VALUE OF NEW BUSINESS

Definition of new business

The projections used to estimate the value of 2013 new business are based on the profile of the business and the volume of premiums written during the year.

Individual traditional retirement savings and unit-linked products

New business is defined as the business generated from the sale of new contracts and, in some cases, increases to existing contracts during the reported period. Without an assumption of premium recurrence over the periodic premiums, subsequent payments are considered as single premiums.

Individual risk

New business only includes new policies. Future regular premiums on existing contracts are included in the value of In-Force.

Group retirement savings

New business volumes on L.441 contracts include new policies and *ad hoc* single premium contributions on existing contracts. For the rest of the segment, future regular premiums on existing contracts are included in the value of In-Force.

Group risk

As future premiums on existing policies are not taken into account in the value of In-Force, new business volumes are equal to 2013 accounting premiums.

Term creditor insurance

New business only includes new policies. Future regular premiums on existing contracts are included in the value of In-Force.

Methodology

The approach used to value new business is identical to that used to value In-Force. The value of new business is the present value of projected profits on policies written during the year less the frictional costs of required capital, the time value of financial options and guarantees and the cost of residual non-hedgeable risks.

The value of new business is based on projected cash flows from the date of issue. Economic assumptions are based on prevailing market conditions at 31 December 2013.

In accordance with the "standalone" method used by CNP Assurances, no unrealised gains are allocated to new business. New business premiums are invested in new assets available at the measurement date based on the acquisition strategy observed during the year. Therefore, there is no sharing of unrealised gains and losses between In-Force and new business.

Annual Premium Equivalent (APE)

APE is a sales volume indicator equal to one-tenth of the sum of single premiums and flexible premiums written plus the annualised amount of regular premiums written during a given year. Unlike IFRS premium income, APE generated through new business is defined as the portion attributable to the Group of written premiums net of reinsurance and co-insurance. In addition, the exchange rate used is that at 31 December 2013, not the average rate used to determine IFRS premium income.

2.4.3.5 SENSITIVITIES

Published sensitivities correspond to the sensitivities required by CFO Forum standards:

- 100 basis point increase/decrease in the rate curve

This sensitivity corresponds to a parallel increase or decrease in the swap rate curve of 100 basis points (with a floor value of 0%). Among other things, this entails:

- a revaluation of the market value of bonds
- a 100 basis point adjustment in the reinvestment rate for all asset classes and
- updated discount rates

The impact on the initial mathematical provision for unit-linked business is not valued.

- 10% decrease in equity prices

This sensitivity measures the impact that an immediate 10% fall in equity and property indices would have on the calculated value. This shock implies a 10% fall in the market value of equities and property assets, as well as a decrease in the mathematical provisions of unit-linked business based on the proportion invested in equity and property.

- 10% decrease in surrenders

This sensitivity measures the impact of a 10% decrease in total and partial surrender rates.

- 10% decrease in expenses

This sensitivity measures the impact of a 10% drop in all costs: acquisition, management, claims and overhead expenses.

- 5% decrease in claims rate

This sensitivity measures the impact of a decrease in the claims rate: incidence rates, loss ratios, disability rates, and mortality rates are reduced proportionately by 5%. The risks of longevity and mortality/disability are measured separately.

- 25% increase in interest rate/equities volatility

This sensitivity measures the impact of a 25% increase in the volatility of interest rates and equities on the time value of financial options and guarantees.

- Required capital

This sensitivity consists in defining a level of required capital equal to the regulatory solvency margin assuming the proportion of subordinated debt remains constant, and in measuring the impact of this change on the value.

- Interest rate curve with a 10 basis point increase in the liquidity premium

This sensitivity corresponds to a 10 basis point increase in the liquidity premium, and entails adjusting the reinvestment rate for all asset classes and updating discount rates.

2.4.4 Assumptions

2.4.4.1 FINANCIAL ASSUMPTIONS

Embedded value calculations are based on economic conditions as at 31 December 2013.

Benchmark interest rate curve

Maturity	Swap rate 31 Dec. 2012	Swap rate 31 Dec. 2013
1	0.33%	0.39%
2	0.37%	0.56%
5	0.78%	1.27%
10	1.61%	2.23%
15	2.10%	2.70%
20	2.28%	2.85%
30	2.84%	3.17%
Ultimate forward rate	**4.20%**	**4.20%**
Point of entry of the extrapolation	**Year 20**	**Year 20**

The data used for all Group subsidiaries in the eurozone to describe the initial state of the benchmark rate curve is taken from the smoothed and zero-coupon swap rate curve. The extrapolation method was adjusted in 2013 to be consistent with the approach currently developed in connection with Solvency II. The rate curve is extrapolated with a point of entry at 20 years converging over 40 years, based on the Smith-Wilson technique, towards an ultimate forward rate of 4.2%.

In compliance with MCEV® Principle 14, CNP Assurances includes a liquidity premium in the benchmark yield curve. The market liquidity premium corresponds to the Maximum [0; 50%* (Spread of corporate bonds -40 basis points)], the spread of corporate bonds being determined as the margin on the swap rate of the iBoxx € Corporates bond index. The liquidity premium (29 basis points at 31 December 2013) is added to the swap rate curve (at 100%) for the non-extrapolated portion and then decreases as the curve converges towards the ultimate forward rate. Moreover, only a fraction of this premium is allocated to different groups of contracts according to the degree of illiquidity of the underlying liabilities. The table below summarises the liquidity premium selected for the main categories of products, in reference to the swap rate curve:

Category	2012	2013
Unit-linked savings	18 bps	15 bps
Individual protection risk	18 bps	15 bps
Term creditor insurance	27 bps	22 bps
Group protection risk	27 bps	22 bps
Traditional savings	27 bps	22 bps
Individual retirement savings	27 bps	22 bps
Group retirement savings	27 bps	22 bps

Calibration of the interest rate model

The economic scenario generator used for nominal rates is the Libor Market Model (LMM) with two factors. The at-the-money 20-year swaption market volatilities adopted for the calibration are as follows:

Terms	1 year	2 years	5 years	10 years	20 years
MCEV® at 31 December 2012	30.1%	29.1%	25.9%	23.5%	20.9%
MCEV® at 31 December 2013	23.7%	24.3%	24.0%	21.7%	18.4%

Actual rates are generated using the Vasicek model with two factors, calibrated on treasury bonds indexed-linked to inflation.

Calibration of the equity model

A different level of volatility for each projection term between 1 and 10 years is used to generate the share index (deterministic volatility model). The resulting levels are given in the table below.

The volatility parameters are calibrated using implicit at-the-money forward volatilities on the Eurostoxx 50 index at 31 December 2013.

Maturity	1 year	2 years	5 years	10 years	20 years
MCEV® at 31 December 2012	22.3%	23.7%	24.6%	24.7%	25.2%
MCEV® at 31 December 2013	17.8%	18.9%	20.1%	20.6%	21.3%

The correlation coefficients between the various factors (equities, actual rates and nominal rates) are determined by the Barrie & Hibbert model on the basis of econometric tests and expert opinion.

Likewise, property volatility is set at 15%.

Financial assumptions for Brazil

		2013	2014	2015	2016	2017	2018	Beyond 2018
Discount rate	2012 MCEV®	10.8%	11.6%	11.8%	11.7%	10.8%	10.8%	10.8%
Asset yield		7.1%	8.5%	8.8%	8.6%	7.1%	7.1%	7.1%
Inflation		5.4%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Risk premium		6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Discount rate	2013 MCEV®	11.2%	12.7%	12.8%	12.5%	12.2%	11.5%	11.3%
Asset yield		7.9%	10.3%	10.5%	10.0%	9.5%	8.3%	8.0%
Inflation		5.8%	5.8%	5.9%	5.5%	5.5%	5.4%	5.4%
Risk premium		6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The EUR/BRL exchange rate weakened from 2.7036 at 31 December 2012 to 3.2576 at 31 December 2013.

2.4.4.2 TAX RATES

The tax rates used to calculate embedded value are the standard corporate tax rates applied in the countries where the CNP Assurances Group operates:

	France	Italy	Spain	Portugal	Brazil
2012 MCEV®	36.10%	34.32%	30%	29%	40%(1)
2013 MCEV®	38%(2)	34.32%	30%	29%	40%(1)

(1) With the exception of Caixa Consorcio, for which the tax rate has been maintained at 34%
(2) Non-recurring surcharge on tax paid in 2013 and 2014. After 2014, the tax rate is 34.43%

Tax credits in France that reduce the standard corporate tax rate are valued elsewhere.

2.4.4.3 COST OF CAPITAL FOR RESIDUAL NON-HEDGEABLE RISKS

A rate of 5% is applied to the capital relating to non-modelled and asymmetrical risks. The capital allocated for uncertainty in assumptions is subject to the frictional costs of holding that capital.

The average rate applied to the capital is 2.4% at 31 December 2013 (2.4% at 31 December 2012).

2.4.4.4 NON-ECONOMIC ASSUMPTIONS

Expenses

At each year-end closing, CNP Assurances carries out a functional cost analysis: acquisition, management, claims, investment costs and other technical and non-technical expenses, and also produces a breakdown by company, product group and network.

An annual inflation rate of 2% is applied to unit costs for European entities.

Claims and persistency assumption

Non-economic assumptions, experienced mortality and morbidity, lapse rates and claim rate assumptions are determined by each entity on the basis of their best estimate at the measurement date. They are derived from an analysis of current and past experience observed in each valued portfolio.

2.4.5 Opinion of Milliman

We have reviewed the embedded value figures of the CNP Assurances Group as at 31 December 2013. In the course of our work, we assessed the methodology, the assumptions used and the calculations performed internally by the CNP Assurances Group's teams, under management responsibility. Our review covered embedded value at 31 December 2013, the 2013 value of new business, the analysis of differences between embedded value at 31 December 2012 and at 31 December 2013 and the sensitivities used.

In our opinion, the methodology used complies with Principles 1 to 16 of the European Insurance CFO Forum Market Consistent Embedded Value Principles, and the calculations were carried out in compliance with this methodology.

The CNP Assurances Group used a 29 basis point market liquidity premium in excess of the swap rate to derive the reference rate. A fraction of this premium is allocated to different portfolios of contracts, based on the degree of illiquidity of the underlying liabilities. The calculations performed for Caixa Seguros were carried out using a traditional embedded value approach which captures risk through the use of a risk premium.

The information disclosed in the CNP Assurances embedded value report at 31 December 2013 complies with the CFO Forum European Embedded Value Principles currently in force.

In arriving at our opinion, we used data and information provided by the CNP Assurances Group without undertaking an exhaustive review of these data. We performed limited global consistency checks and reconciliations as well as more detailed analysis on certain portfolios. We checked that none of the issues arising during our review had a material impact at Group level.

The calculation of embedded value necessarily relies on numerous assumptions with respect to financial and operating conditions, policyholders' behaviour, taxes and other matters, most of which are not under the control of the CNP Assurances Group's management. Although the assumptions used represent estimates that the CNP Assurances Group and Milliman believe are altogether reasonable, actual outcomes may vary from assumptions in the calculation of embedded value.

The management of the CNP Assurances Group has asked Milliman, as an independent actuarial firm, to review the embedded value calculations, performed internally by the CNP Assurances Group's teams, and sensitivities at 31 December 2013.

Based on our work, we drew up the Opinion set out in the appendix to this letter to the management of the CNP Assurances Group.

We understand that the CNP Assurances Group wishes to include the Opinion appended to this letter in its 2013 Registration Document, which will be filed with the AMF. We hereby confirm that we consent to this use of the Opinion appended to this letter.

We remain at your entire disposal for any further information.

Yours faithfully,

Paris, 19 February 2014
Bertrand Lespinasse,
Principal and consulting actuary with the French Institute of Actuaries (Institut des Actuaires)
Milliman Paris
14 rue Pergolèse
75116 Paris

3

Financial statements

3.1 CONSOLIDATED FINANCIAL STATEMENTS

3.1.1 Consolidated balance sheet

ASSETS *(in € millions)*	Notes	31.12.2013	31.12.2012
Goodwill	*7*	258.9	334.2
Value of business In-Force	*7*	81.9	103.1
Other intangible assets	*7*	200.3	209.6
Total intangible assets		**541.1**	**646.8**
Investment property	*8*	2,540.6	2,528.0
Held-to-maturity investments	*9*	603.1	854.1
Available-for-sale financial assets	*9*	266,432.2	255,287.7
Securities held for trading	*9*	65,528.7	65,492.2
Loans and receivables	*9*	4,710.7	4,967.4
Derivative instruments	*9*	5,855.1	4,340.8
Insurance investments		**345,670.3**	**333,470.2**
Banking and other investments		**48.5**	**52.8**
Investments in associates	*5*	**23.1**	**0.0**
Reinsurers' share of insurance and financial liabilities	*10*	**9,748.9**	**8,926.7**
Insurance or reinsurance receivables	*12*	2,786.2	3,035.3
Current tax assets		318.5	286.2
Other receivables	*12*	4,643.5	4,948.6
Owner-occupied property and other property and equipment	*8*	349.5	264.4
Other non-current assets		508.8	460.0
Deferred participation asset	*10*	0.0	0.0
Deferred tax assets	*13*	265.0	169.6
Other assets		**8,871.4**	**9,164.1**
Non-current assets held for sale		**0.0**	**0.0**
Cash and cash equivalents		**1,080.3**	**955.2**
TOTAL ASSETS		**365,983.7**	**353,215.8**

EQUITY AND LIABILITIES
(in € millions)

	Notes	31.12.2013	31.12.2012
Share capital	*4*	686.6	643.5
Share premium account		1,716.8	1,321.0
Revaluation reserve		2,084.7	1,955.5
Cash flow hedge reserve	*9*	(11.6)	3.6
Deeply-subordinated notes	*4*	2,141.7	2,515.8
Retained earnings		7,076.2	6,672.9
Profit for the period		1,030.2	951.4
Translation reserve		(98.4)	83.2
Equity attributable to owners of the parent		**14,626.4**	**14,146.9**
Non-controlling interests		1,367.4	1,441.1
Total equity		**15,993.7**	**15,588.0**
Insurance liabilities (excluding unit-linked)	*10*	121,586.5	112,800.4
Insurance liabilities (unit-linked)	*10*	27,977.8	28,455.4
Insurance liabilities		**149,564.3**	**141,255.8**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	*10*	143,172.2	145,707.7
Financial liabilities – financial instruments without DPF (excluding unit-linked)	*10*	779.8	881.5
Financial liabilities – unit-linked financial instruments	*10*	8,051.8	7,913.0
Financial liabilities		**152,003.8**	**154,502.3**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	*10*	19,023.1	19,097.8
Insurance and financial liabilities		**320,591.1**	**314,855.9**
Provisions	**14**	**246.6**	**220.5**
Subordinated debt	*11*	2,614.4	2,559.6
Financing liabilities		**2,614.4**	**2,559.6**
Operating liabilities represented by securities		9,163.2	4,593.8
Operating liabilities due to banks		137.4	129.3
Liabilities arising from insurance and reinsurance transactions	*15*	1,607.4	2,062.5
Current taxes payable		260.4	355.2
Current account advances		43.4	48.3
Liabilities towards holders of units in controlled mutual funds		1,169.6	1,085.6
Derivative instruments	*9*	6,114.2	4,622.4
Deferred tax liabilities	*13*	1,151.1	1,092.7
Other liabilities	*15*	6,891.3	6,002.1
Other liabilities		**26,537.8**	**19,991.9**
Liabilities related to assets held for sale		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**365,983.7**	**353,215.8**

3.1.2 Income statement

(in € millions)	Notes	31.12.2013	31.12.2012
Premiums written		27,679.6	26,439.0
Change in unearned premiums reserve		(70.9)	(50.8)
Earned premiums	**16**	**27,608.7**	**26,388.3**
Revenue from other activities	**16**	**153.7**	**201.8**
Other operating revenue		**0.0**	**0.1**
Investment income		10,335.2	10,966.2
Gains and losses on disposal of investments		972.5	(767.6)
Change in fair value of financial assets at fair value through profit or loss		3,169.6	5,087.5
Impairment losses on financial instruments*		387.4	1,648.5
Investment income before finance costs	**20**	**14,864.8**	**16,934.7**
Net revenue		**42,627.2**	**43,524.8**
Claims and benefits expenses	17	(35,512.5)	(35,949.8)
Investment and other financial expenses, excluding finance costs	20	(810.8)	(1,212.1)
Reinsurance result	19	(105.9)	43.8
Expenses of other businesses		0.2	(0.9)
Acquisition costs	18	(3,289.4)	(3,257.8)
Amortisation of value of In-Force business acquired and distribution agreements	7	(18.2)	(20.8)
Contract administration expenses	18	(202.8)	(204.8)
Other recurring operating income and expense, net	18	(448.3)	(442.4)
Total other recurring operating income and expense, net		**(40,387.8)**	**(41,044.9)**
Recurring operating profit		**2,239.5**	**2,479.9**
Other non-recurring operating income and expense, net		(12.4)	0.9
Operating profit		**2,227.0**	**2,480.7**
Finance costs	20	(154.9)	(157.2)
Change in fair value of intangible assets	7	(54.9)	(169.7)
Share of profit of associates	5	2.6	0.0
Income tax expense	21	(696.7)	(895.5)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Profit for the period		**1,323.1**	**1,258.4**
Non-controlling interests		(292.9)	(307.0)
Attributable to owners of the parent		**1,030.2**	**951.4**
Basic earnings per share *(in €)*		1.46	1.46
Diluted earnings per share *(in €)*		1.46	1.46

* *At 31 December 2013, "Impairment losses on financial instruments" includes reversals of impairment losses related to the sales of securities for an amount of €606.6 million*

3.1.3 Consolidated statement of income and expense recognised directly in equity

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY

(in € millions)	**Equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
Profit for the period	**1,030.2**	**292.9**	**1,323.1**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**(67.6)**	**(209.6)**	**(277.1)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(7.4)	(76.3)	(83.7)
Reclassification of proceeds from disposals	(1,252.7)	(16.2)	(1,268.9)
Reclassification of impairment losses to profit or loss	182.7	2.2	184.9
Sub-total including deferred participation and deferred taxes	*(1,077.5)*	*(90.3)*	*(1,167.8)*
Deferred participation including deferred taxes	1,332.1	(46.9)	1,285.2
Deferred taxes	(125.4)	59.2	(66.2)
Sub-total net of deferred participation and deferred taxes	*129.2*	*(78.0)*	*51.2*
Cash flow hedge reserve	(15.2)	0.0	(15.2)
Change in cash flow hedge reserve during the period	(52.8)	0.0	(52.8)
Cash flow hedge reserve recycled through profit or loss during the period	28.4	0.0	28.4
Deferred taxes	9.2	0.0	9.2
Translation differences	(181.6)	(131.6)	(313.1)
Amounts not recycled through profit or loss	**(6.7)**	**0.0**	**(6.7)**
Actuarial gains and losses	(7.1)	0.0	(7.1)
Other movements	0.4	0.0	0.4
Total income and expense recognised directly in equity	**(74.3)**	**(209.5)**	**(283.8)**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**956.0**	**83.3**	**1,039.3**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2012

(in € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**951.4**	**307.0**	**1,258.4**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**974.9**	**22.1**	**997.0**
Available-for-sale financial assets			
Change in revaluation reserve during the period	19,591.4	427.4	20,018.8
Reclassification of proceeds from disposals	(1,706.8)	(15.5)	(1,722.3)
Reclassification of impairment losses to profit or loss	907.3	11.5	918.8
Sub-total including deferred participation and deferred taxes	*18,792.0*	*423.3*	*19,215.3*
Deferred participation including deferred taxes	(17,073.5)	(259.9)	(17,333.4)
Deferred taxes	(623.0)	(53.7)	(676.7)
Sub-total net of deferred participation and deferred taxes	*1,095.4*	*109.8*	*1,205.1*
Cash flow hedge reserve	(2.7)	0.0	(2.7)
Change in cash flow hedge reserve during the period	4.3	0.0	4.3
Cash flow hedge reserve recycled through profit or loss during the period	(8.4)	0.0	(8.4)
Deferred taxes	1.5	0.0	1.5
Translation differences	(117.8)	(87.7)	(205.5)
Amounts not recycled through profit or loss	**(33.0)**	**(3.8)**	**(36.8)**
Actuarial gains and losses	(28.4)	0.0	(28.4)
Other movements	(4.6)	(3.8)	(8.4)
Total income and expense recognised directly in equity	**941.9**	**18.3**	**960.2**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**1,893.2**	**325.3**	**2,218.6**

3.1.4 Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2013

(in € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Deeply-subordinated notes	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Adjusted equity at 01.01.2013 – IFRS	**643.5**	**1,321.0**	**1,955.5**	**3.6**	**2,515.8**	**7,624.2**	**83.2**	**14,146.8**	**1,441.1**	**15,588.0**
Net income and unrealised and deferred gains and losses for the period			**129.2**	**(15.2)**		**1,023.5**	**(181.6)**	**956.0**	**83.3**	**1,039.3**
■ Dividends paid	43.1	395.8				(494.7)		(55.8)	(160.8)	(216.6)
■ Issue of shares								0.0		0.0
■ Deeply-subordinated notes, net of tax					(374.0)	(56.3)		(430.3)	0.0	(430.3)
■ Treasury shares, net of tax						9.6		9.6	0.0	9.6
■ Changes in scope of consolidation								0.0	3.7	3.7
■ Other movements								0.0	0.0	0.0
EQUITY AT 31.12.2013	**686.6**	**1,716.8**	**2,084.7**	**(11.6)**	**2,141.7**	**8,106.4**	**(98.4)**	**14,626.4**	**1,367.4**	**15,993.7**

The amount shown in deeply-subordinated notes mainly corresponds to the buyback of a portion of the €1,250 million perpetual notes issue referred to in Note 1.3 – Significant events of the year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2012

(in € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Deeply-subordinated notes	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Adjusted equity at 01.01.2012 – IFRS	**594.2**	**981.5**	**860.1**	**6.3**	**2,141.8**	**7,209.3**	**201.0**	**11,994.1**	**1,223.1**	**13,217.1**
Net income and unrealised and deferred gains and losses for the period			**1,095.4**	**(2.7)**		**918.4**	**(117.8)**	**1,893.2**	**325.3**	**2,218.6**
▪ Dividends paid	49.3	339.5				(455.9)		(67.0)	(83.3)	(150.3)
▪ Issue of shares								0.0		0.0
▪ Deeply-subordinated notes, net of tax					374.0	(57.9)		316.1		316.1
▪ Treasury shares, net of tax						10.8		10.8		10.8
▪ Changes in scope of consolidation*								0.0	(23.3)	(23.2)
▪ Other movements						(0.4)		(0.4)	(0.7)	(1.1)
EQUITY AT 31.12.2012	**643.5**	**1,321.0**	**1,955.5**	**3.6**	**2,515.8**	**7,624.2**	**83.2**	**14,146.8**	**1,441.1**	**15,588.0**

* *Changes in scope of consolidation in non-controlling interests include the impact of the full transfer of Kupka assets by AEP 4*

The amount of €374 million in deeply-subordinated notes corresponds to the dollar-denominated equity instruments. In accordance with IAS 32, paragraph 35, this comprises the dollar amount of the subordinated notes translated into euros at the issue date for an amount of €377.5 million, less issuance costs accounted for as a deduction from equity, net of the related income tax benefit, for an amount of €3.5 million.

3.1.5 Consolidated statement of cash flows

The statement of cash flows includes:

- cash flows of fully-consolidated companies
- the Group's proportionate share of the cash flows of jointly controlled entities consolidated by the proportionate method
- cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for by the equity method.

DEFINITION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued by the French financial markets authority (*Autorité des marchés financiers* – AMF) in Position No. 2011-13. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

Cash and cash equivalents reported in the statement of cash flows are stated net of bank overdrafts used for cash management purposes.

DEFINITION OF CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities correspond essentially to the cash flows of the Group's revenue-generating activities.

DEFINITION OF CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, operating property and equipment and intangible assets.

DEFINITION OF CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- share issues and cancellations
- debt issues and repayments
- purchases and sales of treasury stock
- dividends paid to owners of the parent and non-controlling shareholders of subsidiaries.

3

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED IN THE BALANCE SHEET AND IN THE STATEMENT OF CASH FLOWS

(in € millions)	**31.12.2013**	**31.12.2012**
Cash and cash equivalents (reported in the balance sheet)	1,080.3	955.2
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(87.5)	(78.9)
Securities held for trading	9,130.8	10,142.7
TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)	**10,123.5**	**11,018.9**

Cash and cash equivalents reported in the statement of cash flows correspond to:

- cash and cash equivalents reported in the balance sheet under assets
- operating liabilities due to banks: correspond to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities
- securities held for trading: consist of money market mutual funds reported in the balance sheet under "insurance investments".

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	**31.12.2013**	31.12.2012
Operating profit before tax	**2,227.0**	**2,480.7**
Gains and losses on sales of investments, net	(1,030.7)	776.8
Depreciation and amortisation expense, net	108.4	110.8
Change in deferred acquisition costs	(60.4)	4.6
Impairment losses, net	(363.2)	(1,650.2)
Charges to technical reserves for insurance and financial liabilities	7,829.6	9,096.5
Charges to provisions, net	38.9	57.2
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(3,150.3)	(5,110.8)
Other adjustments	(88.0)	19.6
Total adjustments	***3,284.3***	***3,304.4***
Change in operating receivables and payables	1,176.7	(835.5)
Change in securities sold and purchased under repurchase and resale agreements	4,569.3	1,718.6
Change in other assets and liabilities	(38.3)	(65.1)
Income taxes paid, net of reimbursements	(880.6)	(557.0)
Net cash provided by operating activities	**10,338.5**	**6,046.3**
Acquisitions of subsidiaries and joint ventures, net of cash acquired[(1)]	(10.9)	(642.2)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash used by divestments and acquisitions	***(10.9)***	***(642.2)***
Proceeds from the sale of financial assets[(2)]	121,762.1	189,125.2
Proceeds from the sale of investment properties	14.8	46.4
Proceeds from the sale of other investments	4.2	8.1
Net cash provided by sales and redemptions of investments	***121,781.2***	***189,179.7***
Acquisitions of financial assets[(2)]	(133,322.7)	(193,253.0)
Acquisitions of investment properties	(99.5)	(107.5)
Acquisitions and/or issuance of other investments	0.0	0.0
Net cash used by acquisitions of investments	***(133,422.2)***	***(193,360.5)***
Proceeds from the sale of property and equipment and intangible assets	39.6	8.7
Purchases of property and equipment and intangible assets	(171.3)	(92.6)
Net cash used by sales and purchases of property and equipment and intangible assets	***(131.7)***	***(83.8)***
Net cash used by investing activities	**(11,783.7)**	**(4,906.8)**
Issuance of equity instruments[(3)]	440.0	389.8
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	10.8	10.9
Dividends paid	(656.9)	(539.1)
Net cash used by transactions with owners	**(206.1)**	**(138.4)**
New borrowings[(4)]	389.1	371.1
Repayments of borrowings[(5)]	(682.6)	(1.8)
Interest paid on borrowings	(245.7)	(247.9)
Net cash provided by (used by) other financing activities	***(539.8)***	***121.4***

(in € millions)	**31.12.2013**	**31.12.2012**
Net cash used by financing activities	**(745.3)**	**(17.0)**
Cash and cash equivalents at beginning of period	**11,018.9**	**10,010.0**
Net cash provided by operating activities	10,338.5	6,046.3
Net cash used by investing activities	(11,783.7)	(4,906.8)
Net cash used by financing activities	(745.3)	(17.0)
Effect of changes in exchange rates	26.5	3.1
Effect of changes in accounting policies and other changes[6]	1,268.6	(116.6)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**10,123.5**	**11,018.9**

(1) First-time consolidation of Previsul (Brazil): €10.9 million, net of cash acquired (€10.7 million)

(2) In order to present a single comparable net amount for acquisitions/divestments of mutual fund units, accounted for in a transparent and consistent manner in accordance with IAS 7, the amount for 2012 has been adjusted. The amounts reported for 2012 were €381,701.9 million of proceeds from the sale of financial assets and €385,829.7 million of acquisitions of financial assets

(3) Share issues by CNP Assurances and CNP Seguros de Vida for amounts of €438.9 million and €1.1 million, respectively

(4) Issuance of perpetual subordinated notes on 18 July 2013 for an amount of €383.2 million (USD 500 million)

(5) Redemption of dated subordinated notes in an amount of €300 million and buyback of €380 million of a €1,250 million perpetual notes issue

(6) Reclassification of €1.3 billion held in money market funds on the books of CNP Assurances from "dynamic" to "ordinary" funds

DETAILED CONTENTS

3.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT EVENTS OF THE YEAR AND SUBSEQUENT EVENTS

NOTE 1 Significant events of the year

1.1 RIGHT TO ELECT FOR PAYMENT OF THE 2012 DIVIDEND IN SHARES

At the Annual General Meeting of CNP Assurances on 25 April 2013, shareholders approved the payment of the proposed 2012 dividend in an amount of €0.77 per share. As was the case for the 2011 dividend, shareholders also decided to offer the option of reinvesting the dividend in new shares of the Company.

The dividend reinvestment option was enthusiastically embraced by shareholders, with 88.8% of dividends reinvested over the exercise period from 30 April to 21 May 2013 (inclusive).

The reinvestment led to the creation of 43,118,302 new shares, which increased the number of shares outstanding by 6.7% and the issued capital by €438,944,314 (see Note 4.3). These shares were settled and started trading on the NYSE Euronext Paris stock exchange on 30 May 2013. Cash dividends were also paid from 30 May 2013.

Following the reinvestment programme, the Company's share capital is composed of 686,618,477 shares each with a par value of €1.00.

1.2 IMPAIRMENT TESTING OF GOODWILL AND CYPRIOT AND GREEK SUBSIDIARIES' IN-FORCE BUSINESS

The Group carried out impairment tests on the residual goodwill of €79.4 million recognised in respect of its Cypriot and Greek subsidiaries on the books of CNP Cyprus Insurance holdings (CNP CIH) in light of the current economic and financial context characterised by an increase in the related country risk and a severe economic recession (Note 7.2.1). On 25 March 2013, the Cypriot government reached an agreement with both EU (European Commission, European Central Bank) and international agencies (International Monetary Fund) on a €10 billion loan – of which the IMF contributed €1 billion – intended to rescue the island from bankruptcy. In return, Cyprus agreed to substantially reduce the size of its banking sector, increase taxes, reduce the number of public sector employees, and privatise certain companies. This rescue plan provides for the liquidation of Laiki Bank, CNP Assurances' partner since 2008, and the transfer of its assets and liabilities to Bank of Cyprus, as part of the agreement entered into with CNP Assurances. CNP Laiki Insurance Holdings has been renamed CNP Cyprus Insurance holdings.

As part of its international bailout plan, on 1 July 2013 Cyprus announced that it had completed an exchange of government bonds valued at €1 billion for new bonds with longer maturities. The announcement of this partial restructuring of its debt led several rating agencies to consider that Cyprus had "selectively defaulted".

Given the considerable uncertainty surrounding the Group's Cypriot operations and the ongoing negotiations with Bank of Cyprus, the subsidiary's business plan has been updated for 2013-2017. On the basis of the new business plan and an assessment of the related risks, the Group remeasured the subsidiary's value in use, basing projections of CNP Cyprus Insurance holdings' future cash flows on conservative assumptions that notably include a 600 bps increase in the risk premium and a downward revision of the amount of new business over the next four years. This led to the recognition of a €44.6 million impairment loss on goodwill for CNP Cyprus Insurance holdings, *i.e.*, 56% of the pre-existing amount of goodwill.

Additionally, as a result of the increase in policy surrenders in the financial and economic context described above, the Group decided to recognise a one-off impairment loss on its share of a portion of the Cypriot and Greek entities' In-Force business, for a net-of-tax attributable to owners of the parent of €5.5 million.

1.3 MANAGEMENT OF SUBORDINATED DEBT

As part of the process of managing its outstanding subordinated debt, on 11 July 2013, CNP Assurances announced the buyback of a portion of its €1,250 million perpetual notes issue with an early repayment option in 2016 (FR0010409789) in an amount of €380 million. This transaction, which was finalised on 19 July 2013, generated a gain of €4.5 million and all amounts were recognised in equity (see Note 4.1). The buyback was financed by a new USD 500-million issue of perpetual subordinated notes, placed with Asian and European investors and classified as debt based on its contractual terms and conditions. Carried out concurrently, the buyback and new issue were designed to lengthen the average maturity of CNP Assurances' subordinated debt, by partially replacing a tranche with a 2016 call date with a new tranche callable in 2019.

1.4 CONTINUATION AND REORIENTATION OF THE GROUP'S POLICY TO REDUCE ITS RISK EXPOSURE ON SOVEREIGN DEBT ISSUED BY "PERIPHERAL" EU COUNTRIES

Since 2011, CNP Assurances has actively pursued a policy of reducing the Group's exposure to sovereign debt issued by the Italian, Spanish, Greek, Portuguese and Irish governments in order to minimise the portfolio credit risk exposure of French and Italian insurance policies.

Between 31 December 2011 and 31 December 2013, divestments coupled with a freeze on new investments have cut exposure to Italian, Portuguese, Spanish, Irish and Greek government bonds by €2.8 billion, €2.5 billion, €1.8 billion, €1.6 billion and €0.6 billion, respectively. In 2013, the carrying amount of gross exposure to sovereign debt issued by "peripheral" EU countries fell by 7% and 10% in the investment portfolios of French entities and the international subsidiaries, respectively. Most of this exposure reduction focused on the countries currently under Troika supervision - namely Portugal and Ireland – but following the unveiling of the ECB's Outright Monetary Transactions programme (OMT), French portfolios very slightly increased their exposure to Italian and Spanish government bonds (by €0.25 billion and €0.16 billion, respectively) through purchases of short-term treasury bills for limited amounts. Portuguese sovereign debt sold off by both the French and the international subsidiaries comprised government bonds with long maturities.

Over the past two years, losses on these divestments have been offset by gains on the sale of sovereign debt issued by other European countries, including Germany, the Netherlands, France and Finland.

1.5 ACQUISITIONS COMPLETED BY CAIXA SEGUROS, CNP ASSURANCES' SUBSIDIARY IN BRAZIL

Acquisition of Previsul

In March 2013, CNP Assurances, *via* its Brazilian subsidiary Caixa Seguros, completed the acquisition of 70% of the shares of Previsul, a personal insurer present in Brazil for 106 years, particularly in the state of Rio Grande do Sul.

This BRL 70 million (€27 million) investment is part of the growth strategy of Caixa Seguros, which markets life insurance, pensions, personal risk, property and casualty and health insurance products. The acquisition of Previsul is designed to strengthen the Group's operations in Southern Brazil, a market of 24 million people with a strong regional identity.

Founded in 1906, Previsul is a personal insurer with a portfolio of nearly 600,000 policyholders, 143 employees and close to 3,000 partner brokers. In 2012, it reported revenue of BRL 146.5 million (€57 million) and net profit of BRL 5.9 million (€2.3 million).

As part of Caixa Seguros, Previsul will maintain its commitment to serving Southern Brazil as a major insurance company and step up its growth drive. This acquisition fits perfectly with CNP Assurances' goal of expanding in Brazil by extending its geographic coverage and diversifying its distribution channels.

In view of the time required to satisfy all conditions precedent, the Group has consolidated Previsul's assets, liabilities and results beginning 1 July 2013. In accordance with IFRS 3, any adjustments to the purchase price must be recognised within 12 months of the acquisition date.

Acquisition of Tempo Dental

CNP Assurances, through its Brazilian subsidiary Caixa Seguros, has signed an agreement with Tempo Participações to acquire Tempo Dental for BRL 133.6 million (€41.7 million). Tempo Dental is one of the leading dental insurance companies in Brazil, with more than 524,000 policyholders and revenue of close to BRL 65 million (€20 million) for the first nine months of 2013.

The transaction, which is subject to the approval of Brazil's anti-trust authorities (CADE) and health insurance supervisor (ANS), will enable Caixa Seguros to expand its offer in health insurance, a segment where the Company has been present since 2011.

Like the acquisition of Previsul in March 2013, this transaction is in line with CNP Assurances' strategy in South America. It will enable its Brazilian subsidiary to expand its distribution network, acquire an operating hub and deepen its presence in the affordable insurance segment.

NOTE 2 Subsequent events

No material changes occurred in the Group's financial or commercial position between the end of the year and the date on which the financial statements were approved by the Board of Directors.

ASSETS AND LIABILITIES

NOTE 3 Summary of significant accounting policies

CNP Assurances SA, the parent company of the Group, is a *société anonyme* (joint-stock company) with a Board of Directors, governed by the French Insurance Code. It has fully paid-up share capital of €686,618,477. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

The registered office is located at 4, place Raoul Dautry, 75015 Paris.

The Group's principal business is the writing of personal insurance. CNP Assurances' corporate purpose is to:

- write life and endowment insurance
- write bodily injury insurance covering accident and health risks
- hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2013 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 19 February 2014.

3.1 STATEMENT OF COMPLIANCE

In accordance with EU directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2013.

The subsidiaries all apply Group accounting policies, as presented in these notes.

New accounting standards adopted since 1 January 2013

- IFRS 13 – Fair Value Measurement, published on 12 May 2011, applies to accounting periods beginning on or after 1 January 2013. It defines "fair value" and provides a single IFRS framework for initial measurement and subsequent remeasurement of fair value and all related disclosures required or permitted. Due to the non-material amounts of financial assets classified in fair value category 3 and the limited proportion of property assets, the application of IFRS 13 is not expected to have a material impact on the Group's consolidated financial statements. The main difference identified is the requirement to disclose the fair value hierarchy used to measure the Group's real estate portfolio and this information has been included in Note 9.2.
- Revised IAS 19 – Employee Benefits, published on 16 June 2011 and applicable for accounting periods beginning on or after 1 January 2013, introduces amendments to the treatment of past service cost in the event of a change in benefit plan and the basis for presenting changes to commitments in profit or loss. It removes certain choices for the recognition of actuarial gains and losses on defined benefit plans which must now be recognised directly in equity, *i.e.*, the method already used by the Group. Revised IAS 19 is not expected to have a material impact on the Group's consolidated financial statements as most of the changes brought about by the amended standard had already been early adopted.
- Amendment to IAS 1 – Presentation of Financial Statements, published on 16 June 2011 and applicable for accounting periods beginning on or after 1 July 2012, deals with income and expense recognised directly in equity. The amendment introduces a requirement to Group items presented in the consolidated statement of income and expense recognised in equity based on whether they are potentially reclassifiable to profit or loss subsequently. The Group already complies with this basis of presentation and this amendment is not expected to have an impact on the presentation of the Group's consolidated financial statements.
- Amendment to IFRS 1 – Government Loans, published on 19 March 2012 and applicable to accounting periods beginning on or after 1 January 2013, includes an additional exception to the retrospective application of IFRS and requires, on first-time adoption, the prospective application to government loans at the transition date of the provisions of IFRS 9 – Financial Instruments and IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. This amendment is not expected to have an impact on the Group's consolidated financial statements.
- Amendment to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities, published on 16 December 2011 and applicable to accounting periods beginning on or after 1 January 2013, concerning additional disclosures for financial assets and liabilities that are subject to an enforceable master netting arrangement, as distinct from those that are not offset in accordance with IAS 32. This amendment is not expected to have an impact on the Group's consolidated financial statements.
- Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets, published on 20 December 2010 and applicable to accounting periods beginning on or after 1 January 2013, following adoption by the European Union, introduces a rebuttable assumption that the carrying amount of assets will be entirely recovered through sale unless the entity has clear evidence that it will recover the carrying amount of the asset in another manner. This amendment is not expected to have an impact on the Group's consolidated financial statements.
- Amendments to IFRS 1 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, published on 20 December 2010 and applicable to accounting periods beginning on or after 1 January 2013, following adoption by the

European Union, introduces two changes, neither of which has an impact on the Group's consolidated financial statements:

- the first amendment replaces the fixed transition date of "1 January 2004" with "'the date of transition to IFRS"
- the second amendment clarifies how an entity should resume presenting financial statements in accordance with IFRS after a period in which it was unable to do so because its functional currency was subject to severe hyperinflation.

- The IFRS annual improvements 2009-2011 cycle, as published on 17 May 2012 and applicable for accounting periods beginning on or after 1 January 2013, include minor amendments to five standards and have no material impact on the Group's consolidated financial statements. The areas covered in the 2009-2011 cycle relate to:
  - IFRS 1 – Repeated application of IFRS 1
  - IFRS 1 – Borrowing costs
  - IAS 1 – Clarification of requirements for comparative information
  - IAS 16 – Classification of servicing equipment
  - IAS 32 – Tax effect of distribution to holders of equity instruments
  - IAS 34 – Interim financial reporting and segment information for total segment assets.
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine, published on 19 October 2011 and applicable for accounting periods beginning on or after 1 January 2013. This interpretation clarifies the criteria for capitalising stripping costs and has no impact on the Group's consolidated financial statements.

Main accounting standards and interpretations approved by the European Union but not yet in force

- IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, Revised IAS 27 – Separate Financial Statements and Revised IAS 28 – Investments in Associates and Joint Ventures, published on 12 May 2011 and applicable from 1 January 2014 with retrospective effect (early application is permitted provided all of the new standards are applied).

  IFRS 10 develops a standard framework for analysing control over an investee and the basis for full consolidation comprising: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

  IFRS 10 amends IAS 27 which is now called "Separate Financial Statements". The rules relating to separate financial statements remain unchanged while those relating to consolidated financial statements are replaced by the provisions of IFRS 10.

- IFRS 11 replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-monetary Contributions by Venturers. It focuses on rights and obligations in joint arrangements and requires a single method, *i.e.*, the equity method, to be used in accounting for jointly-controlled entities. IFRS 11 dispenses with the proportionate consolidation method. IAS 28 has also been amended to bring it into line with the new provisions of IFRS 11.

  IFRS 12 brings all of the disclosure requirements for interests in subsidiaries, joint arrangements, associates and special purpose entities together within a single standard. The purpose of IFRS 12 is to require disclosures that will allow users of financial statements to evaluate the basis of control, any restrictions on consolidated assets and liabilities, exposure to risks arising from interests in non-consolidated special purpose entities and non-controlling interests in consolidated entities.

  They are not expected to have a material impact on the Group's consolidated financial statements. CNP has identified the two following issues:

  - considerable changes in the consolidation scope of mutual funds following analysis of the agent-principal relationship between CNP Assurances and the portfolio managers
  - new disclosure requirements for non-consolidated special purpose entities.

  The transition from the proportionate to the equity method of consolidation for the Group's only jointly-controlled insurance subsidiary should not have a material impact on the presentation of the consolidated financial statements.

- Amendments to transition guidance for IFRS 10, IFRS 11 and IFRS 12, published on 28 June 2012 and applicable for accounting periods beginning on or after 1 January 2014, clarify retrospective application arrangements and propose simplified disclosure requirements for non-consolidated special purpose entities.
- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), published on 31 October 2012 and applicable for accounting periods beginning on or after 1 January 2014, introduce the investment entity consolidation exemption. Where an entity meets the definition of an 'investment entity' it does not consolidate its subsidiaries but is required to measure them at fair value through profit or loss. Special disclosure requirements also apply. This amendment is not expected to have a material impact on the Group's consolidated financial statements.
- Amendment to IAS 32 – Financial Instruments: Presentation, published on 16 December 2011, and applicable to accounting periods beginning on or after 1 January 2014, sets out the rules for offsetting financial assets and financial liabilities. The Group is currently studying the basis of application and the potential impact of the new standard.
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting, published on 27 June 2013 and applicable to accounting periods beginning on or after 1 January 2014: these amendments provide an exception to the requirement to discontinue hedge accounting if a hedging instrument is novated to a central counterparty as a result of laws or regulations. The Group is currently studying the potential impact of this amendment.

- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets, published on 29 May 2013 and applicable to accounting periods beginning on or after 1 January 2014: these amendments introduce additional disclosure requirements when an asset's recoverable amount is based on its fair value less costs of disposal. This amendment is not expected to have a material impact on the Group's consolidated financial statements.

Accounting standards and interpretations published but not yet in force

- IFRS 9 – Financial Instruments sets down accounting principles and disclosure requirements for financial assets and liabilities and replaces IAS 39 – Financial Instruments. The process of implementing IFRS 9 has been broken out into three phases:
  - phase 1: Classification and measurement
  - phase 2: Impairment methodology
  - phase 3: Hedge accounting, which is itself divided into two parts:
    - hedging of financial items, closed portfolios and portions of financial and non-financial items
    - macro hedge accounting (independent part of the remainder of IFRS 9).

  When IFRS 9 was first published on 12 November 2009, it contained requirements for classifying and measuring financial assets only. It introduced a standard approach to determine whether a financial asset should be measured at amortised cost or fair value. A financial asset is measured at amortised cost if a) the instrument is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and b) if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition of a financial asset, an entity may designate the asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a mismatch. An entity may also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading (including realised gains and losses). However, dividends received from such investments are to be recognised in profit or loss.

  When IFRS 9 was published for the second time on 28 October 2010, requirements for financial liabilities and derecognition of financial instruments were added to the 2009 version, thus completing phase 1 of the project. The revised Standard retains the accounting treatment of financial liabilities under IAS 39 but adds guidance on certain issues, notably the impact of changes in own credit risk in profit or loss when non-trading financial liabilities are measured at fair value.

  On 16 December 2011, IASB deferred the effective date of IFRS 9 from 1 January 2013 to annual periods beginning on or after 1 January 2015 and amended the related transition arrangements: adoptees will be granted relief from restating comparative periods but must provide additional disclosures in respect of the transition.

  On 13 November 2013, the IASB published IFRS 9 – Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). The key changes and amendments are:
  - a new hedge accounting model that enables entities to reflect their risk management activities in the financial statements more effectively as well as providing for improvements to disclosures. The new model authorises new hedging strategies and aligns risk management more closely with the accounting and reduced profit or loss volatility, in exchange for enhanced disclosures of the impact of hedging in the accounts
  - authorisation to apply the improvements to reporting changes in the fair value of an entity's own debt already contained in IFRS 9 without having to apply all of the other improvements in reporting financial instruments at the same time
  - removal of the mandatory effective date of IFRS 9, *i.e.*, for accounting periods beginning on or after 1 January 2015, to give adopters enough time to prepare for the revised Standard.

  The IASB is continuing to consider limited amendments to the classification and measurement requirements already included in IFRS 9 and is working on finalising the new expected credit loss impairment model. It plans to finalise IFRS 9, complete with all three phases, in 2014 with a mandatory effective date for accounting periods beginning on or after 1 January 2017 at the earliest.

  As IFRS 9 has not yet been adopted by the European Union, it is not yet available for early adoption. Its amendments, methodology and impact on the consolidated financial statements are currently being studied by the Group. CNP Assurances also took part in the European Financial Reporting Advisory Group (EFRAG) field tests on the classification of assets organised in April 2013.

- IFRIC 21 – Levies, published on 20 May 2013 and applicable to accounting periods beginning on or after 1 January 2014, subject to adoption by the European Union: this interpretation provides guidance in accounting for a levy imposed by a government in the payer entity's financial statements, and in particular when to recognise a liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions, published on 21 November 2013 and applicable to accounting periods beginning on or after 1 July 2014, subject to adoption by the European Union: these limited amendments are intended to simplify the accounting treatment of contributions by employees or third-parties to defined benefit plans where the amounts of the contributions are independent of the number of years of service. The Group is currently studying the potential impact of this amendment.

- The IFRS annual improvements 2010-2012 cycle, as published on 12 December 2013 and applicable for accounting periods beginning on or after 1 July 2014 – subject to adoption by the European Union – includes minor amendments to seven standards and is not expected to have a material impact on the Group's consolidated financial statements.
- The IFRS annual improvements 2011-2013 cycle, as published on 12 December 2013 and applicable for accounting periods beginning on or after 1 July 2014 – subject to adoption by the European Union – includes minor amendments to four standards and is not expected to have a material impact on the Group's consolidated financial statements.

3.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following information is incorporated by reference in the Registration Document, in accordance with Article 28 of European Commission Regulation 809/2004/EC dated 29 April 2004:

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2012 and the related Statutory Auditors' report, as presented on pages 129 to 225, and pages 226 to 227, respectively, of the Registration Document filed with the AMF on 4 April 2013
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2011 and the related Statutory Auditors' report, as presented on pages 135 to 236, and pages 237 to 238, respectively, of the Registration Document filed with the AMF on 12 April 2012.

The consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for (i) insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature which have been measured by the methods used in the French GAAP accounts and (ii) the following assets and liabilities which have been measured by the fair value model: financial assets at fair value through profit or loss (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss), available-for-sale financial assets, investment property held in unit-linked portfolios and derivative instruments separated from their host contracts.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of deferred tax assets, assets generated by employee benefits, financial assets, investment property measured at fair value, biological assets and assets arising under insurance contracts, all of which are measured using their own specific valuation basis.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet headings concerned by such estimates and assumptions include goodwill (particularly with regard to impairment testing), the value of In-Force business acquired, assets measured at fair value not quoted in an active market, insurance-related assets and liabilities (technical reserves, deferred participation assets and deferred participation reserves) and deferred taxes.

These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances and they are subject to sensitivity analyses when this is required by regulations or when such tests back up the assumptions made by the Group.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effect of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

They have been applied uniformly by all Group entities.

3.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates.

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. All of the contractual conditions of the shareholder agreement, particularly partnership agreements for the distribution of insurance products, are also considered. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date when control is relinquished.

Jointly-controlled entities (joint ventures)

A joint venture is a contractual arrangement whereby the Group and one or more other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, requiring the consent of all the venturers to strategic, financial and operating decisions that are essential to the goals of the joint venture.

Interests in joint ventures are recognised using proportionate consolidation, which consists of combining the Group's share of each of the assets, liabilities, income and expenses of the jointly-controlled entity with the similar items, line by line, in its financial statements.

Associates

An associate is an entity over which the Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate.

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the criteria used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the Board of Directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or up to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless the Group has incurred legal or constructive obligations to bear a portion of future losses or to make payments on behalf of the associate.

3.4 INTRAGROUP TRANSACTIONS

All material intragroup balances, transactions, income and expenses are eliminated in full. Income and expenses from transactions with associates and joint ventures should be eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

3.5 DEFERRED POLICYHOLDER'S PARTICIPATION ASSET/RESERVE

The adjustments made in application of IFRS 4 lead to the recognition of deferred policyholders' participation in assets or liabilities.

There are two types of deferred participation:

3.5.1 Unconditional participation

All differences in the calculation base of future rights between the separate financial statements and the consolidated financial statements are recognised in the deferred participation reserve.

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit or loss of fair value adjustments and restatements.

3.5.2 Conditional participation

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 3.13.2.

3.6 FOREIGN CURRENCY TRANSLATION INTO THE GROUP'S PRESENTATION CURRENCY

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros, *i.e.*, the Group's presentation currency, at the closing exchange rate.

Income and expenses of foreign operations are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

Translation differences between the exchange rates used to translate assets and liabilities, and those used to translate income and expenses are recognised separately in equity as a translation adjustment.

3.7 FOREIGN CURRENCY BALANCES

The individual Group entities translate foreign currency transactions into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, in certain cases the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each reporting date, monetary balance sheet items (excluding available-for-sale financial assets) are translated using the closing rate, and the resulting exchange differences are recognised in profit or loss unless hedge accounting is used as described in Note 3.10.3.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, *e.g.* when a non-monetary asset is classified as available-for-sale, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit or loss, the translation difference is also recognised in profit or loss.

3.8 BUSINESS COMBINATIONS AND OTHER CHANGES IN SCOPE OF CONSOLIDATION

Business combinations in which the Group acquires control of one or more businesses are recognised using the purchase method.

Business combinations carried out prior to 1 January 2010 are recognised in accordance with the accounting principles used to prepare the financial statements for the year ended 31 December 2009. Non-controlling interests (also known as minority interests) are measured at the Group's proportionate share in the acquiree's net revalued assets, while adjustments to contingent consideration are treated as an adjustment to the cost of the combination.

Business combinations that took place after 1 January 2010 are recognised and measured in accordance with revised IFRS 3. Consideration transferred (acquisition cost) is measured at the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the buyer. The acquiree's identifiable assets and liabilities are measured at fair value at the acquisition date. Costs directly attributable to the business combination are expensed as incurred.

Any excess of the consideration transferred over the Group's proportionate share in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill (full goodwill method). CNP Assurances can choose to measure its non-controlling interests at fair value.

Goodwill is calculated at the date control is obtained and is not adjusted after the end of the measurement period. No additional goodwill is recognised on subsequent acquisitions of non-controlling interests.

Acquisitions and disposals of non-controlling interests are recognised directly in equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquiree measured at fair value, the difference is recognised directly in profit or loss for the period.

The initial accounting for a business combination must be completed within twelve months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and non-controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss.

3.9 INTANGIBLE ASSETS

3.9.1 Goodwill

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of the corresponding identifiable assets and liabilities. Negative goodwill is recognised directly in profit or loss.

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full-consolidation or proportionate methods
- included in investments in associates when it arises on the acquisition of an entity accounted for by the equity method
- recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of a foreign entity (outside the eurozone).

For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies developed within the scope of the business combination resulting from the acquisition. A CGU is defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Group identifies CGUs by entity or group of similar entities.

When goodwill is positive, it is stated in the balance sheet at cost less any accumulated impairment losses. It is no longer amortised but tested for impairment:

- each year on the same date, usually close to the reporting date
- or more frequently if events or changing market conditions indicate that it may be impaired since it was last tested for impairment

- or at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

An impairment loss is recognised if the recoverable amount of the CGU to which the goodwill has been allocated is less than its carrying amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

The Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future revenues from existing portfolios and new business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current agreements, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the average weighted cost of capital.

3.9.2 Life insurance portfolios

The fair value of insurance contracts and financial instruments with a discretionary participation feature acquired in a business combination or a separate transaction is split into two components, as follows:

- a liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature
- an intangible asset ("value of business In-Force") representing the difference between the fair value of these contracts and the amount described above.

The value of business In-Force corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

3.9.3 Distribution agreements

The value of a distribution agreement represents the future cash flows expected to result from new business relating to a partner network falling within the scope of such an agreement. These intangible assets are estimated based on the terms and conditions specific to each agreement, and are amortised over the term of the agreement taking into account a residual value where appropriate.

3.9.4 Intangible asset related to the reform of the French pension system

Pursuant to Article 26 of French Act No. 2010-1330 of 9 November 2010, dealing with the reform of the French pension system, the insurer is entitled to receive a termination payment. This entitlement has been recognised as an intangible asset in the consolidated financial statements for its recoverable amount and will be amortised over a five-year period (see Note 7.1).

3.9.5 Software

Purchased software licences are recognised as an intangible asset at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable internal and external costs of developing software for internal use, integrating business applications and evolutive maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset and comply with the other provisions of IAS 38. Costs that do not fulfil the criteria for recognition as an asset are recorded in expenses for the period.

Software licences and development costs are generally amortised over between five and eight years.

3.10 INVESTMENTS

3.10.1 Property

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The Group has elected to measure investment and operating properties using the cost model under IAS 40 and IAS 16, except for properties held in unit-linked portfolios which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French prudential control authority (*Autorité de contrôle prudentiel et de résolution* – ACPR). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

Under the cost model, properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs directly attributable to acquisition or construction are included in the cost of the asset and expensed once the building is in use.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:

- land
- shell and roof structure
- facades and roofing
- fixtures
- technical installations.

Maintenance costs are added to the cost of the part of the property to which they relate when it is probable that they will generate future economic benefits and they can be measured reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

Depreciation

Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.

Due to the difficulty of reliably determining the residual value of property, investment and operating properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land which is not depreciated. These periods are as follows:

- shell: 50 years
- facades and roofing: 30 years, except for warehouses, factories, shopping centres and cinemas: 20 years
- technical installations: 20 years
- fixtures: 10 years.

Impairment

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the building concerned.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the Group's entire property portfolio.

3.10.2 Financial assets

Classification

Financial assets are allocated among the following four categories, based on the type of portfolio, the type of financial assets, the specific features of certain financial assets and prioritised application of the criteria defining each category:

- financial assets at fair value through profit or loss, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit or loss in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros
- loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale
- available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

Recognition

Financial assets are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit or loss.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

Valuation method

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently measured at fair value.

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with a discretionary participation feature (DPF) (in accordance with the shadow accounting principle, see Note 3.13.2) and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit or loss are recognised directly in profit or loss, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, see Note 3.13.2) and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Commissions and fees paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

The fair value of financial instruments for which there is no active market is estimated using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Impairment

Financial assets other than those measured at fair value through profit or loss are tested for impairment at each reporting date. A financial asset has been impaired if there is objective evidence of impairment based on one or a number of events whose impact on the asset's estimated future cash flows may be reliably determined.

Assets measured at amortised cost and debt instruments available for sale

For debt instruments held to maturity or available for sale, an impairment loss related to their fair value is recognised in the income statement if future cash flows are unlikely to be entirely recoverable due to the existence of one or more objective indicators of impairment.

However, downgrading by a rating agency or widening credit spreads do not in themselves constitute objective evidence of impairment. One or a combination of the following factors would constitute objective evidence of impairment:

- a credit event as defined by the ISDA (International Swaps and Derivatives Association), namely, bankruptcy of the entity in question, failure to pay or a reorganisation
- knowledge of material financial difficulties being experienced by the counterparty that amount to a recognised risk, even in instances where the counterparty has not actually defaulted
- the existence of certain facilities that would not have been granted to the counterparty in the absence of financial difficulties.

Available-for-sale equity instruments

At each reporting date, available-for-sale equity instruments are reviewed to determine whether there is any objective evidence that they are impaired. This is considered to be the case when there is:

- a prolonged decline in the fair value: the market price is less than the average carrying amount over the three years preceding the reporting date or
- a significant decline in fair value: the market price at the reporting date represents less than 50% of the average carrying amount.

When objective evidence of impairment is detected, the cumulative unrealised loss previously recorded directly in equity is recognised in profit or loss.

Moreover, in all cases where these thresholds have not been exceeded but the market price represents less than 70% of the average carrying amount over the previous six months, the Group systematically tests all equity instruments on an asset-by-asset basis to ascertain whether or not an impairment loss needs to be recognised.

This approach is based on both the materiality of the decline in the fair value and the intrinsic underlying features of the valuation for each asset.

Any subsequent decline in fair value is recognised in profit or loss as an impairment expense.

A similar method is employed for unlisted variable-income securities.

Reversals of impairment losses

Available-for-sale financial assets

Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit or loss when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new circumstances, *e.g.*, an improvement in the counterparty's credit rating, the impairment loss is reversed in profit or loss.

Loans and receivables, held-to-maturity investments

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been, had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.10.3 Derivative instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying")

b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and

c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit or loss except for instruments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative
- the hybrid (combined) contract is not measured at fair value with changes in fair value recognised in profit or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

Hedge accounting

Derivatives designated as hedging instruments are accounted for in accordance with IAS 39 if they are part of a designated hedging relationship as defined by the standard.

The Group has contracted two cash flow hedges on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2013 (see Note 1). For these and any future operations, hedge accounting involves (i) documenting the hedging relationship and risk management objective and strategy for undertaking the hedge and (ii) assessing the effectiveness of the hedge at inception and over the life of the hedge by demonstrating the effectiveness of the hedging relationship both retrospectively and prospectively.

Cash flow hedge accounting consists of recognising the effective portion of changes in the fair value of the derivative in equity. The gain or loss on the ineffective portion of the hedge is immediately recognised in profit or loss. The cumulative gains or losses recognised in equity are recycled to the income statement over the period in which the hedged item impacts profit or loss. If the hedging instrument expires, is sold or no longer qualifies for hedge accounting, cumulative gains or losses recognised in equity are recycled to the income statement either immediately or as and when the transaction initially hedged is completed. The fair values of derivatives designated as hedging instruments are disclosed in Note 9.7.

3.10.4 Measurement at fair value

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis. The main criteria used in determining whether or not a market is active is how recent the quoted prices actually are as well as the liquidity of the securities traded. The market in question will be considered inactive if one or more of the following indicators is observed: a sharp fall in the number of transactions, a major increase in settlement costs or volatility, or a rapid widening in Z-spreads.

In the case of financial instruments whose price is not quoted in an active market (*i.e.*, no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products), fair value prices are estimated using valuation techniques. These are based on:

- prices not freely available provided upon demand by the arrangers or pricing services, or prices provided by an external agency that are freely available but where the market on which the assets are traded is not always active
- internal models that maximise the use of observable market data to measure financial assets.

Structured products held by the Group consist of financial instruments for which income is indexed to indices, baskets of equities, hedge funds, interest rates and credits. They may also comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group negotiates with each arranger for prices to be quoted every month. These prices correspond to the products' economic value. Their reliability is checked on a test basis and in the case of a significant change, using valuation techniques (for example, discounted cash flow analysis) or by asking the arrangers for details of the methods used. To date, these checks have consistently confirmed the reliability of the prices quoted by the arrangers. The CNP Assurances Group checks the quality of the arrangers' valuation methods and issue ratings and the absence of any credit events.

Structured product valuation principles

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs, and hedging costs and risks.

The valuation techniques used:

- make maximum use of market inputs
- incorporate all factors that market participants would consider in setting a price and
- are consistent with accepted economic methodologies for pricing financial instruments.

Fair value hierarchies

The Group uses the following three-level measurement hierarchy for financial instruments (see Note 9.2):

- **Level 1:** financial instruments measured using quoted prices in active markets. The fair value of most financial instruments held by the Group is determined based on the quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. The active market for such transactions is the market in which the most recent prices were quoted along with the largest volumes of transactions. The following financial assets are measured at their quoted market price:
  - equities, measured on the basis of quoted prices on their reference market
  - mutual fund units, measured at their net asset value
  - bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows) taking into account liquidity factors in the choice of market

- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system
- derivatives traded on an organised market.

- **Level 2:** financial instruments measured by standard valuation techniques using mainly observable inputs. These include:
  - structured products valued by the Group, arrangers or external valuers
  - investments in unlisted securities
  - OTC derivative contracts
  - money market securities other than BTANs measured based on the zero coupon price curve plus a spread
  - investment property measured based on prices recorded for similar recent transactions or the rental value of equivalent-type properties
  - any other quoted financial instrument for which no active market exists.
- **Level 3:** financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date. Very few financial instruments used by the Group fall into this level, but it would be used, for example, to classify asset-backed securities. For such instruments, the Group ensures that any change in inputs used for measurement purposes based on reasonable alternative scenarios would not have any material impact on the consolidated financial statements.

3.10.5 Repurchase and securities lending transactions

Repurchase and securities lending transactions are part of the Group's portfolio optimisation strategy.

The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership.

They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in "Operating liabilities represented by securities".

The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

3.11 EQUITY

3.11.1 Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, adjustments to the capitalisation reserve and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (see Note 3.16).

3.11.2 Capital management

Under European insurance directives, the Group is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at consolidated level.

At 31 December 2013, the insurance subsidiaries and the Group as a whole complied with these minimum solvency capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French prudential supervision and resolution authority (*Autorité de contrôle prudentiel et de résolution* - ACPR).

The level of solvency capital is monitored regularly by each subsidiary as well as at Group level by the Finance department. Five-year capital projections are produced using stress scenarios based on extreme conditions in the equity and fixed income markets.

3.12 TREASURY SHARES

The Group may acquire treasury stock *via* the liquidity contract set up for the purpose of stabilising the CNP Assurances share price or allocating shares under employee share grant plans (see Note 3.15.2). Treasury stock is recorded as a deduction from equity in the IFRS accounts.

3.13 INSURANCE AND FINANCIAL LIABILITIES

3.13.1 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- insurance contracts (see definition below) that cover a risk for the insured. Examples include personal risk contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element

- financial instruments with DPF, comprising both traditional savings contracts with DPF and unit-linked contracts including a traditional savings component with DPF.

Financial instruments without DPF are recognised and measured in accordance with IAS 39. This category corresponds to unit-linked savings contracts that do not have any traditional savings component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts or financial instruments without DPF fall within the scope of:

- IAS 18, when they correspond to the provision of services or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

3.13.2 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with Group accounting policies, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each reporting date, the Group assesses whether its recognised insurance liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more variables such as a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable. In the case of a non-financial variable, if the variable is not specific to a party to the contract, the risk is financial; otherwise it is an insurance risk. Surrender risk, extension risk or the risk of higher-than-expected administrative costs are not insurance risks, unless they are risks originally incurred by the policyholder that are transferred to the Group under an insurance contract.

For each group of contracts with similar characteristics, the significance of the insurance risk is assessed based on a single representative contract. Under this approach, the insurance risk may be considered significant although the probability of the group of contracts generating a loss that has a material adverse effect on the financial statements is remote due to the pooling of risks.

Financial instruments with a DPF

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as financial instruments when they give rise to a financial asset or liability. Contracts are qualified as financial instruments with DPF when they incorporate a contractual or regulatory entitlement to receive, as a supplement to guaranteed benefits, additional benefits:

- that are likely to be a significant portion of the total contractual benefits
- whose amount or timing is contractually at the Group's discretion and
- that are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the Company, fund or other entity that issues the contract.

Hybrid contracts

Certain contracts written by the Group comprise both an insurance component and a deposit component. These two components are unbundled only when the deposit component can be measured separately and, under the Group's accounting policies, the rights and obligations arising from the deposit component would not be recognised if the contract was not unbundled. The insurance component of an unbundled contract is accounted for under IFRS 4 and the deposit component under IAS 39.

In line with the policy described above, the components of traditional savings contracts written by the Group are not unbundled.

Life insurance and savings contracts

Premiums

Premiums on contracts in force during the period are recognised in revenue after adjustment for:

- the estimated earned portion of premiums not yet written on group contracts comprising whole life cover
- estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

Technical and mathematical reserves

Reserves for contracts including whole life cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for non unit-linked contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Life premium reserves are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

Insurance liabilities are discounted at a rate that is equal to or less than the contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

A general reserve is set up for future contract administration costs not covered by the loading on premiums or by the fees levied on financial products.

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserve.

This reserve also includes the deferred policyholders' participation resulting from the use of shadow accounting.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the reporting date.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit or loss, to offset the impact of changes in the related technical reserves.

Reserves for guaranteed yields are determined using the Black & Scholes method.

Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

- estimated earned premiums not yet written at the period-end
- the change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

A reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNR).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A deferred participation reserve is recorded for participating contracts, based on shadow accounting principles.

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period-end, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset, deferred acquisition costs and insurance-related intangible assets), are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset/liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset or liability), less related deferred acquisition costs and related intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in profit or loss.

Shadow accounting

Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or the value of business In-Force is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gains or losses in financial assets. Deferred participation is accounted for in the same way as the underlying, *i.e.*, by adjusting either profit or the revaluation reserve.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder bonus policy. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments for the purpose of determining deferred participation.

The portion of gains or losses attributable to policyholders is determined based on the terms of participating contracts. Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve or in assets as a deferred participation asset.

Testing deferred participation assets for recoverability

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised profits and will not result in liability inadequacy vis-à-vis the Group's economic obligations. Recoverability testing uses the same methods as liability adequacy testing described above and testing is performed by each group of contracts in order to factor portfolio segregation arrangements into the assessment.

Pursuant to the recommendation of the French National Accounting Board (*Conseil national de la comptabilité* – CNC) of 19 December 2008 concerning the recognition of deferred participation assets in the consolidated accounts of insurance companies, the recoverability of these amounts is enhanced by the Group's conservative assessment of its ability to continue to hold its assets. In particular, no future retained fund flows have been taken into account. Moreover, the Group has demonstrated the recoverability of the deferred participation assets using unprecedented surrender rates.

Reinsurance

Outward reinsurance

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under the "Reinsurance result" line item of the income statement.

Ceded technical reserves are tested for impairment at each reporting date. If there is objective evidence that these reserves are impaired, as a result of an event that occurred after initial recognition, the carrying amount of the asset is reduced by recording an impairment loss in the income statement. For reinsurance assets secured by collateral, the estimated discounted cash flows from the asset take into account cash flows from the sale of the collateral, net of the estimated cost of obtaining execution of the guarantee, regardless of whether or not such sale is considered probable.

Inward reinsurance

Inward reinsurance contracts give rise to a significant insurance risk and are therefore accounted for in the same way as insurance contracts.

3.13.3 Financial instruments without DPF (IAS 39)

Financial instruments without DPF are initially recorded at fair value. Loadings on premiums are recognised in "Revenue from other activities".

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Traditional savings investment contracts are subsequently measured at fair value, corresponding to their surrender value.

3.13.4 Service contracts

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IAS 18, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided that the transaction's outcome can be estimated reliably.

3.14 PROPERTY AND EQUIPMENT

Property and equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

3.15 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations are recognised in full in the balance sheet in accordance with IAS 19, except for share grants which are recognised and measured in accordance with IFRS 2.

3.15.1 Employee benefit plans

Defined benefit pension plan

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of the French Tax Code (*Code général des impôts*). The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country in which the plan has been set up.

Pension plans in the international entities

Several defined contribution plans and a limited number of defined benefit plans have been set up throughout the different Group entities. The related obligations are non-material from a Group perspective.

Length-of-service awards payable to employees on retirement and jubilees

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

Early-retirement plans

Obligations under early-retirement plans are measured at the discounted present value of probable future benefit payments and recognised as a liability.

Business start-up grants

Financial assistance given to employees to set up a new business or acquire an existing business is recognised in the balance sheet.

Discount rate

The discount rate corresponds to the yield on investment grade corporate bonds that are traded in an active market (or the Government bond rate if no active market exists) with maturities that match the duration of the benefit obligation.

Accounting treatment

Assets of funded plans are segregated and managed separately from the Group's assets, and any funding surplus or deficit is recognised in the balance sheet.

Liabilities under unfunded plans are recognised in the balance sheet.

The Group recognises gains and losses on post-employment defined benefit plans directly in equity. Actuarial gains and losses on other post-employment benefits are recognised directly in profit or loss.

Actuarial losses recognised in current profit for defined benefit plans comprise two elements:

- current service cost and past service cost
- interest cost (reflecting the unwinding of any discounting to present value) less the expected return on plan assets.

3.15.2 Share-based payment

Accounting treatment of employee share grants

The shares held for allocation when the share grants vest are recorded as a deduction from equity. The difference between the average cost of the shares and their fair value at the grant date is recognised in equity, with no impact on profit or loss. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit or loss takes into account the estimated number of grantees at each reporting date and the cost of managing the shares.

3.16 FINANCING LIABILITIES AND SUBORDINATED DEBT

Subordinated notes for which the contractual clauses do not stipulate any obligation to repay the nominal amount or pay any compensation are classified as equity instruments. All other dated and undated debt instruments, especially those with a repayment schedule, are classified as financing liabilities in accordance with IAS 32.

3.17 ACQUISITION COSTS AND OPERATING EXPENSES

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts
- contract administration expenses include all the costs of managing In-Force business
- investment management costs include all internal and external costs of managing asset portfolios and financial expenses
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions
- non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

- operating expenses are initially recognised by nature and are then reallocated by function
- costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

- corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data
- operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

3.18 TAXATION

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Carrés Bleus SA (formerly Sogestop C), Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Foncière Investissement, Écureuil Vie Crédit and 270 Investments.

Current and deferred taxes

Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches, a deferred tax liability is recognised only when the Group is unable to control the period in which the temporary difference will reverse and it is improbable that it will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax losses carried forward when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

3.19 OPERATING SEGMENTS

In accordance with IFRS 8, the Group's reportable business segments are based on the internal reporting system approved by the Group's Executive Committee, regarded as the chief operating decision maker as defined by IFRS 8, and on the technical characteristics of the products distributed by the Group.

Three business segments are reported which generate risks and returns that are separate from those of the other segments:

- the Savings business concerns products enabling policyholders to build up capital which they can cash in. A key feature of these products is their sensitivity to changes in interest rates
- the Pensions business concerns products designed to enable policyholders to receive an annuity or lump sum on retirement. The main risk associated with these products concerns the probable annuity payment period
- the Personal Risk business includes products enabling policyholders to insure against the risks of death, accident or illness, property damage or liability claims. The return on these products depends on the occurrence of the insured risk.

The Group's internal reporting system is based on the following indicators:

- premium income: new money, corresponding to premium income measured under French GAAP, *i.e.*, before adjustments related to the deposit component of financial instruments without a discretionary participation feature
- net new money: premium income as defined above, net of claims settled during the period, and excluding changes in the unexpired risks reserve
- net revenue from insurance activities: loadings on premiums recognised on insurance products, net of commissions paid
- general expenses: expenses allocated to each reportable segment based on analyses carried out by the Planning and Performance department
- EBIT: operating profit adjusted for net fair value adjustments to financial assets and before finance costs, taxes and non-controlling interests. EBIT is a key indicator of profit by reportable segment based on analyses by senior group management. EBIT corresponds to attributable profit for the period adjusted for:
    - finance costs
    - share of profit of associates
    - non-recurring items
    - income tax expense
    - non-controlling interests
    - fair value adjustments on the trading portfolio (corresponding to unrealised gains and disposal gains on financial instruments recognised as at fair value through profit or loss) and
    - net capital gains on equity securities and property, after non-recurring write-downs on the portfolio and goodwill (corresponding to disposal gains on equity instruments classified as available-for-sale financial assets and write-downs on financial instruments and property assets).
- equity: equity under IFRS, broken out by reportable segment and based on each segment's average regulatory solvency capital

- segment assets and liabilities: assets and liabilities under IFRS, broken out by reportable segment and validated by the Executive Committee are presented in the notes to the consolidated financial statements. On the assets side, only "Goodwill and the value of In-Force business" and "Financial investments and investments in associates" are tracked by reportable segment on a regular basis. Revenue and financial assets are broken out by geographic area in Note 9.9. In view of the non-material amounts involved and the excessive cost of preparing such information when compared with the related benefits, non-current assets (excluding financial assets, deferred tax assets and assets arising under insurance contracts) by geographic area are not disclosed.

Comparative disclosures have been analysed using the same basis.

3.20 CONTINGENT LIABILITIES

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources. Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability.

If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

NOTE 4 Share capital

4.1 UNDATED DEEPLY-SUBORDINATED NOTES RECLASSIFIED IN EQUITY

		31.12.2013		
(in € millions)	**Issuance date**	**Interest rate**	**Currency**	**Amount**
Deeply-subordinated notes (attributable to owners of the parent)				**2,141.7**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	Mar. 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	EUR	870.0*
	Dec. 2006	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	EUR	108.0
	Oct. 2012	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	380.0
TOTAL				**2,141.7**

* *Buyback of €380 million of a €1,250 million perpetual notes issue on 11 July 2013 (see Note 1.3)*

(in € millions)	Issuance date	31.12.2012 Interest rate	Currency	Amount
Deeply-subordinated notes (attributable to owners of the parent)				**2,515.8**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	Mar. 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	EUR	1,250.0
	Dec. 2006	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	EUR	108.0
	Oct. 2012	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	374.0
TOTAL				**2,515.8**

The amount of €374 million in deeply-subordinated notes corresponds to the dollar-denominated equity instruments. In accordance with IAS 32, paragraph 35, this comprises the dollar amount of the subordinated notes translated into euros at the issue date for an amount of €377.5 million, less issuance costs accounted for as a deduction from equity, net of the related income tax benefit, for an amount of €3.5 million.

4.2 OWNERSHIP STRUCTURE

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,616,540	40.87%
Sopassure (La Banque Postale and BPCE)	248,926,986	36.25%
French State	7,645,754	1.11%
Total shares held in concert	**537,189,280**	**78.24%**
Private investors	149,429,197	21.76%
of which: CNP Assurances (treasury shares)*	460,673	0.07%
TOTAL	**686,618,477**	**100.00%**

* *The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the draft resolutions submitted to the CNP Assurances Annual General Meeting included in the 2012 Registration Document*

4.3 EQUITY

Issued capital	Ordinary shares 31.12.2013	31.12.2012
Number of shares outstanding at the beginning of the period	643,500,175	594,151,292
Shares issued during the period	43,118,302	49,348,883
Number of shares outstanding at the end of the period	**686,618,477**	**643,500,175**

4.4 2013 DIVIDENDS

The recommended 2013 dividend amounts to €0.77 per share, representing a total payout of €528.7 million.

4.5 BASIC AND DILUTED EARNINGS PER SHARE

(in € millions)	**31.12.2013**	**31.12.2012**
Profit attributable to owners of the parent	1,030.2	951.4
Charge on deeply-subordinated notes, net of tax	(56.3)	(57.9)
Profit attributable to ordinary shares	**973.9**	**893.4**
Number of ordinary shares at 1 January	643,500,175.0	594,151,292.0
New shares (weighted number)	25,398,451.9	21,767,589.5
Weighted average number of shares at end of reporting period	**668,898,626.9**	**615,918,881.5**
Treasury shares	(989,604.4)	(1,991,401.0)
Weighted average number of shares at end of reporting period	**667,909,022.4**	**613,927,480.1**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares	**1.46**	**1.46**

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the reporting period (the 43.1 million shares issued on 30 May 2013 are weighted on a prorata temporis basis).

4.6 RELATED PARTY INFORMATION

Two parties are related if one controls or exercises significant influence over the policy decisions of the other, or if both parties are subject to significant influence from the same third-party entity or person.

Related parties are determined based on their relationship with CNP Assurances, the parent company of the Group, and mainly consist of its shareholders and entities controlled by these shareholders or by CNP Assurances (including its associates and joint ventures) and members of senior management.

Transactions and outstanding amounts between the parent company and its fully-consolidated subsidiaries are eliminated in full and do not appear in the consolidated financial statements.

For information, CNP Assurances received a total of €231.8 million in dividends from its subsidiaries during the period, comprising €91.6 million from its French subsidiaries, €117.5 million from its Brazilian subsidiaries, €11.4 million from CNP UniCredit Vita, €3.0 million from CNP Seguros de Vida and €8.3 million from Barclays Vida y Pensiones.

The list of subsidiaries and associates is provided in Note 5.

4.6.1 Transactions between CNP Assurances and between Group shareholders and their subsidiaries

(in € millions)	**Income statement**	**Balance sheet**
Commissions	(1,368.4)	0.0
Claims and benefits	(45.2)	(10.8)
Reinsurance	0.0	0.0
Employee benefits expense	(14.1)	(1.0)
Financial income and loans	63.6	1,534.1
Financial expenses and borrowings	(13.5)	(491.8)
Dividends	(379.1)	0.0
Other	0.0	0.0

The shareholders of CNP Assurances (Caisse des Dépôts, BPCE and La Banque Postale) and their fully-consolidated and jointly-controlled entities and the entities over which Caisse des Dépôts exercises significant influence – are deemed to be related parties in accordance with IAS 24.

Commissions correspond to revenue received by BPCE and La Banque Postale on the sale of products managed by CNP Assurances.

Fees and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances and asset management fees paid to Natixis AM and La Banque Postale AM.

Dividends relating to 2012 and paid in shares to the Group's shareholders in 2013 amounted to €379.1 million, comprising amounts of €200.9 million, €89.1 million and €89.1 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

4.6.2 Transactions with joint ventures and associates

The only entity consolidated using the proportionate consolidation method is La Banque Postale Prévoyance.

(in € millions)	Income statement	Balance sheet
Commissions	0.0	0.0
Claims and benefits	0.0	0.0
Reinsurance	(5.7)	4.7
Employee benefits expense	0.0	0.0
Financial income and loans	0.0	0.0
Financial expenses and borrowings	0.0	0.0
Dividends	0.0	0.0
Other	0.0	0.0

In 2013, CNP Assurances received €13.4 million in dividends relating to 2012 from Banque Postale Prévoyance.

4.6.3 Transactions with other related parties

Other related parties mainly consist of non-consolidated investments (including GRTgaz). Dividends and financial income correspond to compensation earned by the Group from those investments.

(in € millions)	Income statement	Balance sheet
Commissions	0.0	0.0
Claims and benefits	1.1	0.5
Reinsurance	0.0	0.0
Employee benefits expense	7.1	4.2
Financial income and loans	11.9	255.5
Financial expenses and borrowings	0.0	0.0
Dividends	0.0	0.0
Other	0.0	0.0

4.7 MANAGEMENT REMUNERATION

The total remuneration paid to the Chairman, Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

In 2013

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,251,183.07.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €5,449,306.
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement. The Group neither paid nor agreed to pay any amounts in termination benefits during the period.
- Share-based payment: no share-based payments were made in 2013 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2012

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors amounted to €3,053,434.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €4,326,164.
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement. On that basis, an amount of €1,795,316 was paid en 2012, including an amount of €395,316 for Gilles Benoist.
- Share-based payment: no share-based payments were made in 2012 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

NOTE 5 Scope of consolidation

5.1 CONSOLIDATED COMPANIES AND PERCENTAGE OF VOTING RIGHTS AT 31 DECEMBER 2013

Company	Consolidation method	Country	Business	31.12.2013		31.12.2012	
				% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
Préviposte	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
ITV	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP International	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
La Banque Postale Prévoyance	Proportionate	France	Insurance	50.00%	50.00%	50.00%	50.00%
MFPrévoyance SA	Full	France	Insurance	51.00%	64.72%	51.00%	64.72%
CNP Seguros de Vida	Full	Argentina	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/ fines determinados	Full	Argentina	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias Ltda	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Vida e Previdência	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Consórcios	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil	Insurance	70.00%	36.23%	0.00%	0.00%
Caixa Seguros Participações Do Sul Ltda	Full	Brazil	Insurance	100.00%	51.75%	0.00%	0.00%
CSP Participações Ltda	Full	Brazil	Insurance	51.75%	51.75%	0.00%	0.00%
FPC Par Corretora de Seguros SA	Equity method	Brazil	Brokerage	25.00%	12.94%	0.00%	0.00%
CNP UniCredit Vita	Full	Italy	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Vida de Seguros y Reaseguros	Full	Spain	Insurance	94.47%	94.47%	94.47%	94.47%
Estalvida d'Assegurances y Reassegurances SA	Full	Spain	Insurance	80.30%	75.86%	80.30%	75.86%
CNP Insurance Services	Full	Spain	Insurance	100.00%	94.47%	100.00%	94.47%
CNP Barclays Vida y Pensiones	Full	Spain	Insurance	50.00%	50.00%	50.00%	50.00%
CNP Cyprus Insurance holdings	Full	Cyprus	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Zois	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Praktoriaki	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Cyprialife	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Asfalistiki	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Europe Life	Full	Ireland	Insurance	100.00%	100.00%	100.00%	100.00%

Company	Consolidation method	Country	Business	31.12.2013 % rights	31.12.2013 % interest	31.12.2012 % rights	31.12.2012 % interest
2. Mutual fund units							
Ecureuil Profil 30	Full	France	Mutual fund units	95.76%	95.76%	95.66%	95.66%
Univers CNP 1 FCP	Full	France	Mutual fund units	99.73%	99.73%	99.77%	99.77%
LBPAM Act. Diversif 5DEC	Full	France	Mutual fund units	57.26%	57.26%	55.60%	55.60%
LB ACT.D.A. SI 5DEC	Full	France	Mutual fund units	98.86%	98.86%	99.23%	99.23%
CNP ACP Oblig FCP*	Proportionate	France	Mutual fund units	49.69%	49.69%	49.67%	49.67%
Natixis Ionis	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP*	Proportionate	France	Mutual fund units	49.78%	49.78%	49.76%	49.76%
Ecureuil Profil 90	Full	France	Mutual fund units	53.17%	53.17%	53.11%	53.11%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	100.00%	100.00%	81.58%	81.58%
CNP Assur Alt. 3DEC	Full	France	Mutual fund units	0.00%	0.00%	99.70%	99.70%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalização SA	Full	Brazil	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdência	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Consórcios	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Holding Caixa Seguros Holding SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
3. Property companies							
Assurbail Patrimoine	Full	France	Lease financing	100.00%	100.00%	100.00%	100.00%
AEP 3 SCI	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
CIMO	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
AEP 4 SCI	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
PB6	Proportionate	France	Property	50.00%	50.00%	50.00%	50.00%
OPCI AEW Imcom 6	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
SICAC	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
Assur-immeuble	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEW Imcom 1	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEP247	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI Ecureuil Vie Développement	Full	France	Brokerage	51.00%	51.00%	51.00%	51.00%

* *The Group's control over an entity is analysed based on the percentage of voting rights held and all of the contractual conditions of the shareholder agreement, particularly partnership agreements for the distribution of insurance products, and the existence and effect of any potential voting rights currently exercisable*

5.2 INFORMATION RELATING TO ENTITIES ACCOUNTED FOR BY THE EQUITY METHOD

SUMMARY FINANCIAL INFORMATION BASED ON 100% OF THE SHARE CAPITAL

	31.12.2013			
(in € millions)	**Total assets**	**Equity**	**Revenue**	**Profit**
FPC Par Corretora de Seguros SA	57.1	53.3	102.2	19.8

INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

(in € millions)	**31.12.2013**	**31.12.2012**
At 1 January	**0.0**	**0.0**
Increase in investment	0.0	0.0
Change in accounting method	0.0	0.0
Newly-consolidated companies	21.8	0.0
Increase in capital	0.0	0.0
Share in earnings	2.6	0.0
Share in identifiable net assets	(1.3)	0.0
Dividends received	0.0	0.0
At 31 December	**23.1**	**0.0**

NOTE 6 Segment information

6.1 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2013

Assets *(in € millions)*	**Savings**	**Pensions**	**Personal risk**	**Other (excluding insurance)**	**Total**
Goodwill and value of business In-Force	73.8	4.9	262.1	0.0	340.8
Financial investments and investments in associates	290,057.1	38,475.0	17,062.6	147.2	345,741.9
Other assets					19,901.0
TOTAL ASSETS					**365,983.7**

Equity and liabilities *(in € millions)*	**Savings**	**Pensions**	**Personal risk**	**Other (excluding insurance)**	**Total**
Total equity	11,427.9	1,565.2	2,991.7	8.9	15,993.7
Financial liabilities (including deferred participation reserve)	160,553.7	9,908.3	564.9	0.0	171,026.9
Insurance liabilities	105,663.0	32,322.6	11,578.7	0.0	149,564.3
Other liabilities					29,398.8
TOTAL EQUITY AND LIABILITIES					**365,983.7**

6.2 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2012

Assets *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business In-Force	137.8	6.5	293.0	0.0	437.3
Financial investments and investments in associates	281,034.3	37,024.8	15,341.4	122.5	333,523.0
Other assets					19,255.5
TOTAL ASSETS					**353,215.8**

Equity and liabilities *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	11,302.1	1,425.2	2,852.3	8.4	15,588.0
Financial liabilities (including deferred participation reserve)	164,059.8	9,030.9	509.4	0.0	173,600.1
Insurance liabilities	99,134.0	31,113.1	11,008.7	0.0	141,255.8
Other liabilities					22,771.9
TOTAL EQUITY AND LIABILITIES					**353,215.8**

Goodwill on the subsidiary CNP UniCredit Vita had been exclusively allocated to the main business segment, "Savings". All impairment losses on goodwill therefore concern this segment.

6.3 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2013

	31.12.2013					Reconciliation with premium income under IFRS	
(in € millions)	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	18,482.7	3,828.2	6,202.5		28,513.4	(845.6)	27,667.8
Net new money	(2,531.1)	1,095.9	3,319.1		1,883.9		
Net revenue from insurance activities	**1,620.5**	**260.3**	**1,257.1**	**95.6**	**3,233.5**		
General expenses	(405.7)	(99.5)	(328.8)	(45.4)	(879.4)		
EBIT	**1,214.8**	**160.8**	**928.3**	**50.2**	**2,354.1**		
Finance costs					(154.9)		
Share in earnings of associates					2.6		
Non-recurring items					(226.8)		
Income tax expense (effective tax rate)					(793.4)		
Non-controlling interests					(321.1)		
Fair value adjustments on securities held for trading					101.6		
Net gains on equities and property					68.2		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**1,030.2**		

(in € millions)	Desensitised income statement 31.12.2013
EBIT	**2,354.1**
Net fair value adjustments	149.0
Net gains on equities and property	90.4
Non-recurring items	(366.4)
Operating profit	**2,227.0**

6.4 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2012

	31.12.2012					Reconciliation with premium income under IFRS	
(in € millions)	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	17,906.4	3,579.1	5,933.9	0.0	27,419.4	(959.3)	26,460.1
Net new money	(3,974.5)	1,381.7	3,049.8	0.0	457.1		
Net revenue from insurance activities	**1,795.1**	**160.3**	**1,097.6**	**114.1**	**3,167.1**		
General expenses	(408.5)	(98.3)	(334.9)	(47.3)	(889.0)		
EBIT	**1,386.6**	**62.0**	**762.6**	**66.8**	**2,278.1**		
Finance costs					(157.2)		
Share in earnings of associates					0.0		
Non-recurring items					(271.3)		
Income tax expense (effective tax rate)					(743.9)		
Non-controlling interests					(310.0)		
Fair value adjustments on securities held for trading					183.3		
Net gains on equities and property					(27.5)		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**951.4**		

(in € millions)	Desensitised income statement 31.12.2012
EBIT	**2,278.1**
Net fair value adjustments	293.8
Net gains on equities and property	175.7
Non-recurring items	(266.8)
Operating profit	**2,480.7**

Goodwill impairment losses on the subsidiary CNP UniCredit Vita are recognised in non-recurring items rather than in EBIT by business segment.

NOTE 7 Intangible assets

7.1 INTANGIBLE ASSETS BY CATEGORY

	31.12.2013				
(in € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	652.1	0.0	(393.2)	0.0	258.9
Value of business In-Force	443.3	(202.6)	(158.8)	0.0	81.9
Distribution agreements	141.2	(24.5)	(4.8)	0.0	111.9
Software	289.4	(208.3)	0.0	0.0	81.1
Internally-developed software	131.3	(87.2)	0.0	0.0	44.2
Other software	158.0	(121.1)	0.0	0.0	36.9
Other*	173.8	(42.8)	(64.1)	(59.6)	7.3
TOTAL	**1,699.8**	**(478.2)**	**(620.9)**	**(59.6)**	**541.1**

	31.12.2012				
(in € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	682.8	0.0	(348.7)	0.0	334.2
Value of business In-Force	457.7	(207.5)	(147.1)	0.0	103.1
Distribution agreements	141.2	(18.8)	(4.8)	0.0	117.6
Software	296.1	(216.5)	0.0	0.0	79.6
Internally-developed software	125.4	(83.2)	0.0	0.0	42.1
Other software	170.7	(133.2)	0.0	0.0	37.4
Other*	170.9	(38.9)	(58.7)	(60.9)	12.4
TOTAL	**1,687.9**	**(481.8)**	**(559.3)**	**(60.9)**	**646.8**

* *Since 31 December 2010, "Other" includes the intangible asset related to the reform of the French pension system. The year-on-year decrease in this item from €161.9 million to €4.4 million mainly corresponds to:*

- *a negative amount of €59.6 million related to a downward revision of the impact of the reform on technical reserves (in the income statement, this impact together with the adjustment to the corresponding amortisation, is almost completely offset by the related adjustment to reinsurers' share in technical reserves)*
- *a negative amount of €64.1 million due to the decision to finance the increased provisions required under the reform by reallocating existing provisions. This reallocation resulted in the reversal of existing provisions which offset the impairment losses booked on intangible assets in the income statement and it was based on an analysis of existing margins performed on a sample of the contracts concerned. This analysis is on-going on the rest of the portfolio*
- *a negative amount of €33.8 million related to accumulated amortisation*

7.2 GOODWILL

7.2.1 Goodwill by company

(in € millions)	Original goodwill	Goodwill investments held at 31.12.2013	Goodwill investments held at 31.12.2012
La Banque Postale Prévoyance	45.8	22.9	22.9
Caixa Seguros group*	360.6	195.1	222.6
CNP UniCredit Vita	366.5	0.0	0.0
CNP Cyprus Insurance holdings	81.6	34.8	79.4
CNP Barclays Vida y Pensiones	55.9	6.2	9.3
TOTAL	**910,4**	**258.9**	**334.2**

* *The €27.5 million decrease in the value of goodwill attributable to Caixa Seguros is due to the combination of a €40 million negative exchange rate impact and goodwill of €12.5 million recognised on the acquisition of Previsul*

The Group's annual goodwill impairment testing procedures are described in Note 3.9.1. The recoverable amount of the CGUs to which the entities listed above have been allocated corresponds to their value in use, based on net asset value plus expected future cash flows from existing policies and new business. Projected future revenues are estimated by taking the embedded value of In-Force insurance policies and financial instruments, and the value of new business. The terminal values of subsidiaries do not assume growth to infinity.

Caixa Seguros Group

The expected future cash flows are taken from the four-year business outlook (2014-2018) validated by management and extrapolated using an average growth rate by business segment of between 8% and 14% for new business between 2019 and 2033, and then discounted to present value using a post-tax discount rate of approximately 12%.

At 31 December 2013, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows did not result in the recognition of an impairment loss.

At present, based only on an analysis of forecast cash flows through to the end of the current agreement in force (2021), there is no need to recognise an impairment loss provision. Similarly, the application of a range of reasonable discount rates to future cash flows did not result in the recognition of an impairment loss.

CNP Cyprus Insurance holdings

As a result of the events of first-half 2013, the Group carried out comprehensive impairment testing of goodwill on CNP Cyprus Insurance holdings and remeasured the CGU's value in use based on the following projections:

- a 70% decrease in unit-linked Savings revenue
- smaller decreases for Personal Risk, Term Creditor Insurance, Health and Accident revenues, reflecting the following:
  - products mainly comprise regular premiums leading to automatic renewals
  - strong origination performance by the new network of general agents, which offset a part of the loss reported in the banking network
  - accordingly, the following decreases were applied: 20% for Personal Risk, Health and Accident; 25% for Term Creditor Insurance; and 40% for non-life
- a 25-bps increase in surrenders over the projection period
- control of general expenses (advertising, communication and operations)
- a 600-bps increase in the risk premium, *i.e.*, a discount rate of 15.5% to reflect the rise in country risk.

This remeasurement led to the recognition of a €44.6 million impairment loss on the amount of goodwill recognised for CNP Cyprus Insurance holdings in the consolidated accounts at 30 June 2013.

Moreover, in light of the increase in policy surrenders in the financial and economic context of H1 2013 and the increase in Greek and Cypriot country-related risk, in addition to the impairment loss recognised on goodwill, the Group also recognised a one-off impairment loss based on the value of In-Force business at the acquisition date of CNP Cyprus Insurance holdings and still in force at 30 June 2013. The change in these different assumptions led to the recognition of a non-recurring write-down in the amount of €5.5 million at 30 June 2013.

As of 31 December 2013, expected future cash flows are taken from the four-year business outlook (2014-2018) validated by management and extrapolated using a stable growth rate (of between 1.5% in the life insurance and 3% in the non-life insurance segment) for new business between 2018 and 2028 (when the current agreement with Cyprus Popular Bank expires), and then discounted to present value using a post-tax discount rate of approximately 13.9% for the Cypriot business. The goodwill of the Greek subsidiary is no longer tested for impairment as of 31 December 2013 because its banking partner – which constituted its sole distribution channel – is in liquidation, thus severely compromising its future development prospects.

At 31 December 2013, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows, or a significant reduction in future volumes of business in Greece and Cyprus, did not result in the recognition of an impairment loss.

The decrease in the value of goodwill attributable to CNP Cyprus Insurance holdings is due to adjustments to the acquisition price actually paid, or estimated and relating to future periods – that were booked during the period.

CNP Barclays Vida y Pensiones

CNP Barclays Vida y Pensiones management has decided to radically overhaul its product mix to obtain a more balanced distribution of value added between business segments and to focus more on the higher end of the market. A reorganisation plan was announced and 335 branches were closed in 2013.

The expected future cash flows are taken from the four-year business outlook (2014-2018) validated by management and extrapolated using a stable growth rate of 1% for new business between 2019 and 2034 (when the current agreement with Barclays expires), and then discounted to present value using post-tax discount rates of 7.9%, 8.7% and 7.6% for the Spanish, Portuguese and Italian businesses, respectively.

At 31 December 2013, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows or volumes of business did not result in the recognition of an impairment loss. Even though margins are lower, the business plan prepared by management for strategic planning purposes satisfies all impairment testing criteria – including possible disposal scenarios – across all sensitivities tested.

The decrease in the value of goodwill attributable to CNP Barclays Vida y Pensiones is due to adjustments to the acquisition price actually paid, or estimated and relating to future periods – that were booked during the period.

7.2.2 Changes in goodwill for the period

(in € millions)	**31.12.2013**	**31.12.2012**
Carrying amount at the beginning of the period	**334.2**	**533.9**
Goodwill recognised during the period	12.5	0.0
Adjustments to provisional accounting	0.0	0.0
Adjustments resulting from changes in earnouts[(1)]	(3.3)	(2.3)
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustment on gross value	(40.0)	(26.5)
Other movements	0.0	(1.2)
Impairment losses recognised during the period[(2)]	(44.6)	(169.7)
Translation adjustment on movements during the period	0.0	0.0
Increase in interest rates	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Carrying amount at the end of the period	**258.9**	**334.2**

(1) The changes in the value of goodwill are due to adjustments to the acquisition price – actually paid, or estimated and relating to future periods – that were booked during the period, particularly in relation to Barclays Vida y Pensiones

(2) Impairment losses are reported in the income statement under "Change in fair value of intangible assets"

7.3 VALUE OF IN-FORCE BUSINESS AND DISTRIBUTION AGREEMENTS

7.3.1 Value of business In-Force

(in € millions)	Original value	Carrying amount at 31 December 2013	Carrying amount at 31 December 2012
Caixa Seguros Group	122.6	4.9	3.6
CNP UniCredit Vita	175.3	0.0	0.0
CNP Vida	24.0	0.0	0.0
CNP Seguros de Vida	0.9	0.0	0.0
CNP Cyprus Insurance holdings	44.4	17.2	30.6
CNP Barclays Vida y Pensiones	101.4	57.8	64.7
MFPrévoyance SA	8.3	2.1	4.1
TOTAL	**476.9**	**81.9**	**103.1**

7.3.2 Changes in the value of business In-Force

(in € millions)	31.12.2013	31.12.2012
Gross at the beginning of the period	**457.7**	**470.2**
Newly-consolidated companies	4.1	0.0
Translation adjustments	(18.5)	(12.4)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Gross at the end of the period	**443.3**	**457.7**
Accumulated amortisation and impairment at the beginning of the period	(354.7)	(351.5)
Translation adjustments	17.4	12.0
Amortisation for the period	(12.5)	(15.1)
Impairment losses recognised during the period*	(11.6)	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Accumulated amortisation and impairment at the end of the period	**(361.4)**	**(354.7)**
CARRYING AMOUNT AT THE END OF THE PERIOD	**81.9**	**103.1**

* *Relates to the value of CNP Cyprus Insurance holdings In-Force business*

7.3.3 Distribution agreements

(in € millions)	31.12.2013	31.12.2012
Carrying amount at the beginning of the period	**117.6**	**123.2**
Acquisitions for the period	0.0	0.0
Amortisation for the period	(5.6)	(5.6)
Adjustments	0.0	0.0
Impairment losses recognised during the period*	0.0	0.0
Translation adjustments	0.0	0.0
Other movements	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**111.9**	**117.6**

* *Impairment losses are reported in the income statement under "Change in fair value of intangible assets"*

At 31 December 2010, the Group recognised €180.2 million before taxes in respect of distribution agreements with Barclays Vida y Pensiones, based on a 100% share. This amount was calculated based on the existing branch network at the acquisition date as well as on planned new branch openings (earnout component). New branch openings are carefully monitored and if the Barclays network grows by less than initially forecast – as was the case in 2011, for example – the value of the distribution agreement is adjusted accordingly. The value of the network is also amortised over the term of the corresponding distribution agreement on a straight-line basis.

7.4 SOFTWARE AND OTHER INTANGIBLE ASSETS

7.4.1 Internally-developed software

(in € millions)	**31.12.2013**	31.12.2012
Carrying amount at the beginning of the period	**42.1**	**29.0**
Acquisitions for the period	18.9	18.5
Amortisation for the period	(6.8)	(4.2)
Impairment losses	(9.7)	(0.9)
Translation adjustments	0.0	0.0
Other movements	(0.2)	(0.3)
CARRYING AMOUNT AT THE END OF THE PERIOD	**44.2**	**42.1**

7.4.2 Other software and other intangible assets

(in € millions)	**31.12.2013**	31.12.2012
Carrying amount at the beginning of the period	**49.9**	**118.4**
Acquisitions for the period	21.3	16.5
Amortisation for the period	(12.9)	(21.4)
Impairment losses	(11.1)	(61.5)
Translation adjustments	(4.8)	(2.5)
Other movements	1.7	0.2
CARRYING AMOUNT AT THE END OF THE PERIOD	**44.2**	**49.9**

NOTE 8 Investment and owner-occupied property

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit or loss in respect of property and the captions impacted by the movements.

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period
- a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes
- the fair value of investment properties held in unit-linked portfolios.

8.1 INVESTMENT PROPERTY

Carrying amount of investment property *(in € millions)*	**31.12.2013**	**31.12.2012**
Investment property measured by the cost model		
Gross value	2,360.8	2,284.1
Accumulated depreciation	(387.2)	(351.0)
Accumulated impairment losses	(37.7)	(29.5)
Carrying amount	**1,935.8**	**1,903.6**
Investment property measured by the fair value model		
Gross value	604.8	624.4
TOTAL INVESTMENT PROPERTY	**2,540.6**	**2,528.0**

Investment property (other than property held in unit-linked portfolios) *(in € millions)*	**31.12.2013**	**31.12.2012**
Carrying amount at the beginning of the period	**1,903.6**	**1,236.1**
Acquisitions	85.9	725.3
Post-acquisition costs included in the carrying amount of property	0.0	0.1
Properties acquired through business combinations	0.0	0.0
Disposals	(1.0)	(13.7)
Depreciation for the period	(43.3)	(43.1)
Impairment losses recognised during the period	(12.9)	(4.7)
Impairment losses reversed during the period	1.5	3.4
Translation adjustments	0.0	0.0
Other movements	2.2	0.2
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,935.8**	**1,903.6**

Investment property held in unit-linked portfolios *(in € millions)*	**31.12.2013**	**31.12.2012**
Carrying amount at the beginning of the period	**624.4**	**511.5**
Acquisitions	13.6	37.6
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.5
Disposals	(18.1)	(1.9)
Net gains (losses) arising from remeasurement at fair value	(7.4)	(0.8)
Translation adjustments	0.0	0.0
Other movements	(7.7)	77.4
CARRYING AMOUNT AT THE END OF THE PERIOD	**604.8**	**624.4**

As explained in the description of significant accounting policies, investment properties backing linked liabilities are measured at fair value, while other investment properties are measured using the cost model.

8.2 OWNER-OCCUPIED PROPERTY AND OTHER PROPERTY AND EQUIPMENT

Owner-occupied property *(in € millions)*	**31.12.2013**	**31.12.2012**
Carrying amount at the beginning of the period	**209.7**	**187.8**
Acquisitions	105.1	35.5
Post-acquisition costs included in the carrying amount of property	0.0	0.1
Properties acquired through business combinations	0.0	0.0
Disposals	(7.7)	(0.3)
Depreciation for the period	(5.2)	(6.0)
Impairment losses recognised during the period	(1.1)	(2.3)
Impairment losses reversed during the period	0.9	2.4
Translation adjustments	(14.3)	(6.9)
Other movements	2.0	(0.5)
CARRYING AMOUNT AT THE END OF THE PERIOD	**289.5**	**209.7**

Other property and equipment *(in € millions)*	**31.12.2013**	**31.12.2012**
Carrying amount at the beginning of the period	**54.7**	**64.6**
Acquisitions for the period	32.7	21.7
Depreciation for the period	(17.8)	(22.6)
Disposals for the period	(7.9)	(8.3)
Translation adjustments	(1.8)	(1.3)
Other movements	0.0	0.6
CARRYING AMOUNT AT THE END OF THE PERIOD	**59.9**	**54.7**

NOTE 9 Investments

9.1 INVESTMENTS BY CATEGORY

The following tables show the fair value of securities held by the Group, by category and intended holding period.

9.1.1 Investments at 31 December 2013

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					11,673.3	
	Variable-rate bonds					18,437.9	
	TCNs (money market securities)					205.2	
	Equities					5,056.1	
	Mutual fund units					28,675.7	
	Shares in non-trading property companies					1,317.8	
	Other (including lent securities and repos)					162.7	
	Total					**65,528.7**	
Derivative instruments	Derivative instruments (positive fair value)					5,855.1	
	Derivative instruments (negative fair value)					(6,114.2)	
	Total					**(259.1)**	
Available-for-sale financial assets	Fixed-rate bonds	161,648.6	1,695.0	(0.5)	11,436.1	174,779.2	
	Variable-rate bonds	25,332.5	845.1	(65.1)	1,798.9	27,911.4	
	TCNs (money market securities)	6,820.2	0.1	0.0	9.3	6,829.7	
	Equities	12,363.5	0.0	(4,997.8)	5,374.7	12,740.3	
	Mutual fund units	23,338.4	0.0	(248.3)	1,041.2	24,131.4	
	Shares in non-trading property companies	3,275.2	0.0	(237.9)	1,212.6	4,249.9	
	Non-voting loan stock	3,200.6	0.0	(283.2)	629.5	3,546.9	
	Other (including lent securities and repos)	11,536.6	(88.1)	(743.2)	1,538.0	12,243.3	
	Total	**247,515.7**	**2,452.2**	**(6,576.0)**	**23,040.3**	**266,432.2**	
Held-to-maturity investments	Fixed-rate bonds	205.4	0.0	0.0	0.0	205.4	1.9
	Variable-rate bonds	417.9	0.0	(20.2)	0.0	397.7	28.4
	Total	**623.3**	**0.0**	**(20.2)**	**0.0**	**603.1**	**30.2**
Loans and receivables	Loans and receivables	4,727.8	0.0	(17.1)	0.0	4,710.7	5.0
	Total	**4,727.8**	**0.0**	**(17.1)**	**0.0**	**4,710.7**	**5.0**
Investment property	Investment property at amortised cost	2,360.8	(387.2)	(37.7)	0.0	1,935.8	868.4
	Investment property measured by the fair value model	604.8	0.0	0.0	0.0	604.8	0.0
	Total	**2,965.6**	**(387.2)**	**(37.7)**	**0.0**	**2,540.6**	**868.4**
TOTAL				**(6,651.1)**	**23,040.3**	**339,556.1**	**903.7**

Unit-linked portfolios at fair value through profit or loss at 31 December 2013

(in € millions)	Carrying amount		
	Unit-linked	Traditional savings	Total
Fixed-rate bonds	5,646.3	6,027.0	11,673.3
Variable-rate bonds	5,877.8	12,560.0	18,437.9
TCNs (money market securities)	97.7	107.5	205.2
Equities	310.6	4,745.5	5,056.1
Mutual fund units	18,302.6	10,373.1	28,675.7
Shares in non-trading property companies	0.0	1,317.8	1,317.8
Other	161.4	1.3	162.7
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**30,396.4**	**35,132.2**	**65,528.7**

9.1.2 Investments at 31 December 2012

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					10,930.6	
	Variable-rate bonds					20,062.2	
	TCNs (money market securities)					162.6	
	Equities					4,641.6	
	Mutual fund units					28,259.6	
	Shares in non-trading property companies					1,324.6	
	Other (including lent securities and repos)					110.9	
	Total					**65,492.2**	
Derivative instruments	Derivative instruments (positive fair value)					4,340.8	
	Derivative instruments (negative fair value)					(4,622.4)	
	Total					**(281.6)**	
Available-for-sale financial assets	Fixed-rate bonds	155,629.7	1,568.7	(1.2)	15,201.9	172,399.1	
	Variable-rate bonds	26,737.3	918.5	(115.3)	2,125.6	29,666.1	
	TCNs (money market securities)	9,271.1	0.1	0.0	27.3	9,298.4	
	Equities	14,026.0	0.0	(5,937.0)	4,112.8	12,201.8	
	Mutual fund units	19,991.4	0.0	(365.5)	762.7	20,388.5	
	Shares in non-trading property companies	2,653.6	0.0	(220.6)	1,060.9	3,493.9	
	Non-voting loan stock	3,246.6	0.0	(330.6)	484.0	3,399.9	
	Other (including lent securities and repos)	4,024.2	(7.1)	0.0	422.9	4,440.0	
	Total	**235,579.8**	**2,480.2**	**(6,970.3)**	**24,198.0**	**255,287.7**	
Held-to-maturity investments	Fixed-rate bonds	374.5	0.0	0.0	0.0	374.5	14.9
	Variable-rate bonds	521.0	0.0	(41.4)	0.0	479.7	73.4
	Total	**895.5**	**0.0**	**(41.4)**	**0.0**	**854.1**	**88.4**
Loans and receivables	Loans and receivables	4,967.4	0.0	0.0	0.0	4,967.4	8.4
	Total	**4,967.4**	**0.0**	**0.0**	**0.0**	**4,967.4**	**8.4**
Investment property	Investment property at amortised cost	2,284.1	(351.0)	(29.5)	0.0	1,903.6	986.7
	Investment property measured by the fair value model	624.4	0.0	0.0	0.0	624.4	0.0
	Total	**2,908.5**	**(351.0)**	**(29.5)**	**0.0**	**2,528.0**	**986.7**
TOTAL				**(7,041.2)**	**24,198.0**	**328,847.9**	**1,083.4**

Unit-linked portfolios at fair value through profit or loss at 31 December 2012

(in € millions)	Carrying amount: Unit-linked	Carrying amount: Traditional savings	Total
Fixed-rate bonds	5,767.6	5,163.0	10,930.6
Variable-rate bonds	7,969.0	12,093.2	20,062.2
TCNs (money market securities)	76.4	86.3	162.6
Equities	387.6	4,254.1	4,641.6
Mutual fund units	16,440.8	11,818.8	28,259.6
Shares in non-trading property companies	0.0	1,324.6	1,324.6
Other	109.3	1.6	110.9
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**30,750.6**	**34,741.6**	**65,492.2**

9.1.3 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1 and 9.1.2

(in € millions)	**31.12.2013**	**31.12.2012**
Analysis of investments	339,556.1	328,847.9
Balance sheet – liabilities – Derivative instruments (negative fair value)	(6,114.2)	(4,622.4)
Balance sheet – assets – Insurance investments	345,670.3	333,470.2
VARIANCE	**0.0**	**0.0**

9.2 MEASUREMENT OF ASSETS RECOGNISED AT FAIR VALUE

The following tables show financial assets classified at fair value whose prices are estimated using a valuation technique.

9.2.1 Valuation methods at 31 December 2013

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss*	55,201.7	16,156.9	25.2	71,383.8
Available-for-sale financial assets	238,856.2	27,538.4	37.5	266,432.2
TOTAL FINANCIAL ASSETS	**294,057.9**	**43,695.3**	**62.7**	**337,815.9**
Investment property at amortised cost	0.0	2,804.1	0.1	2,804.2
Investment property at fair value	0.0	604.8	0.0	604.8
TOTAL INVESTMENT PROPERTY	**0.0**	**3,408.9**	**0.1**	**3,409.0**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	777.4	2.4	0.0	779.8
Financial liabilities (linked liabilities) - financial instruments without DPF	4,490.6	53.2	0.0	4,543.8
Derivative instruments	0.0	6,114.2	0.0	6,114.2
TOTAL FINANCIAL LIABILITIES	**5,268.0**	**6,169.8**	**0.0**	**11,437.8**

* *Includes derivative financial instruments (assets)*

Insofar as all of the Group's derivatives are collateralised, counterparty risk is extremely limited, and credit and debt valuation adjustments have no impact on the measurement of these derivatives.

9.2.2 Valuation methods at 31 December 2012

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss*	53,707.8	16,085.8	39.4	69,833.0
Available-for-sale financial assets	226,390.8	28,404.9	492.0	255,287.7
TOTAL FINANCIAL ASSETS	**280,098.6**	**44,490.7**	**531.4**	**325,120.7**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	879.1	2.4	0.0	881.5
Financial liabilities (linked liabilities) - financial instruments without DPF	4,344.2	25.2	0.0	4,369.4
Derivative instruments	0.0	4,622.4	0.0	4,622.4
TOTAL FINANCIAL LIABILITIES	**5,223.4**	**4,650.0**	**0.0**	**9,873.3**

* *Includes derivative financial instruments (assets)*

9.2.3 Reconciliation of movements for the period in securities measured using a valuation model not based solely on observable market inputs

	31.12.2013											
(in € millions)	Opening carrying amount	Acqui-sitions	Matu-rity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at FV with change in FV through profit or loss	Impact of sales of available-for-sale financial assets	Remeasu-rement at fair value through equity	Remeasu-rement at fair value through profit or loss	Impair-ment	Translation adjust-ments	Closing carrying amount
Financial assets at fair value through profit or loss	39.4	123.0	0.0	0.0	0.0	0.0	0.0	0.0	(104.0)	(33.1)	0.0	25.2
Available-for-sale financial assets	492.0	0.7	(1.7)	3.0	(314.4)	0.0	(162.9)	56.3	0.0	(33.1)	(2.3)	37.5
TOTAL FINANCIAL ASSETS	**531.4**	**123.7**	**(1.7)**	**3.0**	**(314.4)**	**0.0**	**(162.9)**	**56.3**	**(104.0)**	**(66.2)**	**(2.3)**	**62.7**
Investment property at amortised cost	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
TOTAL INVESTMENT PROPERTY	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

	31.12.2012											
(in € millions)	Opening carrying amount	Acqui-sitions	Matu-rity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at FV with change in FV through profit or loss	Impact of sales of available-for-sale financial assets	Remeasu-rement at fair value through equity	Remeasu-rement at fair value through profit or loss	Impair-ment	Translation adjust-ments	Closing carrying amount
Financial assets at fair value through profit or loss	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	39.4
Available-for-sale financial assets	285.9	303.9	0.0	0.0	(9.3)	0.0	(92.2)	9.0	0.0	(2.7)	(2.7)	492.0
TOTAL FINANCIAL ASSETS	**326.2**	**304.0**	**0.0**	**0.0**	**(9.3)**	**0.0**	**(92.2)**	**9.0**	**(1.0)**	**(2.7)**	**(2.7)**	**531.4**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

9.3 REPURCHASE AGREEMENTS

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period:

(in € millions)		Carrying amount 31.12.2013	Carrying amount 31.12.2012
Available-for-sale financial assets	Fixed-rate bonds	10,235.2	4,399.9
	Equities	0.0	0.0
TOTAL		**10,235.2**	**4,399.9**

9.4 LENT SECURITIES

The following table analyses the carrying amount of lent securities, by asset category and intended holding period:

(in € millions)		Carrying amount 31.12.2013	Carrying amount 31.12.2012
Available-for-sale financial assets	Fixed-rate bonds	0.0	0.0
	Equities	1,955.0	814.2
TOTAL		**1,955.0**	**814.2**

9.5 MOVEMENTS FOR THE PERIOD

9.5.1 2013

(in € millions)	Opening carrying amount	Additions	Disposals	Fair value adjust-ments	Additions to provisions for impairment*	Reversals of provi-sions for impair-ment*	Changes in scope of conso-lidation	Other provi-sions**	Closing carrying amount
Securities held for trading	65,492.2	29,326.9	(30,873.5)	3,184.8	0.0	0.0	(561.8)**	(1,040.0)	65,528.7
Derivative instruments	(281.6)	1,940.1	(2,005.1)	87.6	0.0	0.0	0.0	0.0	(259.1)
Available-for-sale financial assets	255,287.7	101,619.5	(89,390.8)	(1,167.7)	(184.9)	578.8	(21.9)	(288.6)	266,432.2
Held-to-maturity investments	854.1	57.3	(171.9)	0.0	(4.2)	25.1	0.0	(157.3)	603.1
Loans and receivables	4,967.4	3,670.6	(3,991.4)	0.0	(17.1)	0.0	7.6	73.5	4,710.7
Investment property	2,528.0	56.2	(25.1)	(9.9)	(12.9)	2.7	0.0	1.7	2,540.6
TOTAL	**328,847.9**	**136,670.7**	**(126,458.0)**	**2,094.8**	**(219.2)**	**606.6**	**(576.0)**	**(1,410.7)**	**339,556.1**

* See Note 20.3

** Corresponds to the derecognition of a mutual fund and to first-time consolidation of Previsul

9.5.2 2012

(in € millions)	Opening carrying amount	Additions***	Disposals***	Fair value adjustments	Additions to provisions for impairment*	Reversals of provisions for impairment*	Changes in scope of consolidation	Other provisions	Closing carrying amount
Securities held for trading	60,404.9	125,699.1	(124,003.1)	6,426.0	0.0	0.0	(2,043.9)**	(990.8)	65,492.2
Derivative instruments	404.1	(2,448.6)	2,402.3	(632.7)	0.0	0.0	0.0	(6.8)	(281.6)
Available-for-sale financial assets	231,708.9	108,903.9	(105,851.5)	19,215.3	(918.8)	2,569.0	7.5	(346.6)	255,287.7
Held-to-maturity investments	1,028.7	67.8	(161.9)	0.0	(4.3)	5.1	0.0	(81.2)	854.1
Loans and receivables	4,429.5	3,537.2	(3,153.1)	0.0	0.0	0.0	0.0	153.8	4,967.4
Investment property	1,747.6	64.0	(17.2)	(0.3)	(4.7)	3.4	655.9	79.2	2,528.0
TOTAL	**299,723.8**	**235,823.4**	**(230,784.5)**	**25,008.3**	**(927.8)**	**2,577.5**	**(1,380.6)**	**(1,192.3)**	**328,847.9**

* *See Note 20.3*

** *Corresponds to the deconsolidation of three mutual funds and the change to proportionate consolidation of two other mutual funds*

*** *In order to present a single comparable net amount for acquisitions/divestments of mutual fund units, accounted for in a transparent and consistent manner in accordance with IAS 7, the amount for 2012 has been adjusted*

9.6 DERIVATIVE INSTRUMENTS

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity:

	31.12.2013											
	Due within 1 year		**Due in 1 to 5 years**		**Due in 6 to 10 years**		**Due in 11 to 15 years**		**Due in ≥ 15 years**		**Total**	
(in € millions)	**FV+**	**FV-**	**FV+**	**FV-**	**FV+**	**FV-**	**FV+**	**FV-**	**FV+**	**FV-**	**FV+**	**FV-**
Swap	167.5	(209.4)	369.9	(481.7)	2,808.8	(3,316.6)	593.8	(575.9)	1,123.4	(1,363.6)	5,063.4	(5,947.2)
Swaption	0.0	0.0	0.0	0.0	0.0	(2.7)	0.0	(15.6)	0.0	0,0	0.0	(18.3)
Cap/floor	18.8	0.0	101.5	(14.7)	644.0	(119.6)	0.0	0.0	12.0	(12.3)	776.3	(147.3)
Equity	1.3	0.0	7.2	0.0	6.9	0.0	0.0	0.0	0.0	(1.4)	15.4	(1.4)
TOTAL	**187.7**	**(209.4)**	**478.7**	**(496.5)**	**3,459.7**	**(3,439.0)**	**593.8**	**(592.2)**	**1,135.3**	**(1,377.3)**	**5,855.1**	**(6,114.2)**

	31.12.2012											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
(in € millions)	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	89.0	(105.2)	279.5	(449.3)	1,228.7	(1,430.5)	916.8	(1,104.7)	1,091.3	(1,348.4)	3,605.3	(4,438.1)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/floor	2.8	0.0	46.8	(7.3)	597.6	(148.3)	69.7	(20.1)	8.3	(8.5)	725.3	(184.2)
Equity	2.0	0.0	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	0.0
TOTAL	**93.8**	**(105.2)**	**334.5**	**(456.5)**	**1,826.3**	**(1,578.9)**	**986.5**	**(1,124.8)**	**1,099.6**	**(1,356.9)**	**4,340.8**	**(4,622.4)**

9.7 DERIVATIVE INSTRUMENTS QUALIFYING FOR HEDGE ACCOUNTING

	Currency swap	
(in € millions)	31.12.2013	31.12.2012
Notional amount	722.7	339.6
Cash flow hedge reserve	(15.2)	(2.7)
Change in cash flow hedge reserve during the period	(52.8)	4.3
Cash flow hedge reserve recycled through profit or loss during the period	28.4	(8.4)
Deferred taxes	9.2	1.5

The first derivative instrument is a cross-currency swap used to hedge against fluctuations in the euro-sterling exchange rate through 30 September 2021 that could impact interest and principal repayments on sterling-denominated notes issued by the Group in 2011. It qualifies for hedge accounting as a cash flow hedge (see Note 3.10.3). At 31 December 2013, no amount had been recognised in profit or loss for the ineffective portion of the hedge.

The second derivative instrument is a currency swap that immediately transforms dollar-denominated payments of interest and the initial and final repayments of principal into euro-denominated cash outflows through 18 July 2019. It qualifies for hedge accounting as a cash flow hedge and no amount had been recognised in profit or loss for the ineffective portion of the hedge at 31 December 2013.

9.8 CREDIT RISK

9.8.1 Analysis of the bond portfolio at 31 December 2013 by issuer rating

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	27,128.3	10.8%
AA	103,141.6	41.1%
A	55,187.1	22.0%
BBB	57,309.2	22.9%
Non-investment grade	5,756.3	2.3%
Not rated	2,186.6	0.9%
TOTAL	**250,709.2**	**100.0%**

9.8.2 Analysis of the bond portfolio at 31 December 2012 by issuer rating

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	30,586.6	12.3%
AA	96,683.6	39.0%
A	61,687.5	24.9%
BBB	40,378.0	16.3%
Non-investment grade*	16,050.7	6.5%
Not rated	2,475.1	1.0%
TOTAL	**247,861.4**	**100.0%**

* *Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table*

9.9 CLASSIFICATION OF INVESTMENTS BY TYPE OF ASSET AND BY GEOGRAPHIC REGION

9.9.1 Classification by type of asset and by geographic region at 31 December 2013

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	92,726	8,302	15,698	56,292	10,508	1,401	24,594	209,520
	Mutual fund units	17,832	148	29	5,973	1	0	149	24,131
	Equities	6,985	2,613	589	2,390	0	14	150	12,740
	Other	19,964	0	0	32	0	42	2	20,040
Held-for-trading and FVO	Debt securities	12,779	574	1,334	5,167	730	7,637	2,093	30,316
	Mutual fund units	23,584	5	124	4,742	26	170	26	28,676
	Equities	1,490	492	99	1,113	1,322	168	372	5,056
	Other	1,318	0	77	85	0	0	0	1,481
Held-to-maturity investments	Debt securities	50	0	42	91	0	421	0	603
Loans and receivables		4,241	0	0	393	0	69	7	4,711
Derivative instruments		(272)	(1)	0	13	0	0	0	(259)
Investment property		2,518	0	0	23	0	0	0	2,541
TOTAL		**183,215**	**12,133**	**17,992**	**76,313**	**12,587**	**9,922**	**27,393**	**339,556**

	31.12.2013			31.12.2012		
List of countries (for information) *(in € millions)*	**Gross exposure – carrying amount***	**Gross exposure – fair value**	**Net exposure – fair value**	**Gross exposure – carrying amount***	**Gross exposure – fair value**	**Net exposure – fair value**
France	67,575.7	74,204.3	3,719.2	58,761.6	67,977.3	3,191.6
Italy	9,801.7	10,187.0	1,026.2	9,554.2	9,549.9	595.5
Belgium	8,411.4	9,292.5	342.9	8,446.2	9,701.4	286.7
Spain	4,462.5	4,604.1	261.4	4,302.3	4,012.6	348.0
Austria	4,913.9	5,553.6	173.0	5,192.9	6,065.9	148.1
Brazil	1,885.5	1,720.4	1,032.9	1,499.7	1,635.9	982.8
Portugal	766.4	734.8	18.4	2,140.7	1,920.3	42.3
Netherlands	133.5	152.3	14.0	207.8	244.8	12.0
Ireland	661.4	717.4	15.4	1,018.3	1,009.0	32.8
Germany	2,995.1	3,298.9	216.0	3,551.3	4,034.8	224.1
Greece	4.3	6.8	0.3	4.3	4.0	0.3
Finland	32.7	35.5	3.0	33.0	37.6	3.1
Poland	374.8	413.4	19.7	383.9	428.3	19.4
Luxembourg	34.4	37.2	14.6	34.4	39.4	16.3
Sweden	3.2	4.4	2.4	3.2	4.5	2.5
Denmark	204.6	210.6	7.8	196.2	209.4	3.7
Slovenia	250.3	252.0	4.4	278.1	269.7	4.5
United Kingdom	78.1	158.1	0.0	70.0	149.1	0.0
Canada	496.9	555.9	58.2	618.1	700.4	61.7
Cyprus	23.9	22.2	11.0	23.9	16.4	16.4
Other	6,463.2	7,108.0	561.2	6,756.7	7,750.1	580.9
TOTAL	**109,573.6**	**119,269.3**	**7,502.0**	**103,076.9**	**115,760.7**	**6,572.5**

* *Carrying amount, including accrued coupon*

At 31 December 2013, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €119.3 billion, or an estimated exposure net of deferred participation and deferred taxes of €7.5 billion. Virtually all of the securities concerned are classified as available-for-sale financial assets. The Group's exposure is calculated based on asset values and before non-controlling interests.

The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles. In accordance with these principles, a change in the deferred participation reserve is recorded to offset unrealised gains or losses on financial assets taking into account contractual participation obligations and the Group's policyholder bonus policy (see Notes 3.18 and 3.13.2, respectively, regarding the Group's accounting policies for more information). The relatively low weighting of contracts with a guaranteed rate of return and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 6.3% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 62.7% corresponding to the impact of the average weighted tax rate on the Group's entities) and a deferred participation impact (a 10% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a ratio of 6.3% (62.7% multiplied by 10%) of net exposure to gross exposure.

The difference between gross and net exposure does not necessarily represent the loss that would be borne by policyholders. The recoverability of successive losses on sovereign debt is limited by the following:

- the policyholder surplus reserve which totalled €4.4 billion at 31 December 2013 for France
- the Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.8% for a projected DPF rate of around 2.5% at end-2013, whereas in Italy, Spain and Portugal this ability is limited by the guaranteed yields on policies in these countries
- unrealised gains, especially on property (€1.1 billion) and on equities (€20.2 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

In the absence of an incurred loss, no other sovereign debt securities have been impaired.

9.9.2 Classification by type of asset and by geographic region at 31 December 2012

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	92,150	8,804	14,271	60,288	9,195	1,640	25,017	211,364
	Mutual fund units	16,623	62	25	3,633	0	0	45	20,389
	Equities	7,599	1,975	497	1,956	4	20	150	12,202
	Other	11,187	0	0	115	0	32	0	11,334
Held-for-trading	Debt securities	12,046	574	1,772	5,265	1,950	8,083	1,466	31,155
	Mutual fund units	24,065	57	130	3,502	290	149	66	28,260
	Equities	1,733	317	82	736	1,224	239	311	4,642
	Other	1,308	0	75	39	13	0	0	1,435
Held-to-maturity investments	Debt securities	50	0	42	112	0	650	0	854
Loans and receivables		4,237	0	0	713	0	0	17	4,967
Derivative instruments		(262)	(1)	0	(19)	0	0	0	(282)
Investment property		2,502	0	0	26	0	0	0	2,528
TOTAL		**173,238**	**11,787**	**16,894**	**76,367**	**12,677**	**10,813**	**27,071**	**328,848**

9.10 FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currency (*i.e.*, denominated in currencies other than the functional currencies of Group entities) represented less than 0.5% of consolidated assets and liabilities in both 2012 and 2013.

9.11 COMMITMENTS GIVEN AND RECEIVED

Under IFRS, forward financial instruments are recognised in the balance sheet.

Commitments given *(in € millions)*	**31.12.2013**	**31.12.2012**
Financing commitments	17.8	29.4
Guarantees	11,235.9	11,086.3
Securities commitments	3,418.7	3,348.4

Guarantees mainly concern the guarantee that CNP Assurances gives to Crédit Immobilier de France in respect of CNP Caution's maximum exposure. This guarantee was unchanged in 2013. It was first put in place and recognised in the income statement in 2011 and is now recognised at its current cost of €12.2 million.

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

Commitments received *(in € millions)*	**31.12.2013**	**31.12.2012**
Financing commitments	0.0	0.0
Guarantees	81.3	101.4
Securities commitments	8,823.2	7,448.6

Securities commitments correspond to securities pledged by cedants under the terms of inward reinsurance contracts.

NOTE 10 Analysis of insurance and financial liabilities

10.1 ANALYSIS OF INSURANCE AND FINANCIAL LIABILITIES

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS:

10.1.1 Analysis of insurance and financial liabilities at 31 December 2013

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**7,226.1**	**6,278.6**	**947.6**
Unearned premium reserves	262.6	249.8	12.8
Outstanding claims reserves	5,191.1	4,414.7	776.4
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	43.0	40.7	2.3
Other technical reserves	1,729.5	1,573.4	156.1
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**142,338.1**	**133,683.7**	**8,654.5**
Unearned premium reserves	181.3	180.0	1.3
Life premium reserves	136,771.8	128,211.4	8,560.3
Outstanding claims reserves	2,034.4	1,948.2	86.2
Policyholder surplus reserve	3,103.6	3,101.3	2.3
Other technical reserves	247.1	242.8	4.4
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**146,680.2**	**146,680.2**	**0.0**
Life premium reserves	143,158.4	143,158.4	0.0
Outstanding claims reserves	2,244.2	2,244.2	0.0
Policyholder surplus reserve	1,277.6	1,277.6	0.0
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,323.6**	**5,176.7**	**146.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**19,023.1**	**19,023.1**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**320,591.1**	**310,842.2**	**9,748.9**
Deferred participation asset	**0.0**	**0.0**	**0.0**

In order to enhance regulatory consistency in terms of the classification of its technical reserves for the Personal Risk and Term Creditor Insurance business segments, in 2013 the Group reclassified amounts of €3,492.5 million from mathematical reserves to outstanding claims reserves, and €217.7 million from escalating risks reserves to mathematical reserves (in 2012, the corresponding amounts were €3,207 million and €197 million, respectively).

10.1.2 Analysis of insurance and financial liabilities at 31 December 2012

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**6,973.5**	**6,034.8**	**938.6**
Unearned premium reserves	285.6	265.8	19.8
Outstanding claims reserves	758.3	530.6	227.7
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	71.5	68.1	3.5
Other technical reserves	5,858.0	5,170.4	687.6
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**134,282.3**	**126,436.1**	**7,846.2**
Unearned premium reserves	128.8	128.6	0.1
Life premium reserves	129,111.7	121,372.3	7,739.4
Outstanding claims reserves	2,104.0	2,007.4	96.7
Policyholder surplus reserve	2,741.9	2,739.4	2.5
Other technical reserves	195.9	188.4	7.5
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**149,251.3**	**149,251.3**	**0.0**
Life premium reserves	146,430.8	146,430.8	0.0
Outstanding claims reserves	2,199.6	2,199.6	0.0
Policyholder surplus reserve	620.9	620.9	0.0
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,251.0**	**5,109.1**	**141.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**19,097.8**	**19,097.8**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**314,855.9**	**305,929.2**	**8,926.7**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.2 CHANGE IN TECHNICAL RESERVES

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 Changes in mathematical reserves – life insurance – 2013

(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**275,542.5**	**267,803.1**	**7,739.4**
Premiums	23,434.5	22,995.3	439.2
Extinguished liabilities (benefit payments)	(25,315.7)	(24,990.5)	(325.2)
Locked-in gains	7,643.1	7,251.9	391.2
Change in value of linked liabilities	381.1	381.2	0.0
Changes in scope (acquisitions/divestments)	1,177.4	1,177.4	0.0
Outstanding loadings	(1,520.5)	(1,520.5)	0.0
Surpluses/deficits	(8.0)	(8.0)	0.0
Currency effect	(1,380.5)	(1,380.5)	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.1	0.1	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other*	(23.7)	(339.4)	315.8
Mathematical reserves at the end of the period	**279,930.2**	**271,369.9**	**8,560.3**

* *Includes reclassification of an amount of €217.7 million to enhance regulatory consistency in terms of classification of technical reserves for the Personal Risk and Term Creditor Insurance business segments*

10.2.1.2 Changes in mathematical reserves – life insurance – 2012

(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**270,489.0**	**263,272.6**	**7,216.4**
Premiums	22,356.0	21,956.8	399.3
Extinguished liabilities (benefit payments)	(24,986.1)	(24,713.5)	(272.6)
Locked-in gains	7,779.0	7,372.9	406.1
Change in value of linked liabilities	2,016.0	2,016.1	0.0
Changes in scope (acquisitions/divestments)	11.9	11.9	0.0
Outstanding loadings	(1,483.7)	(1,483.7)	0.0
Surpluses/deficits	(26.6)	(26.6)	0.0
Currency effect	(843.5)	(843.5)	0.0
Changes in assumptions	0.6	0.6	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	229.8	239.6	(9.8)
Mathematical reserves at the end of the period	**275,542.5**	**267,803.1**	**7,739.4**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance – 2013

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	758.3	530.6	227.7
Claims expenses for the period	1,556.4	1,321.7	234.7
Prior period surpluses/deficits	13.8	10.8	3.0
Total claims expenses	**1,570.2**	**1,332.5**	**237.7**
Current period claims settled during the period	(549.3)	(866.9)	317.6
Prior period claims settled during the period	(38.9)	(34.5)	(4.3)
Total paid claims	**(588.1)**	**(901.4)**	**313.3**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(41.8)	(39.5)	(2.2)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0,0	0.0	0.0
Other*	3,492.5	3,492.5	0.0
Outstanding claims reserves at the end of the period	**5,191.1**	**4,414.7**	**776.4**

* *In order to enhance regulatory consistency in terms of the classification of its technical reserves for the Personal Risk and Term Creditor Insurance business segments, in 2013 the Group reclassified €3,492.5 million from mathematical reserves to outstanding claims reserves (in 2012, the corresponding amount was €3,207 million)*

10.2.2.2 Changes in technical reserves – non-life insurance – 2012

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	889.7	711.1	178.5
Claims expenses for the period	1,408.5	1,174.8	233.7
Prior period surpluses/deficits	0.1	0.1	0.0
Total claims expenses	**1,408.6**	**1,174.9**	**233.7**
Current period claims settled during the period	(1,494.7)	(1,313.9)	(180.0)
Prior period claims settled during the period	(19.6)	(15.2)	(4.4)
Total paid claims	**(1,514.3)**	**(1,329.5)**	**(184.8)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(25.7)	(25.6)	(0.1)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	758.3	530.6	227.7

10.2.3 Changes in mathematical reserves – financial instruments with DPF

	31.12.2013		
(in € millions)	**Before reinsurance**	**Net**	**Reinsurance**
Mathematical reserves at the beginning of the period	5,251.0	5,111.9	141.9
Premiums	860.2	852.1	8.2
Extinguished liabilities (benefit payments)	(805.3)	(784.5)	(20.8)
Locked-in gains	55.6	55.6	0.0
Change in value of linked liabilities	174.8	157.2	17.6
Changes in scope (acquisitions/divestments)	(58.4)	(58.4)	0,0
Currency effect	(155.6)	(155.6)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	1.2	1.2	0.0
Mathematical reserves at the end of the period	5,323.6	5,176.7	146.9

	31.12.2012		
(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	4,816.2	4,669.6	146.6
Premiums	330.4	330.4	0.0
Extinguished liabilities (benefit payments)	(458.7)	(427.0)	(31.7)
Locked-in gains	66.9	66.9	0.0
Change in value of linked liabilities	700.6	695.9	4.7
Changes in scope (acquisitions/divestments)	(356.0)	(356.0)	0.0
Currency effect	(102.2)	(102.2)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	253.7	228.6	22.3
Mathematical reserves at the end of the period	5,251.0	5,111.9	141.9

10.3 DEFERRED PARTICIPATION (SHADOW ACCOUNTING ADJUSTMENTS)

This note breaks down the sources of deferred participation arising from the use of shadow accounting. The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset (see Note 3.13.2).

Deferred participation	**31.12.2013**			31.12.2012		
(in € millions)	**DPA**	**DPR**	**Total**	DPA	DPR	Total
Deferred participation on remeasurement at fair value through profit	0.0	(826.7)	826.7	0.0	(2,037.1)	2,037.1
Deferred participation on remeasurement at fair value recognised in equity	0.0	19,849.8	(19,849.8)	0.0	21,135.0	(21,135.0)
Deferred participation on adjustment of claims equalisation reserves*	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**19,023.1**	**(19,023.1)**	**0.0**	**19,097.8**	**(19,097.8)**

The following table analyses year-on-year changes:

(in € millions)	31.12.2013 DPA	31.12.2013 DPR	31.12.2012 DPA	31.12.2012 DPR
Amount at the beginning of the period	0.0	19,097.8	620.9	535.8
Deferred participation on remeasurement at fair value of securities through profit	0.0	1,210.5	(4,213.4)	(2,036.0)
Deferred participation on remeasurement at fair value of securities recognised in equity	0.0	(1,285.2)	3,592.5	20,925.8
Other movements	0.0	0.0	0.0	(327.8)
Effect of change in recoverability rate	0.0	0.0	0.0	0.0
Deferred participation at the end of the period	**0.0**	**19,023.1**	**0.0**	**19,097.8**

10.4 CHANGES IN FINANCIAL LIABILITIES – LINKED LIABILITIES

The following table shows changes in financial liabilities related to linked liabilities.

10.4.1 Changes in 2013

(in € millions)	Before reinsurance	Net
Technical reserves at the beginning of the period	**31,999.0**	**31,991.2**
(+) Entries (new contracts, transfers between contracts, replacements)	4,146.6	4,146.3
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	784.3	784.3
(-) Exits (paid benefits and expenses)	(4,669.5)	(4,668.7)
(+/-) Entries/exits related to portfolio transfers	776.0	776.0
(-) Outstanding loadings deducted	(121.2)	(121.2)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	(1,287.5)	(1,287.5)
(+/-) Newly-consolidated companies	0.0	0.0
Other	(142.0)	(141.8)
Technical reserves at the end of the period*	**31,485.8**	**31,478.6**

* *Refer to reconciliation table in Note 10.4.2*

3

10.4.2 Changes in 2012

(in € millions)	Before reinsurance	Net
Technical reserves at the beginning of the period	**30,957.8**	**30,937.3**
(+) Entries (new contracts, transfers between contracts, replacements)	3,332.1	3,332.1
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	2,611.1	2,611.1
(-) Exits (paid benefits and expenses)	(3,584.1)	(3,583.9)
(+/-) Entries/exits related to portfolio transfers	(391.1)	(391.1)
(-) Outstanding loadings deducted	(106.0)	(106.0)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.6	0.6
(+/-) Translation adjustment	(780.7)	(780.7)
(+/-) Newly-consolidated companies	0.0	0.0
Other	(40.8)	(28.3)
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**31,999.0**	**31,991.2**

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown*

(in € millions)	**31.12.2013**	**31.12.2012**
Financial liabilities – linked liability financial instruments – balance sheet	**36,029.6**	**36,368.4**
Changes in financial liabilities – linked liabilities other than IAS 39	31,458.8	31,999.0
Changes in financial liabilities – linked liabilities – IAS 39	4,543.8	4,369.4
VARIANCE	**0.0**	**0.0**

10.5 CREDIT RISK ON REINSURED BUSINESS

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer for CNP France and the main subsidiaries in the Group:

a) excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA

b) for quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows

10.5.1 Credit risk on reinsured business at 31 December 2013

		Ceded technical reserves	
(in € millions)	**Credit rating**	**Amount**	**%**
First reinsurer	A	3,759.3	38.6%
Second reinsurer	BBB-	2,465.7	25.3%
Third reinsurer	AA-	1,217.7	12.5%
Fourth reinsurer	A	574,6	5.9%
Other reinsurers	-	1,731.7	17.7%
TOTAL		**9,748.9**	

10.5.2 Credit risk on reinsured business at 31 December 2012

		Ceded technical reserves	
(in € millions)	**Credit rating**	**Amount**	**%**
First reinsurer	AA-	3,542.6	39.7%
Second reinsurer	BB+	2,328.2	26.1%
Third reinsurer	AA-	1,150.2	12.9%
Fourth reinsurer	A	585.0	6.6%
Other reinsurers	-	1,320.7	14.8%
TOTAL		**8,926.7**	

NOTE 11 Subordinated debt

11.1 SUBORDINATED DEBT AT 31 DECEMBER 2013

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes					2,569.4	14.0	0.0	0.0	200.0	1,809.8	545.6	2,748.0
CNP Assurances	April 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		789.7
CNP Assurances	April 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	359.8					359.8		397.3
CNP UniCredit Vita	June 2009	6-month Euribor +3.25%		EUR	14.0	14.0						14.0
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		807.6
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016, then 3-month Euribor +1.6%		EUR	93.0						93.0	85.4
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	91.3
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +2% from 24.06.13		EUR	200.0				200.0			179.5
CNP Assurances	July 2013	6.875% until Jul. 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	362.6						362.6	383.3
Perpetual subordinated notes					45.0	0.0	0.0	0.0	0.0	0.0	45.0	40.8
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0	0.0	0.0	0.0	0.0	0.0	45.0	40.8
TOTAL					**2,614.4**	**14.0**	**0.0**	**0,0**	**200.0**	**1,809.8**	**590.6**	**2,788.8**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been €159.4 million at 31 December 2013. The fair values of unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, phase 2, regarding the fair value of these instruments*

Subordinated debt is not subject to financial covenants.

11.2 SUBORDINATED DEBT AT 31 DECEMBER 2012

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Un-dated	Fair value*
Subordinated notes					**2,514.6**	**0.0**	**14.0**	**0.0**	**500.0**	**1,817.6**	**183.0**	**2,530.6**
CNP Assurances	April 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		725.9
CNP Assurances	April 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	367.6					367.6		385.6
CNP UniCredit Vita	June 2009	6-month Euribor +3.25%		EUR	14.0		14.0					14.3
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		767.2
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016, then 3-month Euribor +1.6%		EUR	93.0						93.0	79.7
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	77.8
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +2% from 24.06.13		EUR	200.0				200.0			183.0
CNP Assurances	May 2003	5.25% until May 2013, then 3-month Euribor +200 bps		EUR	300.0				300.0			297.1
Perpetual subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**44.0**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0						45.0	44.0
TOTAL					**2,559.6**	**0.0**	**14.0**	**0.0**	**500.0**	**1,817.6**	**228.0**	**2,574.6**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been a negative amount of €833.8 million before tax at 31 December 2012*

NOTE 12 Insurance and reinsurance receivables

12.1 INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of insurance and reinsurance receivables at 31 December 2013 and 2012.

(in € millions)	31.12.2013	31.12.2012
Earned premiums not yet written	2,398.8	2,371.0
Other insurance receivables	325.4	572.0
Reinsurance receivables	62.0	92.2
TOTAL	**2,786.2**	**3,035.3**
Doubtful receivables	3.4	3.6

ANALYSIS BY MATURITY

	31.12.2013		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,398.8	0.0	0.0
Other insurance receivables	322.4	2.9	0.0
Reinsurance receivables	62.0	0.0	0.0
TOTAL	**2,783.3**	**2.9**	**0.0**

	31.12.2012		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,371.0	0.0	0.0
Other insurance receivables	560.3	11.6	0.2
Reinsurance receivables	92.1	0.1	0.0
TOTAL	**3,023.4**	**11.7**	**0.2**

12.2 OTHER RECEIVABLES

(in € millions)	31.12.2013	31.12.2012
Receivables from employees	1.6	1.6
Tax, social security and public administration receivables	817.8	827.6
Sundry receivables	3,824.1	4,119.4
TOTAL	**4,643.5**	**4,948.6**

NOTE 13 Deferred taxes

This note presents total deferred tax assets and liabilities by type of temporary difference.

Sources of temporary differences *(in € millions)*	31.12.2013		
	Assets	**Liabilities**	**Net**
Goodwill	18.2	(1.1)	17.1
Value of business In-Force	0.0	(20.9)	(20.9)
Other intangible assets	0.0	(33.1)	(33.1)
Investment property	0.0	(89.0)	(89.0)
Financial assets	54.7	(8,390.8)	(8,336.1)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.7	0.0	0.7
Owner-occupied property and other property and equipment	0.0	(1.0)	(1.0)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	233.5	0.0	233.5
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	10.9	0.0	10.9
Provisions	127.6	0.0	127.6
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(2.6)	(2.6)
Deferred participation asset/reserve	7,207.2	0.0	7,207.2
Other liabilities	0.0	(0.6)	(0.6)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(7,387.9)	7,387.9	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**265.0**	**(1,151.1)**	**(886.1)**

Sources of temporary differences *(in € millions)*	31.12.2012		
	Assets	Liabilities	Net
Goodwill	20.8	(1.1)	19.7
Value of business In-Force	0.0	(25.2)	(25.2)
Other intangible assets	0.0	(34.8)	(34.8)
Investment property	0.0	(89.6)	(89.6)
Financial assets	0.0	(7,873.7)	(7,873.7)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.8	0.0	0.8
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	138.4	0.0	138.4
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	132.3	0.0	132.3
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.1)	(18.1)
Deferred participation asset/reserve	6,895.6	(0.4)	6,895.2
Other liabilities	0.0	(80.9)	(80.9)
Credit from tax loss carryforwards	20.8	0.0	20.8
Asset-liability netting	(7,039.1)	7,039.1	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**169.6**	**(1,092.7)**	**(923.1)**

NOTE 14 Provisions

Provisions cover commercial, employee-related and tax risks resulting in obligations that will most likely give rise to an outflow of resources, the amount of which may be reliably determined.

14.1 PROVISIONS - 2013

(in € millions)	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2013	**77.1**	**143.4**	**220.5**
New provisions set up during the period and increases in existing provisions	83.6	56.5	140.1
Amounts utilised during the year	0.0	(12.1)	(12.1)
Surplus provisions released during the period	(50.4)	(38.7)	(89.1)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(12.9)	(4.2)	(17.1)
Changes in scope of consolidation	0.0	4.2	4.2
Reclassifications	0.0	0.0	0.0
Carrying amount at 31 December 2013	**97.5**	**149.1**	**246.6**

14.2 PROVISIONS - 2012

(in € millions)	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2012	**65.9**	**108.6**	**174.4**
New provisions set up during the period and increases in existing provisions	95.5	107.7	203.2
Amounts utilised during the year	(28.3)	(22.2)	(50.5)
Surplus provisions released during the period	(49.9)	(45.7)	(95.5)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(6.1)	(5.0)	(11.1)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0
Carrying amount at 31 December 2012	**77.1**	**143.4**	**220.5**

NOTE 15 Liabilities arising from insurance and reinsurance transactions

15.1 LIABILITIES ARISING FROM INSURANCE AND REINSURANCE TRANSACTIONS

This note discloses details of insurance and reinsurance liabilities at 31 December 2013 and 31 December 2012.

(in € millions)	**31.12.2013**	31.12.2012
Cash deposits received from reinsurers	300.5	269.6
Liabilities arising from insurance transactions	829.4	1,210.1
Liabilities arising from reinsurance transactions	470.9	574.7
Deferred acquisition costs	6.6	8.0
TOTAL	**1,607.4**	**2,062.5**

ANALYSIS BY MATURITY

	31.12.2013			31.12.2012		
(in € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	150.2	150.3	0.0	124.8	144.8	0.0
Liabilities arising from insurance transactions	829.4	0.0	0.0	1,208.5	1.6	0.1
Liabilities arising from reinsurance transactions	470.9	0.0	0.0	574.7	0.0	0.0
Deferred acquisition costs	6.6	0.0	0.0	8.0	0.0	0.0
TOTAL	**1,457.1**	**150.3**	**0.0**	**1,916.0**	**146.4**	**0.1**

15.2 OTHER LIABILITIES

(in € millions)	**31.12.2013**	31.12.2012
Employee benefits expense payable	339.1	313.0
Accrued payroll and other taxes	1,254.8	886.7
Sundry payables	5,297.4	4,802.4
TOTAL	**6,891.3**	**6,002.1**

15.3 EMPLOYEE BENEFITS - IAS 19

15.3.1 Main assumptions

Discount rate

At 31 December 2013, the discount rate corresponds to the yield on investment-grade corporate bonds (rated AA) with maturities that match the duration of the benefit obligation in accordance with IAS 19. Until 31 December 2010, defined benefit plan obligations in France were discounted to present value based on the French government bond (OAT) rate. This change did not have a material impact on measurement of obligations.

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	15	3.03%	3.0%	Incl. in salary increases	N/A
Jubilees	9	2.47%	3.0%	Incl. in salary increases	N/A
Article 39 of the French Tax Code	11	2.62%	3.0%	Incl. in salary increases	2.6%
Other plans: Italy	25	3.00%	3.0%	2.0%	N/A

Mortality tables

The Group based its calculations on prospective mortality tables by generation, particularly table TGH05-TGF05 for obligations in France.

15.3.2 Recognised benefit obligations

	Post-employment plans	
(in € millions)	**31.12.2013**	**31.12.2012**
Projected benefit obligation	153.9	145.0
Fair value of plan assets	0.0	0.0
Projected benefit obligation net of plan assets	**153.9**	**145.0**
Unrecognised past service cost	0,0	(3.7)
Liability recognised in the balance sheet - defined benefit plans	**153.9**	**141.3**
Liability recognised in the balance sheet - defined contribution plans	50.5	38.4
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**204.4**	**179.7**
Other long-term benefit obligations	19.8	18.8
Of which length-of-service and jubilee awards	*19.8*	*18.8*
Total liability recognised in the balance sheet for long-term benefit obligations*	**224.2**	**198.6**

* *Benefit obligations are mainly carried on the books of the French (€222.8 million) and Italian entities (€0.7 million)*

15.3.3 Analysis of cost of benefit obligations

	Post-employment plans	
(in € millions)	**31.12.2013**	**31.12.2012**
Current service cost (net of employee contributions)	**7.6**	**7.2**
Interest cost	3.6	3.9
Expected return on plan assets for the period	0.0	0.0
Curtailments and settlements	0.0	0.0
Amortisation of past service cost	0.0	2.8
Post-employment benefit expense - defined benefit plans	**11.2**	**13.9**
Post-employment benefit expense - defined contribution plans	15.0	10.5
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**26.1**	**24.4**

15.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

	Post-employment plans	
(in € millions)	**31.12.2013**	**31.12.2012**
At 1 January[(1)]	141.3	117.5
Effect of changes in exchange rates[(2)]	0.0	0.0
Post-employment benefit expense	11.1	13.9
Employer's contributions[(3)]	(13.7)	(12.0)
Benefits paid[(4)]	(4.8)	(2.4)
Actuarial gains and losses recognised in SoRIE[(5)]	20.0	44.5
Actuarial gains and losses recognised through profit	0.0	0.0
Changes in scope of consolidation[(6)]	0.0	(20.2)
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0
AT 31 DECEMBER	**153.9**	**141.3**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans
(2) Pension (charges)/revenue arising from defined benefit plans
(3) Management fees paid on plan assets
(4) Fees paid by the Group (or rebilled by Caisse des Dépôts)
(5) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies
(6) Under the terms of a trade union agreement effective 1 January 2012, CNP Asfalistiki, CNP Cyprialife and CNP Cyprus Insurance holdings liquidated their defined benefit scheme and set up a defined contribution scheme. Accordingly, their existing obligations under defined benefit schemes have been derecognised and a €2.5 million gain was booked in respect of 2012

15.3.5 Change in actuarial gains

	Post-employment plans	
(in € millions)	**31.12.2013**	**31.12.2012**
Actuarial gains and losses recognised in equity at the beginning of the period	80.2	35.7
Actuarial gains and losses related to changes in discount rates	(1.3)	19.2
Actuarial gains and losses related to changes in assumptions regarding retirement age	13.8	0.0
Actuarial gains and losses related to changes in technical rates	1.9	6.5
Actuarial gains and losses related to historical loss adjustments	1.9	18.8
Actuarial gains and losses recognised in equity at the end of the period	96.5	80.2

15.3.6 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its commitments to employees in relation to changes in discount rates, employee turnover rates, rate of salary increase, technical rates and mortality tables. Accrued employee benefit commitments are most sensitive to changes in the salary revaluation rate and the discount rate. A 25 bps change in these two rates, for the French entities, would result in either a 3% increase or decrease in employee benefit commitments (for a lower discount rate or a higher salary revaluation rate, respectively).

ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

NOTE 16 Revenue

Revenue comprises:

- earned premiums
- loadings on premiums on financial instruments without DPF (IAS 39), reported under "Revenue from other activities".

16.1 EARNED PREMIUMS AND REVENUE FROM OTHER ACTIVITIES

Business segment and contract type *(in € millions)*	**31.12.2013**	**31.12.2012**
Insurance contracts	**21,992.9**	**19,945.7**
Life	**19,070.2**	**17,112.5**
Pure premiums	17,811.0	15,939.1
Loadings	1,259.2	1,173.4
Non-life	**2,922.7**	**2,833.2**
Pure premiums	2,179.1	2,124.7
Loadings	743.6	708.5
Financial instruments with DPF	**5,615.8**	**6,442.6**
Pure premiums	5,543.6	6,361.2
Loadings	72.2	81.4
Earned premiums	**27,608.7**	**26,388.3**

Revenue from other activities *(in € millions)*	**31.12.2013**	**31.12.2012**
Financial instruments without DPF	**50.3**	**78.3**
Loadings	50.3	78.3
On premiums	59.0	71.8
On outstandings	(8.8)	6.5
Services (IAS 18)	**101.6**	**110.2**
Other activities	**1.8**	**13.2**
TOTAL	**153.7**	**201.8**

16.2 RECONCILIATION TO REPORTED REVENUE

(in € millions)	**31.12.2013**	**31.12.2012**
Earned premiums	27,608.7	26,388.3
Loadings on premiums on financial instruments without DPF (IAS 39)	59.0	71.8
TOTAL	**27,667.8**	**26,460.1**

16.3 REVENUE BY DISTRIBUTION PARTNER

(in € millions)	**31.12.2013**	**31.12.2012**
La Banque Postale	8,810.7	9,624.2
Caisses d'Epargne	7,525.5	7,011.8
CNP Trésor	524.3	604.0
Financial institutions	1,503.6	1,487.9
Companies and Local Authorities	1,781.3	1,806.5
Mutual Insurers	883.1	885.2
Foreign subsidiaries	6,571.3	4,972.6
Other	68.1	68.0
TOTAL REVENUE	**27,667.8**	**26,460.1**

16.4 REVENUE BY BUSINESS SEGMENT

(in € millions)	**31.12.2013**	**31.12.2012**
Savings	**17,763.2**	**17,170.4**
Pensions	**3,702.7**	**3,357.1**
Personal Risk	2,009.9	1,904.8
Term Creditor Insurance	3,318.1	3,149.0
Health insurance	521.1	514.0
Property & Casualty	352.6	364.7
Sub-total personal risk and other	**6,201.8**	**5,932.5**
Other business segments	**0.0**	**0.0**
TOTAL REVENUE	**27,667.8**	**26,460.1**

16.5 REVENUE BY COMPANY

(in € millions)	**31.12.2013**	31.12.2012
CNP Assurances	18,811.1	18,778.9
CNP IAM	2,213.0	2,137.4
Préviposte	163.7	187.7
ITV	19.0	40.3
CNP International	0.0	0.0
La Banque Postale Prévoyance	192.3	178.9
MFPrévoyance SA	232.0	221.4
CNP Seguros de Vida	55.5	53.1
Caixa Seguros Group	3,018.5	2,876.9
CNP UniCredit Vita	2,303.8	1,160.3
CNP Vida	186.3	148.3
CNP Cyprus Insurance holdings	163.1	189.7
CNP Europe Life	20.7	59.0
CNP Barclays Vida y Pensiones	288.8	428.2
TOTAL REVENUE	**27,667.8**	**26,460.1**

16.6 REVENUE BY COUNTRY

	Under IFRS		Under French GAAP	
(in € millions)	**31.12.2013**	31.12.2012	**31.12.2013**	31.12.2012
France	21,096.5	21,487.5	21,233.4	21,712.7
Italy	2,548.2	1,374.3	2,810.6	1,594.6
Portugal	82.8	60.2	162.9	162.5
Brazil	3,018.5	2,876.9	3,383.8	3,286.6
Argentina	55.5	53.1	55.5	53.1
Spain	263.7	367.8	263.7	368.4
Cyprus	154.4	176.9	154.8	177.4
Ireland	0.9	1.4	0.9	1.4
Other	447.2	61.9	447.9	62.6
TOTAL REVENUE	**27,667.8**	**26,460.1**	**28,513.4**	**27,419.4**

16.7 DIRECT AND INWARD REINSURANCE PREMIUMS

(in € millions)	**31.12.2013**	31.12.2012
Insurance premiums	26,757.6	25,586.8
Inward reinsurance premiums	910.2	873.3
TOTAL REVENUE	**27,667.8**	**26,460.1**

NOTE 17 Claims and benefit expenses

This note shows assets, liabilities, income and expenses generated by insurance contracts.

IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF *(in € millions)*	31.12.2013	31.12.2012
Incurred claims	10,248.3	9,811.4
Endowments due	1,575.7	1,550.0
Benefits due	1,229.6	1,190.1
Surrenders	14,638.0	14,334.8
Credited interest and policyholder dividends included in paid benefits	(79.5)	(68.3)
Benefit and claim handling expenses	132.6	130.1
Claims and benefits	**27,744.7**	**26,948.1**
Change in technical reserves - insurance contracts	4,813.8	4,994.2
Change in technical reserves - financial instruments with DPF	(7,203.3)	(7,121.0)
Change in other technical reserves	(148.7)	465.3
Change in technical reserves	**(2,538.2)**	**(1,661.5)**
Credited interest	1,488.1	1,738.3
Policyholder dividends	8,817.8	8,924.9
Credited interest and policyholder dividends	**10,305.9**	**10,663.2**
Claims and benefits expenses	**35,512.5**	**35,949.8**

NOTE 18 Administrative expenses and business acquisition costs

18.1 EXPENSES ANALYSED BY FUNCTION

(in € millions)	31.12.2013	31.12.2012
Commissions	(3,132.8)	(2,998.6)
Expenses analysed by function	(156.6)	(259.3)
Business acquisition costs	**(3,289.4)**	**(3,257.8)**
Contract administration expenses	**(202.8)**	**(204.8)**
Other underwriting income and expenses	(221.2)	(306.6)
Other income and expenses	(202.5)	(114.2)
Employee profit-sharing	(24.6)	(21.6)
Other recurring operating income and expense, net	**(448.3)**	**(442.5)**
TOTAL	**(3,940.5)**	**(3,905.1)**

18.2 EXPENSES ANALYSED BY NATURE

(in € millions)	31.12.2013	31.12.2012
Depreciation and amortisation expense and impairment losses	28.8	34.6
Employee benefits expense	434.0	417.4
Taxes other than on income	115.2	117.7
Other	339.4	354.4
TOTAL	**917.5**	**924.0**

As these tables only include line item disclosures required under IAS 1, total expenses analysed by nature do not tie back to total expenses analysed by function.

18.3 ADMINISTRATIVE EXPENSES, NET

(in € millions)	31.12.2013	31.12.2012
Contract administration costs, net*		
■ Excluding foreign subsidiaries and other businesses	578.2	571.2
■ Including foreign subsidiaries and other businesses	879.4	891.6
Ratio*		
$\frac{\text{Contract administration costs}}{\text{Technical reserves**}}$		
■ Excluding foreign subsidiaries and other businesses	0.21%	0.21%
■ Including foreign subsidiaries and other businesses	0.29%	0.30%

* *Excluding CNP Trésor set-up expenses*	*34.4*	*35.6*

** *Insurance and financial liabilities, excluding deferred participation*

18.4 ANALYSIS OF COMMISSION EXPENSE

(in € millions)	31.12.2013	31.12.2012
Caisses d'Epargne	848.0	833.5
La Banque Postale	587.8	604.2
Other	1,697.1	1,560.9
TOTAL	**3,132.8**	**2,998.6**

NOTE 19 Reinsurance result

(in € millions)	**31.12.2013**	**31.12.2012**
Ceded premiums	(1,385.1)	(938.9)
Change in ceded technical reserves	1,408.5	1,120.1
Reinsurance commissions received	258.0	266.1
Investment income	(387.3)	(403.4)
TOTAL	**(105.9)**	**43.8**

NOTE 20 Investment income

20.1 INVESTMENT INCOME AND EXPENSE

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or loss or directly in equity for 2013 and 2012.

(in € millions)		**31.12.2013**	31.12.2012
Available-for-sale financial assets	Interest income	7,462.6	8,017.9
	Income from other financial assets	1,273.6	1,146.8
	Capital gains and losses on disposals	696.1	(840.9)
	Impairment	393.9	1,649.1
	Net income from available-for-sale financial assets	**9,826.1**	**9,972.8**
Held-to-maturity investments	Interest income	70.6	95.8
	Other income	0.9	0.0
	Impairment	20.9	0.8
	Net income from held-to-maturity investments	**92.4**	**96.6**
Loans and receivables	Interest income	14.4	19.6
	Other income	0.0	0.0
	Impairment	(17.1)	0.0
	Net income from loans and receivables	**(2.7)**	**19.6**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	4,042.6	6,632.3
	Profit (loss) on derivative instruments held for trading and hedging	(79.5)	(965.1)
	Capital gains and losses on disposals	278.5	42.6
	Net income (expense) from financial assets at fair value through profit or loss	**4,241.7**	**5,709.7**
Investment property	Rent and other revenue	96.6	96.7
	Fair value adjustments	3.7	(6.7)
	Capital gains and losses on disposals	(3.0)	30.8
	Net income from investment property	**97.3**	**120.8**
Other investment expenses		**(200.8)**	**(196.9)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**14,054.0**	**15,722.6**
Interest on subordinated debt at amortised cost		(154.9)	(157.2)
Interest on subordinated debt at fair value		0.0	0.0
Total finance costs		**(154.9)**	**(157.2)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**13,899.1**	**15,565.4**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(in € millions)	**31.12.2013**	31.12.2012
Investment income before finance costs	14,864.8	16,934.7
Investment and other financial expenses, excluding finance costs	(810.8)	(1,212.1)
Finance costs	(154.9)	(157.2)
TOTAL	**13,899.1**	**15,565.4**

20.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2013 and 2012.

20.2.1 Fair value adjustments to assets – 2013

(in € millions)		Investments held at 31.12.2013	Investments held at 31.12.2012	Movements in 2013
Assets at fair value through profit or loss	Fixed-rate bonds	11,673.3	10,930.6	742.7
	Variable-rate bonds	18,437.9	20,062.2	(1,624.3)
	TCNs (money market securities)	205.2	162.6	42.6
	Equities	5,056.1	4,641.6	414.5
	Mutual fund units	28,675.7	28,259.6	416.1
	Shares in non-trading property companies	1,317.8	1,324.6	(6.8)
	Other (including lent securities and repos)	162.7	110.9	51.8
	Total	**65,528.7**	**65,492.2**	**36.5**
Derivative instruments	Derivative instruments (positive fair value)	5,855.1	4,340.8	1,514.3
	Derivative instruments (negative fair value)	(6,114.2)	(4,622.4)	1,491.8
	Total	**(259.1)**	**(281.6)**	**(22.5)**
Available-for-sale financial assets	Fixed-rate bonds	174,779.2	172,399.1	2,380.1
	Variable-rate bonds	27,911.4	29,666.1	(1,754.7)
	TCNs (money market securities)	6,829.7	9,298.4	2,468.7
	Equities	12,740.3	12,201.8	538.5
	Mutual fund units	24,131.4	20,388.5	3,742.9
	Shares in non-trading property companies	4,249.9	3,493.9	756.0
	Non-voting loan stock	3,546.9	3,399.9	147.0
	Other (including lent securities and repos)	12,243.3	4,440.0	7,803.3
	Total	**266,432.2**	**255,287.7**	**11,144.5**
Held-to-maturity investments	Fixed-rate bonds	207.3	389.4	(182.1)
	Variable-rate bonds	426.0	553.1	(127.1)
	Total	**633.3**	**942.5**	**(309.2)**
Loans and receivables	Loans and receivables	4,715.7	4,975.8	(260.1)
	Total	**4,715.7**	**4,975.8**	**(260.1)**
Investment property	Investment property at amortised cost	2,804.3	2,890.3	(86.0)
	Investment property measured by the fair value model	604.8	624.4	(19.6)
	Total	**3,409.0**	**3,514.7**	**(105.7)**
TOTAL		**340,459.8**	**329,931.3**	**10,528.5**

20.2.2 Fair value adjustments to assets – 2012

(in € millions)		Investments held at 31.12.2012	Investments held at 31.12.2011	Movements in 2012
Assets at fair value through profit or loss	Fixed-rate bonds	10,930.6	10,766.1	164.5
	Variable-rate bonds	20,062.2	16,224.6	3,837.6
	TCNs (money market securities)	162.6	395.5	(232.9)
	Equities	4,641.6	4,944.7	(303.1)
	Mutual fund units	28,259.6	26,676.4	1,583.3
	Shares in non-trading property companies	1,324.6	1,396.1	(71.4)
	Other (including lent securities and repos)	110.9	1.4	109.5
	Total	**65,492.2**	**60,404.9**	**5,087.3**
Derivative instruments	Derivative instruments (positive fair value)	4,340.8	3,583.3	757.5
	Derivative instruments (negative fair value)	(4,622.4)	(3,179.2)	(1,443.2)
	Total	**(281.6)**	**404.1**	**(685.7)**
Available-for-sale financial assets	Fixed-rate bonds	172,399.1	152,023.9	20,375.2
	Variable-rate bonds	29,666.1	25,636.6	4,029.5
	TCNs (money market securities)	9,298.4	15,370.0	(6,071.6)
	Equities	12,201.8	13,392.1	(1,191.2)
	Mutual fund units	20,388.5	14,225.1	6,163.5
	Shares in non-trading property companies	3,493.9	3,713.9	(220.0)
	Non-voting loan stock	3,399.9	62.2	3,337.7
	Other (including lent securities and repos)	4,440.0	7,284.3	(2,844.3)
	Total	**255,287.7**	**231,708.9**	**23,578.8**
Held-to-maturity investments	Fixed-rate bonds	389.4	1,031.9	(642.5)
	Variable-rate bonds	553.1	0.0	553.1
	Total	**942.5**	**1,031.9**	**(89.4)**
Loans and receivables	Loans and receivables	4,975.8	4,437.6	538.2
	Total	**4,975.8**	**4,437.6**	**538.2**
Investment property	Investment property at amortised cost	2,890.3	2,319.0	571.3
	Investment property measured by the fair value model	624.4	511.5	112.9
	Total	**3,514.7**	**2,830.5**	**684.2**
TOTAL		**329,931.3**	**300,818.0**	**29,113.3**

20.2.3 Reconciliation of fair value adjustments to the amounts reported in the “Investments” note

(in € millions)	**31.12.2013**	**31.12.2012**
Fair value of investments	340,459.8	329,931.3
Unrealised gains and losses, net	(903.7)	(1,083.4)
Carrying amount of investments	**339,556.1**	**328,847.9**

20.3 IMPAIRMENT

This note discloses the nature and amount of impairment losses on financial assets recognised in profit or loss, by significant category of financial assets.

(in € millions)	31.12.2013	31.12.2012
Available-for-sale financial assets	**(184.9)**	**(918.8)**
Fixed-rate bonds	(0.5)	(1.2)
Variable-rate bonds	(54.8)	(35.0)
TCNs (money market securities)	0.0	0.0
Equities	(84.8)	(701.3)
Equity funds	(9.9)	(11.2)
Non-voting loan stock	(1.7)	(63.9)
Other (including mutual fund units)	(33.1)	(106.2)
Held-to-maturity investments	**(4.2)**	**(4.3)**
Loans and receivables	**(17.1)**	**0.0**
Total impairment expense	**(206.3)**	**(923.1)**
Available-for-sale financial assets	**578.8**	**2,569.0**
Fixed-rate bonds	1.2	1,312.1
Variable-rate bonds	105.1	8.0
TCNs (money market securities)	0.0	0.0
Equities	281.0	1,129.0
Equity funds	84.1	58.6
Non-voting loan stock	49.2	22.6
Other (including mutual fund units)	58.2	37.5
Held-to-maturity investments	**25.1**	**5.1**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**603.9**	**2,572.9**
NET CHANGE IN IMPAIRMENT PROVISIONS	**397.7**	**1,649.8**

Impairment of equities in 2013 consists mainly of additional provisions taken against shares in Arcelor Mittal.

Reversal of write-downs of equities as a result of disposals relate to shares in Peugeot, EADS and Veolia Environnement.

NOTE 21 Income tax expense

The purpose of the table below is to disclose the main components of income tax expense (benefit).

(in € millions)	31.12.2013	31.12.2012
Current tax	776.5	655.0
Deferred tax	(79.7)	240.5
INCOME TAX EXPENSE	**696.7**	**895.5**
Profit for the period	1,323.1	1,258.4
Tax rate	34.49%	41.58%
INCOME TAX EXPENSE	**696.7**	**895.5**

Tax proof	31.12.2013		31.12.2012	
(in € millions)	Rate	Amounts	Rate	Amounts
Profit before tax		2,019.8		2,153.9
Income tax at the standard French tax rate	38.00%	767.5	36.10%	777.5
Permanent differences*	-2.15%	(43.4)	5.00%	107.7
Capital gains and losses taxed at reduced rate	0.17%	3.5	-0.20%	(4.3)
Tax credits and tax loss carryforwards used	-1.17%	(23.6)	-1.13%	(24.4)
Effects of differences in foreign tax rates**	-0.91%	(18.4)	0.00%	0.0
Other	0.55%	11.0	1.81%	38.9
TOTAL	**34.49%**	**696.7**	**41.58%**	**895.5**

* *Including an estimated €101.9 million charge booked in 2012 in respect of an additional levy arising on the different accounting treatment of gains and losses on bonds between the French GAAP (capitalisation reserve) and IFRS financial statements*

** *In late 2011, the French government introduced a 5% income tax surcharge for companies with gross revenue exceeding €250 million. This surcharge was raised to 10.7% for income tax due in 2014 and 2015 for financial years 2013 and 2014, respectively*

The additional contribution of 3.3% raises the theoretical tax rate for 2013 to 38.00%

Deferred taxes on: *(in € millions)*	31.12.2013	31.12.2012
Fair value adjustments to financial assets held for trading	521.7	740.3
Deferred participation asset/reserve	(464.3)	(631.2)
Fair value adjustments to other financial assets	0.0	33.6
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0
Timing differences	0.0	0.0
Other	(137.2)	97.8
TOTAL	**(79.7)**	**240.5**

OTHER ANALYSES

NOTE 22 Financial risks

22.1 CREDIT RISK

The Group's credit risk policies are presented in section 5 of this Registration Document in Corporate governance and internal control (Note 5.6.2).

Note 9.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

22.2 CURRENCY RISK

Most portfolios covering insured liabilities are invested in assets denominated in their own functional currency. As a result, portfolio exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

The Group performs currency stress testing to assess the impact on profit and equity of fluctuations of +10% in the euro/dollar and euro/sterling exchange rates as most of its currency exposure is on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 3.5% and 2%, respectively, of recurring operating profit.

22.3 INTEREST RATE RISK ON FINANCIAL ASSETS

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

22.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2013 and 31 December 2012.

22.3.1.1 Caps and floors at 31 December 2013

		Residual life										
(in € millions)		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
< 5%		2,655	3,417	3,588	3,087	4,293	3,740	1,365	1,580	5,630	1,594	30,949
≥ 5%	< 6%	1,455	4,545	3,590	3,509	2,310	880	300	300	0	3,760	20,649
≥ 6%	< 7%	0	0	0	0	0	6	0	0	0	0	6
≥ 7%	< 8%	0	0	0	0	0	0	0	0	0	0	0
≥ 8%	< 9%	0	0	0	0	0	0	0	0	0	0	0
≥ 9%	< 10%	0	0	0	0	0	0	0	0	2	0	2
TOTAL		**4,110**	**7,962**	**7,178**	**6,596**	**6,603**	**4,626**	**1,665**	**1,880**	**5,632**	**5,354**	**51,607**

22.3.1.2 Caps and floors at 31 December 2012

(in € millions)		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
< 5%		5,160	2,659	3,420	3,588	3,092	7,043	3,740	1,372	1,585	5,630	37,289
≥ 5%	< 6%	1,310	1,450	4,542	3,590	3,509	2,310	880	300	300	3,760	21,951
≥ 6%	< 7%	400	0	0	0	0	0	0	0	0	0	400
≥ 7%	< 8%	0	0	0	0	0	0	0	0	0	0	0
≥ 8%	< 9%	0	0	0	0	0	0	0	0	0	7	7
≥ 9%	< 10%	0	0	0	0	0	0	0	0	0	0	0
TOTAL		**6,870**	**4,109**	**7,962**	**7,178**	**6,601**	**9,353**	**4,620**	**1,672**	**1,885**	**9,397**	**59,646**

22.3.2 Effective interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the purchase date and at the end of the reporting period.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France
- Italy
- Brazil
- Spain

22.3.2.1 Effective interest rates at purchase

	31.12.2013		31.12.2012	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	3.68%	EUR	3.95%
Italy	EUR	3.31%	EUR	3.71%
Brazil	Real	8.45%	Real	7.20%
Spain	EUR	4.40%	EUR	4.93%

22.3.2.2 Effective interest rates at balance sheet date

	31.12.2013		31.12.2012	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	1.88%	EUR	1.84%
Italy	EUR	3.15%	EUR	3.30%
Brazil	Real	8.41%	Real	7.19%
Spain	EUR	3.10%	EUR	4.13%

22.3.3 Carrying amounts by maturity

22.3.3.1 Carrying amounts by maturity at 31 December 2013

Type of instrument *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Beyond 5 years**	**Total**
Fixed-rate bonds	18,437.6	14,725.6	14,123.3	13,978.9	14,990.9	111,610.1	187,866.4
Zero coupon bonds	7,750.7	248.3	528.6	900.9	729.4	10,508.5	20,666.3
Adjustable-rate bonds	967.6	463.3	460.1	400.0	265.5	1,599.9	4,156.3
Variable-rate bonds	698.6	471.1	262.3	579.5	135.1	464.9	2,611.6
Index-linked fixed-rate bonds	8.2	355.8	702.2	1,376.8	175.7	10,071.2	12,689.9
Other bonds	2,991.7	1,882.4	2,530.6	2,451.2	1,883.5	10,341.8	22,081.3
TOTAL	**30,854.4**	**18,146.6**	**18,607.1**	**19,687.3**	**18,180.0**	**144,596.4**	**250,071.8**

22.3.3.2 Carrying amounts by maturity at 31 December 2012

Type of instrument *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Beyond 5 years**	**Total**
Fixed-rate bonds	16,349.1	15,605.3	15,612.4	14,325.7	12,535.4	106,478.1	180,906.0
Zero coupon bonds	8,688.5	189.8	250.5	527.6	880.3	10,511.2	21,047.9
Adjustable-rate bonds	876.7	816.7	145.6	50.4	389.3	1,528.0	3,806.7
Variable-rate bonds	744.4	680.2	765.7	504.9	259.7	715.6	3,670.5
Index-linked fixed-rate bonds	941.8	8.2	361.3	724.7	1,416.6	9,764.3	13,216.9
Other bonds	3,372.9	3,553.1	2,018.3	2,428.9	2,130.9	10,766.9	24,270.9
TOTAL	**30,973.4**	**20,853.3**	**19,153.8**	**18,562.2**	**17,612.2**	**139,764.1**	**246,918.9**

22.3.4 Carrying amounts at maturity – held-to-maturity investments

22.3.4.1 Carrying amount at 31 December 2013

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Beyond 5 years**	**Total**
Held-to-maturity investments	79.5	138.1	50.1	139.9	21.7	173.9	603.1
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**79.5**	**138.1**	**50.1**	**139.9**	**21.7**	**173.9**	**603.1**

22.3.4.2 Carrying amount at 31 December 2012

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Beyond 5 years**	**Total**
Held-to-maturity investments	148.6	104.6	165.4	54.3	164.9	216.4	854.1
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**148.6**	**104.6**	**165.4**	**54.3**	**164.9**	**216.4**	**854.1**

22.3.5 Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

22.3.5.1 Average remaining life of securities – 31 December 2013

France	Italy	Brazil	Spain
6.0	4.1	1.0	5.3

22.3.5.2 Average remaining life of securities – 31 December 2012

France	Italy	Brazil	Spain
6.3	3.8	2.0	4.1

22.4 SENSITIVITY OF MCEV® TO MARKET RISKS

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV®) to market and insurance risks.

The Group's embedded value reporting is based on CFO Forum MCEV® Principles (Market Consistent European Embedded Value Principles developed by a group of Finance Directors from Europe's top insurance companies set up in 2002).

The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees. CNP Assurances uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2013.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Actual future experience may vary from that assumed in the calculation of the embedded value.

MCEV® is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business
- the value of In-Force business, comprising the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For France, the reference rate curve is the swap yield curve plus a liquidity premium determined using product typologies in accordance with QIS 5 technical specifications under Solvency II. MCEV® for CNP UniCredit Vita (the Italian subsidiary), CNP Vida (the Spanish subsidiary) and CNP Barclays Vida y Pensiones (subsidiary with activities in Italy, Spain and Portugal) was measured using the relevant government bond yield curves.

The market risk sensitivity of MCEV® is tested to measure the impact of interest rate and equity volatilities. MCEV® principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary Caixa, the Italian subsidiary CNP UniCredit Vita, the Spanish subsidiaries CNP Vida de Seguros y Reaseguros and CNP Barclays Vida y Pensiones, and the Cypriot subsidiary, CNP Cyprus Insurance holdings. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the swap yield curve. This would result in:
  - a revaluation of bond prices
  - a 100-basis point adjustment to the reinvestment rate for all categories of assets and
  - a change in discount rates.

  The impact on mathematical reserves for unit-linked portfolios is not measured.
- the impact of an immediate 10% fall in equity and property prices. As well as a 10% fall in equity and property prices, this also leads to a drop in mathematical reserves for the proportion of unit-linked portfolios invested in equities.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

MARKET RISK SENSITIVITY OF MCEV® TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2013

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV®	(416.0)	(13.0)	(601.0)

MARKET RISK SENSITIVITY OF MCEV® TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2012

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV®	(286.0)	(256.0)	(647.0)

Sensitivity to insurance risks is presented in Note 24.

NOTE 23 Liquidity risk and asset/liability management

23.1 LIQUIDITY RISK

23.1.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

23.1.1.1 Future cash flows from assets at 31 December 2013

Intended holding period *(in € millions)*	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	28,946	78,236	114,179	26,156
Assets held for trading and assets measured at FV	6,110	12,332	9,187	2,844
Held-to-maturity investments	93	516	303	72
Loans and receivables	4	0	0	0

23.1.1.2 Future cash flows from assets at 31 December 2012

Intended holding period *(in € millions)*	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	29,686	94,152	95,451	23,358
Assets held for trading and assets measured at FV	4,646	15,873	7,406	2,262
Held-to-maturity investments	160	673	260	82
Loans and receivables	22	0	0	0

23.1.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and Property & Casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.1.2.1 Payment projections by maturity at 31 December 2013

(in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	10 to15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	18,830.0	73,504.3	60,849.9	46,469.7	153,498.0

23.1.2.2 Payment projections by maturity at 31 December 2012

(in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	19,006.8	75,863.6	61,162.7	42,328.9	138,342.3

23.1.3 Contracts with immediate surrender option

(in € millions)	31.12.2013
Contracts with immediate surrender option	257,006.4
Contracts with no immediate surrender option	44,561.6

Contracts with an immediate surrender option represented a total liability of €257.0 billion at 31 December 2013 (€252.7 billion at 31 December 2012). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing for their surrender or transfer by the policyholder.

Term creditor products, group personal risk products, certain annuity products and "Madelin Act" pension products do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.1.2.

23.2 ASSET/LIABILITY MANAGEMENT

The Group's credit risk policies are presented in section 5 of this Registration Document in Corporate governance and internal control (Note 5.6.2).

23.3 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

(in € millions)	**31.12.2013**	**31.12.2012**
Investment properties held to cover linked liabilities	1,119.5	1,079.6
Financial assets held to cover linked liabilities	34,802.1	34,986.4
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0
Other assets held to cover linked liabilities (*e.g.*, non-financial assets held by consolidated non-trading property companies)	0.0	0.0
TOTAL ASSETS HELD TO COVER LINKED LIABILITIES – CARRYING AMOUNT	**35,921.6**	**36,066.0**
Linked liabilities – financial instruments without DPF	8,051.8	7,913.0
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	27,977.8	28,455.4
TOTAL LINKED LIABILITIES	**36,029.6**	**36,368.4**
Guaranteed capital reserves	2.3	3.4
TOTAL LINKED LIABILITIES	**36,031.9**	**36,371.8**

The asset/liability mismatch on unit-linked contracts mainly relates to provisions for outstanding claims included in linked liabilities but with no dedicated assets for the purpose of this note.

NOTE 24 Risks related to insurance and financial liabilities

24.1 MANAGEMENT OF RISKS RELATED TO INSURANCE AND FINANCIAL LIABILITIES

CNP Assurance's insurance businesses expose it to a number of risks, particularly those relating to product development, calculating adequate reserves and devising its reinsurance strategy.

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders.

These management information systems:

- analyse risk-adjusted profitability during the product launch process
- roll down Group objectives to the level of the individual businesses
- analyse the components of profit and value creation and the basis used for underwriting and pricing decisions, as well as determining the appropriate pricing and provisioning strategies
- track risks with a technical component
- optimise reinsurance strategies.

These routine analyses are rounded out by stress tests performed on key economic and technical assumptions to measure their impact on the Group's performance indicators.

Asset and liability projections are produced annually and are used to calculate policyholder dividend rates for the year, as well as to produce budgets and multi-year business plans.

The Group's policies for managing risks related to insurance and financial liabilities are presented in section 5 of this Registration Document on corporate governance and internal control (Note 5.6.2).

24.2 CONTRACT TERMS AND CONDITIONS

24.2.1 Types of insured risk by class of business

The Group offers a full range insurance products both inside and outside France.

The main traditional individual insurance policies written are savings products, term life insurance, endowment policies and deferred annuity contracts with or without contingency insurance. The Group also markets products that combine a traditional savings component and one or several unit-linked components.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, personal risk policies and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write Property & Casualty and liability insurance. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

CNP Assurances may also be exposed to emerging risks – in other words new, continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or deemed of minor importance could prove to have a material impact on the Group in the future.

Specific processes exist to identify and analyse emerging risks and the Group keeps abreast of relevant scientific publications, market trends, regulations and case law, etc.

The insurer's risks differ depending on the type of policy:

1. Savings contracts give rise to mainly financial-type risks

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (*e.g.*, a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both the Group's earnings and solvency
- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products.

2. Pension products give rise to mainly financial and underwriting risks

Risks associated with annuity-based pension portfolios depend on:

- the benefit payment period, which is not known in advance
- the interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables.

Personal risk policies give rise to mainly underwriting risks

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

Deteriorating loss ratios on temporary disability risks provided under term creditor and personal risk policies – especially under group policies – has led to a major rethink of the pricing strategy for these products.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although the risk is limited somewhat by the use of certain types of medical questionnaires and the enforcement of a waiting period.

The Group's business may be affected by the occurrence of natural or human catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, a wave of climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 or H1N1 viruses, or fallout from global warming, aside from immediate havoc that such events would cause, could also significantly impact the Group's earnings and business.

24.2.2 Description of the main policyholder guarantees

Traditional savings contracts give rise to a commitment to pay a capital sum. These contracts generally pay a minimum yield plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

- voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum

- compulsory individual pension accounts (“Article 83” accounts) giving rise to the payment of a life annuity. The total annuities paid to the insured are based directly on the insured’s salary during the contribution period and a reversionary pension may be paid to a named beneficiary
- defined benefit plans (“Article 39” plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities
- points-based pay-as-you-go group pension plans (“Article L.441-1” plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of one point. Annuities are adjusted based on changes in the value of a point
- immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer’s liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

- term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled
- contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured
- death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period
- term creditor contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided
- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured’s spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group’s subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write Property & Casualty and liability insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

24.2.3 Participation clauses

Traditional savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract’s technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders’ surplus reserve.

Participation rates are determined based on the local accounts.

24.3 VALUATION OF INSURANCE LIABILITIES (ASSUMPTIONS AND SENSITIVITIES)

24.3.1 Technical reserve models

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated
- administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts

- unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts
- premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

24.3.2 Modelling objectives

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates
- adjusting technical reserves following a change in mortality tables
- using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

24.3.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

- detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years
- the creation of files at each period-end to check the consistency of reserves with technical flows
- recurring audits of management system calculations, based on random tests and detailed repeat calculations
- detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

24.3.4 Assumptions used to calculate reserves

Technical reserves for non-life insurance do not have to be discounted under French insurance regulations (with the exception of the annuity component).

Mathematical reserves for individual savings products are recognised at the surrender value of the policies in accordance with insurance regulations.

Mathematical reserves for individual and group pension plans (with the exception of "Article L.441" plans) are calculated using the discount rate applicable at the contractual date (*i.e.*, the contractual rate) or the premium payment or settlement date, depending on the type of policy.

Reserves for group personal risk products and term creditor insurance are generally calculated based on current discount rates.

All other assumptions are determined by reference to internal experience-based data.

24.3.5 Use of different assumptions

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.)
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different.

In addition, the allocation keys used to apportion unrealised capital gains or losses between policyholders and shareholders are based on the calculations of the present value of future profits used to determine embedded value. As such, they do not reflect observed historical data.

24.3.6 Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

24.3.7 Sensitivity of MCEV® to changes in surrender rates and loss ratios

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

At 31 December 2013, a 10% fall in surrender rates would have a positive impact of €198 million on MCEV®. A 5% fall in observed losses would have a positive impact of €164 million on MCEV® in respect of mortality and disability risks, and a negative impact of €117 million in respect of longevity.

24.4 RISK OF GUARANTEED YIELDS ON INSURANCE AND FINANCIAL LIABILITIES

Traditional savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

- contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures
- contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years
- contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables.

Guaranteed yield *(in € millions)*	31.12.2013	
	Technical reserves	%
0%(1)	160,271.9	53.15%
]0%-2%]	21,659.2	7.18%
]2%-3%]	28,806.6	9.55%
]3%-4%]	1,527.8	0.51%
]4%-4.5%]	4,987.1	1.65%
>4.5%(2)	1,415.8	0.47%
Linked liabilities	36,029.6	11.95%
Other(3)	46,870.2	15.54%
TOTAL	**301,568.0**	**100.00%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 7% (see Note 22.3)
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

Guaranteed yield *(in € millions)*	31.12.2012	
	Technical reserves	%
0%(1)	151,434.8	51.2%
]0%-2%]	20,393.5	6.9%
]2%-3%]	36,197.2	12.2%
]3%-4%]	2,231.9	0.8%
]4%-4.5%]	4,082.9	1.4%
>4.5%(2)	1,909.2	0.6%
Linked liabilities	36,368.4	12.3%
Other(3)	43,140.0	14.6%
TOTAL	**295,758.0**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 22.3)
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

24.5 CONCENTRATION OF INSURANCE RISK

24.5.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk)
- to share risks on large-scale new business.

24.5.2 Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

- Individual policies: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its LBPP, UniCredit Vita and CNP Vida subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the Group retains ten times the annual social security ceiling (€37,032 in 2013) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:

a) death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool ("*Décès-IPA3*" policy). The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP Assurances' share is 28%) and reinsurance cover purchased by the pool from external reinsurers. There are six levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million; level 3: 100 XS €150 million; level 4: 150 XS €250 million; level 5: 100 XS €400 million; level 6: 100 XS €600 million with 200% paid reconstitution except for nuclear and NBC terrorism risks. A loss event is defined as involving three or more victims

b) catastrophic risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.25 million per loss event and the reinsurers cover €37 million per loss event and €74 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €37 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations
- the number, size and cause of paid claims, including a detailed analysis of the largest claims
- underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

24.5.3 Counterparty risk on reinsurance balances

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA (a detailed schedule of reinsurer ratings is presented in Note 10.5).

24.5.4 Insurance-related legal risks

The Group's insurance-related legal risks and its risk management policy are presented in section 5 of this Registration Document in Corporate governance and internal control (Note 5.6.3).

3.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of CNP Assurances
- the justification of our assessments
- the specific verifications and information required by law.

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

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated 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 consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 3.1 to the consolidated financial statements regarding the new mandatory accounting standards, which do not have an impact on the consolidated financial statements for the year ended 31 December 2013.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Financial assets and derivative instruments are recognised and measured in accordance with the methods described in Note 3.10 to the consolidated financial statements. We obtained assurance that the measurement criteria were implemented and that the classification used was consistent with the Group's documentation. We verified that the methods used to calculate impairment of available-for-sale equity instruments were appropriate and properly applied.

- Certain technical assets and liabilities specific to insurance and re-insurance, such as technical reserves and securities portfolios, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 3.9 and 3.13 to the consolidated financial statements. We verified that the methods and assumptions used were reasonable, in particular in view of the Group's regulatory environment and experience.
- Goodwill is tested for impairment at each period-end in accordance with the methods described in Notes 3.9 and 7.2.1 to the consolidated financial statements. We verified that the measurement approaches used were based on assumptions that were consistent with the forecast data taken from the Group's business plans.

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 VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Neuilly-sur-Seine and Courbevoie, 26 February 2014

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Éric Dupont	Jean-Claude Pauly

3.3 COMPANY FINANCIAL STATEMENTS

3.3.1 Balance sheet

3.3.1.1 ASSETS

Assets *(in € thousands)*	31.12.2013	31.12.2012	Year-on-year change
Intangible assets	**55,576**	**56,787**	**- 2.1%**
Investments	**252,581,470**	**241,000,464**	**4.8%**
Land and buildings	7,046,931	6,539,466	7.8%
Investments in subsidiaries and affiliates	4,542,820	4,364,474	4.1%
Other investments	240,938,532	230,042,931	4.7%
Cash deposits with ceding insurers	53,187	53,593	- 0.8%
Assets held to cover linked liabilities	**23,682,206**	**22,160,557**	**6.9%**
Reinsurers' share of technical reserves	**9,046,518**	**8,279,163**	**9.3%**
Provisions for unearned premiums and unsettled claims	0	0	0.0%
Life premium reserves	8,637,644	7,887,254	9.5%
Outstanding life claims reserves	137,810	150,661	- 8.5%
Outstanding non-life claims reserves	221,689	50,756	336.8%
Policyholder surplus reserve and rebates – life	4,911	7,664	- 35.9%
Policyholder surplus reserve and rebates – non-life	1,354	1,354	0.0%
Equalisation reserves	5,112	4,869	5.0%
Other life technical reserves	0	0	0.0%
Other non-life technical reserves	37,998	176,605	- 78.5%
Linked liability technical reserves	0	0	0.0%
Receivables	**4,432,152**	**3,570,839**	**24.1%**
Receivables arising from insurance transactions	**1,495,922**	**1,782,867**	**- 16.1%**
■ Earned premiums not yet written	*1,400,743*	*1,376,119*	*1.8%*
■ Other insurance receivables	*95,179*	*406,748*	*- 76.6%*
Reinsurance receivables	**44,778**	**25,828**	**73.4%**
Other receivables	**2,891,452**	**1,762,144**	**64.1%**
■ Receivables from employees	*580*	*82*	*607.3%*
■ Receivables due from government and social security bodies	*821,581*	*799,463*	*2.8%*
■ Sundry receivables	*2,069,291*	*962,599*	*115.0%*
Other assets	**511,991**	**418,867**	**22.2%**
Property, plant and equipment	113,399	122,586	- 7.5%
Current accounts and cash on hand	392,305	282,218	39.0%
Treasury shares	6,287	14,063	- 55.3%
Accrued income and prepaid expenses	**8,329,017**	**8,402,130**	**- 0.9%**
Prepaid interest and lease payments	3,787,276	3,790,620	- 0.1%
Deferred acquisition costs	274	424	- 35.4%
Other accrued income and prepaid expenses	4,541,467	4,611,086	- 1.5%
Translation differences	**0**	**0**	**0.0%**
TOTAL ASSETS	**298,638,930**	**283,888,807**	**5.2%**

3.3.1.2 EQUITY AND LIABILITIES

Equity and liabilities *(in € thousands)*	31.12.2013	31.12.2012	Year-on-year change
Equity	**8,896,500**	**8,208,326**	**8.4%**
Share capital	686,618	643,500	6.7%
Additional paid-in capital	1,716,846	1,321,020	30.0%
Revaluation reserve	21,564	21,564	0.0%
Other reserves	5,735,370	5,751,709	- 0.3%
Retained earnings (losses)	813	(84,169)	- 101.0%
Net profit for the year	735,289	554,702	32.6%
Subordinated debt	**4,679,652**	**5,021,312**	**- 6.8%**
Technical reserves	**240,888,501**	**235,353,887**	**2.4%**
Provisions for unearned premiums and unsettled claims	29	28	3.6%
Life premium reserves	232,173,306	227,684,783	2.0%
Outstanding life claims reserves	3,499,494	3,332,086	5.0%
Outstanding non-life claims reserves	154,356	3,839	3,920.7%
Policyholder surplus reserve and rebates – life	4,547,833	3,709,113	22.6%
Policyholder surplus reserve and rebates – non-life	739	749	- 1.3%
Equalisation reserves	149,488	105,480	41.7%
Other life technical reserves	295,154	300,579	- 1.8%
Other non-life technical reserves	68,102	217,230	- 68.6%
Linked liability technical reserves	**23,682,206**	**22,160,557**	**6.9%**
Provisions for liabilities and charges	**113,825**	**101,142**	**12.5%**
Cash deposits received from reinsurers	**561,161**	**554,938**	**1.1%**
Other liabilities	**17,941,797**	**11,246,416**	**59.5%**
Liabilities arising from insurance transactions	619,370	1,029,691	- 39.8%
Liabilities arising from reinsurance transactions	335,095	382,294	- 12.3%
Bank borrowings	84,118	75,207	11.8%
Other liabilities	16,903,214	9,759,224	73.2%
■ Other borrowings, deposits and guarantees received	*271,068*	*276,111*	*- 1.8%*
■ Employee benefits expense payable	*326,385*	*300,778*	*8.5%*
■ Accrued payroll and other taxes	*915,650*	*872,317*	*5.0%*
■ Sundry payables	*15,390,111*	*8,310,018*	*85.2%*
Deferred income and accrued expenses	**1,875,288**	**1,242,229**	**51.0%**
Translation differences	**0**	**0**	**0.0%**
TOTAL EQUITY AND LIABILITIES	**298,638,930**	**283,888,807**	**5.2%**

3.3.2 Income statement

3.3.2.1 NON-LIFE TECHNICAL ACCOUNT

Non-life technical account *(in € thousands)*	31.12.2013 Gross	31.12.2013 Reinsured	31.12.2013 Net amounts	31.12.2012 Net amounts	Year-on-year change
Earned premiums	**49,615**	**(27,171)**	**22,444**	**159**	**14,015.7%**
Premiums	49,616	(27,171)	22,445	171	13,025.7%
Change in unearned premiums reserve and unsettled claims	(1)	0	(1)	(12)	- 91.7%
Allocated investment income	**6**	**0**	**6**	**5,332**	**- 99.9%**
Other underwriting income	**0**	**0**	**0**	**0**	**0.0%**
Paid claims and benefits and change in claims reserves	**(193,162)**	**170,934**	**(22,228)**	**3,734**	**- 695.3%**
Paid benefits and expenses	(42,646)	0	(42,646)	(26,384)	61.6%
Change in outstanding claims reserves	(150,516)	170,934	20,418	30,118	- 32.2%
Change in other technical reserves	**149,128**	**(138,607)**	**10,521**	**(5,066)**	**- 307.7%**
Policyholder dividends	**(608)**	**0**	**(608)**	**(55)**	**1,005.5%**
Acquisition costs and administrative expenses	**(15,083)**	**200**	**(14,883)**	**(558)**	**2,567.2%**
Business acquisition costs	(13,185)	0	(13,185)	(415)	3,077.1%
Policy administration expenses	(1,898)	0	(1,898)	(143)	1,227.3%
Reinsurance commissions received	0	200	200	0	0.0%
Other underwriting expenses	**(63)**	**0**	**(63)**	**(297)**	**- 78.8%**
Changes in claims equalisation reserve	**167**	**243**	**410**	**(673)**	**- 160.9%**
Non-life underwriting result	**(10,000)**	**5,599**	**(4,401)**	**2,576**	**- 270.8%**

3.3.2.2 LIFE TECHNICAL ACCOUNT

Life technical account *(in € thousands)*	31.12.2013 Gross	31.12.2013 Reinsured	31.12.2013 Net amounts	31.12.2012 Net amounts	Year-on-year change
Premiums	**18,935,832**	**(1,022,940)**	**17,912,892**	**18,435,854**	**- 2.8%**
Investment income	**11,403,443**	**0**	**11,403,443**	**14,713,521**	**- 22.5%**
Income from financial investments	8,606,185	0	8,606,185	8,668,132	- 0.7%
Other investment income	1,192,415	0	1,192,415	3,119,581	- 61.8%
Profits on disposal of investments	1,604,843	0	1,604,843	2,925,808	- 45.1%
Mark-to-market gains on assets held to cover linked liabilities	**2,948,236**	**0**	**2,948,236**	**3,440,255**	**- 14.3%**
Other underwriting income	**16,039**	**0**	**16,039**	**18,385**	**- 12.8%**
Paid claims and benefits and change in claims reserves	**(18,940,913)**	**251,197**	**(18,689,716)**	**(18,979,805)**	**- 1.5%**
Paid benefits and expenses	(18,918,490)	403,685	(18,514,805)	(18,729,538)	- 1.1%
Change in outstanding claims reserves	(22,423)	(152,488)	(174,911)	(250,267)	- 30.1%
Change in life premium reserves and other technical reserves	**1,507,376**	**479,201**	**1,986,577**	**990,179**	**100.6%**
Life premium reserves	3,284,931	716,707	4,001,638	3,279,952	22.0%
Linked liability technical reserves	(1,521,121)	0	(1,521,121)	(1,944,273)	- 21.8%
Other technical reserves	(256,434)	(237,506)	(493,940)	(345,500)	43.0%
Policyholder dividends	**(8,581,863)**	**399,271**	**(8,182,592)**	**(7,675,576)**	**6.6%**
Acquisition costs and administrative expenses	**(2,097,363)**	**114,356**	**(1,983,007)**	**(1,931,267)**	**2.7%**
Business acquisition costs	(949,327)	0	(949,327)	(926,977)	2.4%
Policy administration expenses	(1,148,036)	0	(1,148,036)	(1,100,558)	4.3%
Reinsurance commissions received	0	114,356	114,356	96,268	18.8%
Investment expenses	**(2,809,342)**	**0**	**(2,809,342)**	**(6,884,373)**	**- 59.2%**
Internal and external management fees and interest	(473,442)	0	(473,442)	(482,103)	- 1.8%
Other investment expenses	(1,523,257)	0	(1,523,257)	(2,619,372)	- 41.8%
Losses on disposal of investments	(812,643)	0	(812,643)	(3,782,897)	- 78.5%
Mark-to-market losses on assets held to cover linked liabilities	**(1,519,340)**	**0**	**(1,519,340)**	**(1,348,833)**	**12.6%**
Other underwriting expenses	**(207,942)**	**0**	**(207,942)**	**(247,438)**	**- 16.0%**
Investment income transferred to the technical account			**0**	**0**	**0.0%**
Life underwriting result	**654,163**	**221,085**	**875,248**	**530,902**	**64.9%**

3.3.2.3 NON-TECHNICAL ACCOUNT

Non-technical account *(in € thousands)*	**31.12.2013**	**31.12.2012**	**Year-on-year change**
Non-life underwriting result	**(4,401)**	**2,576**	**- 270.8%**
Life underwriting result	**875,248**	**530,902**	**64.9%**
Investment income	**322,497**	**395,917**	**- 18.5%**
Income from financial investments	243,389	233,245	4.3%
Other investment income	33,722	83,943	- 59.8%
Profits on disposal of investments	45,386	78,729	- 42.4%
Allocated investment income			**0.0%**
Investment expenses	**(79,450)**	**(185,247)**	**- 57.1%**
Internal and external management fees and interest expense	(13,389)	(12,973)	3.2%
Other investment expenses	(43,079)	(70,483)	- 38.9%
Losses on disposal of investments	(22,982)	(101,792)	- 77.4%
Investment income transferred to the technical account	**(6)**	**(5,332)**	**- 99.9%**
Other income	**57,659**	**210,860**	**- 72.7%**
Other expenses	**(61,015)**	**(238,511)**	**- 74.4%**
Exceptional items	**(24,136)**	**(44,913)**	**- 46.3%**
Exceptional income	31,966	24,194	32.1%
Exceptional expenses	(56,102)	(69,107)	- 18.8%
Employee profit-sharing	**(18,872)**	**(16,810)**	**12.3%**
Income tax expense	**(332,235)**	**(94,740)**	**250.7%**
NET PROFIT FOR THE YEAR	**735,289**	**554,702**	**32.6%**

3.3.3 Commitments received and given

(in € thousands)	**31.12.2013**	**31.12.2012**
1. Commitments received	**61,319,891**	**67,066,381**
2. Commitments given	**61,252,303**	**61,458,946**
2a. Sureties, bonds and guarantees provided	0	0
2b. Securities and other assets purchased under resale agreements	3,988	4,169
2c. Other commitments related to securities, other assets or revenue	46,854,868	46,591,296
2d. Other commitments given	14,393,447	14,863,482
3. Securities lodged as collateral by reinsurers	8,370,083	7,087,292

3.3.4 Proposed appropriation of 2013 profit

Net profit for the year ended 31 December 2013 came in at €735,288,827.27. After the addition of retained earnings of €813,128.35, the total amount available for distribution is €736,101,955.62.

Consequently, the Ordinary General Meeting approves the proposal of the Board of Directors:

- to distribute a total dividend of €528,696,227.29 to be shared between all shareholders
- to transfer the balance of €207,405,728.33 to optional reserves.

Each of the 686,618,477 shares making up the share capital at the date of the General Meeting will bear a dividend of €0.77.

The dividend will be paid as from 14 May 2014 and the shares will trade ex-dividend on NYSE Euronext Paris from 9 May 2014.

Private shareholders resident in France for tax purposes will be entitled to 40% tax relief on their dividends pursuant to Article 158-3-2 of the French Tax Code.

The total amount of the dividend distributed will be reduced by the amount corresponding to the number of any treasury shares held by the Company which will be transferred to the retained earnings account in accordance with Article L.225-210 of the French Commercial Code.

DETAILED CONTENTS

3.3.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

CNP Assurances is a French *société anonyme* (public limited company) with a Board of Directors, governed by Articles L.225-17 to L.225-56 of the French Commercial Code *(Code de commerce)*, with capital of €686,618,477. In accordance with "Article 2" of its Articles of Association, the Company's corporate purpose is to:

- write life and endowment insurance
- write bodily injury insurance covering accident and health risks
- hold majority interests in insurance companies.

For this purpose, it can:

- hold stakes in companies whose business activities may assist it in performing the corporate purpose
- and more generally carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance.

NOTE 1 Significant events of the year

1.1 RIGHT TO ELECT FOR PAYMENT OF THE 2012 DIVIDEND IN SHARES

At the Annual General Meeting of CNP Assurances on 25 April 2013, shareholders approved the payment of the proposed 2012 dividend in an amount of €0.77 per share. As was the case for the 2011 dividend, shareholders also decided to offer the option of reinvesting the dividend in new shares of the Company.

The dividend reinvestment option was enthusiastically embraced by shareholders, with 88.8% of dividends reinvested over the exercise period from 30 April to 21 May.

The reinvestment led to the creation of 43,118,302 new shares, which increased the number of shares outstanding by 6.7% and the issued capital by €438,944,314. These shares were settled and started trading on the NYSE Euronext Paris stock exchange on 30 May 2013. Cash dividends were also paid from 30 May 2013.

Following the reinvestment programme, the Company's share capital is composed of 686,618,477 shares each with a par value of €1.00.

1.2 MANAGEMENT OF SUBORDINATED DEBT

As part of the process of managing its outstanding subordinated debt, on 11 July 2013, CNP Assurances announced the buyback of a portion of its €1,250 million perpetual notes issue, carried out on 18 July 2013, with an early repayment option in 2016 (FR0010409789) in an amount of €380 million. The buyback was financed by a new USD 500-million issue of perpetual subordinated notes, placed with Asian and European investors. Carried out concurrently, the buyback and new issue were designed to lengthen the average maturity of CNP Assurances' subordinated debt, by partially replacing a tranche with a 2016 call date with a new tranche callable in 2019.

On 16 May 2013 (date of early repayment option) CNP Assurances redeemed its €300 million subordinated notes issue of 25 April 2003 (FR0000474421).

1.3 INVESTMENT IN LOANS TO BOOST THE FRENCH ECONOMY

Decree no. 2013-717 of 2 August 2013 has changed the rules applicable to insurance companies wishing to invest in non-listed companies or public bodies by means of a direct investment or through funds of loans.

The key change introduced by the Decree relates to the manner in which funds of loans are accounted for in CNP's regulated commitments: investments in loans to boost the French economy are now covered by Article R.332-20 of the French Insurance Code, just like loans held directly or through asset-backed security funds.

Based on the French Insurance Code, the relevant funds of loans in which CNP Assurances has invested are Novo (Novo 1 – FR0011635424 and Novo 2 – FR0011585686) and Euroports Natixis infra (Units – FR0011673615 and Bonds – FR0011673623). The stock market value of these investments totalled €45 million at 31 December 2013.

1.4 ADDITIONAL SPECIAL TECHNICAL RESERVES

Article A.441-4 of the French Insurance Code was amended with effect from 28 December 2013. This resulted in a change in the regulatory technical rate used to calculate theoretical mathematical reserves. The rate now applied is the average TME rate over three periods (instead of over two periods as was previously the case). The combined regulatory rate therefore changed from 2.23%/ 1.79% at 31 December 2012, to 2.05%/1.64% at 31 December 2013.

Consequently, the theoretical mathematical reserves for *Préfon-Retraite* (the French civil servant pension plan) increased by approximately €515 million (including underwriting interest expense). This increase should be set against the €720 million added to technical reserves in 2013 as part of the Group's normal financial management processes.

This has improved the solvency ratio and resulted in the reversal of previously-recognised additional special technical reserves for an amount of €219 million, including €153 million attributable to CNP Assurances.

NOTE 2 Subsequent events

None

NOTE 3 Change in accounting policies

The French Accounting standards authority (*Autorité des nomes comptables* - ANC) Regulation 2013-03 of 13 December 2013 sets out new guidelines on how to account for amortisable securities covered by Article R.332-20 of the French Insurance Code:

- introduction of a premium-discount mechanism: these securities have not been amortised until now. Thenceforth, any positive or negative difference between the redemption price of the bonds and their purchase price, net of accrued interest, is deferred over the period through to maturity of the bonds concerned for all portfolios. The deferral calculations are performed on a yield-to-maturity basis for fixed rate securities and using a straight-line basis for variable rate securities
- change in rules regarding other-than-temporary impairment:
  - when an insurance entity has the positive intention and ability to hold to maturity amortisable securities covered by Article R.332-20 of the French Insurance Code, the ANC's new regulation states that provisions for other-than-temporary impairment should only be recognised if there is an identified actual credit risk.

    In addition to any unrealised losses, the Group will also consider whether there is a recognised risk of issuer default when considering whether the securities are impaired. Issuer default risk is assessed based on the issuer's rating and forecasts of recoverability. Recoverable amounts are assessed on an individual basis and discounted to present value.
  - when an insurance entity does not have the positive intention or the ability to hold to maturity amortisable securities covered by Article R.332-20 of the French Insurance Code, the new regulation states that the existence of other-than-temporary impairment should be assessed with regard to all of the risks identified in relation to the investment and the intended holding period. In addition to the 20% or 30% of unrealised losses threshold, CNP Assurances considers that a recognised risk of issuer default or the intent to sell within a short time frame also constitute evidence of impairment. The recoverable amount of such securities is assessed on an individual basis, using a multi-criteria approach that takes account of the intended holding period, the potential risk of default and any capital guarantees.

    If a short-term sale is planned, the recoverable rate is the market rate.

These changes will not have a material impact on the financial statements of the Company.

NOTE 4 Accounting policies and principles

CNP Assurances' Company financial statements are prepared in accordance with Articles 8 to 16 of the French Commercial Code and the implementing decree of 29 November 1983 for the law of 3 April 1983.

The measurement and recognition bases used to prepare the Company accounts comply with the decree of 8 June 1994 and the government order of 20 June 1994 to bring the French Insurance Code into line with the EU directive of 19 December 1991 concerning the Company and consolidated financial statements of insurers.

4.1 EQUITY

4.1.1 Share capital

Expenses related to increases in the share capital are recorded in the share premium reserve.

Exceptionally, in 1995, provisions arising from new accounting regulations (decree of 8 June 1994 and the government order of 20 June 1994) relating to other-than temporary impairment of assets at the beginning of the reporting period were recognised in equity at 1 January 1995, in accordance with the recommendation of the French National Accounting Board (*Conseil national de la comptabilité* – CNC). This impairment expense is reversed if there is an appreciation in the value of the assets concerned.

French insurers must set up a capitalisation reserve in their statutory accounts in order to state returns from bonds classified under Article R.332-19 of the Code, independently of any capital gains or losses realised. It is either debited with capital gains realised on the sale of bonds or – in the event that capital losses are generated on this type of asset – credited by a matching amount. Any amounts booked to, or reversed from the capitalization reserve after 1 January 2010 are taxable or deductible immediately in profit.

4.1.2 Treasury shares

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded in "marketable securities" in accordance with opinion No. 98D issued by the CNC's emerging issues task force and CNC regulation No. 2000-02.

4.2 INTANGIBLE ASSETS

For the purpose of measuring intangible assets, which includes the work necessary for integrating business applications and licenses acquired, the Company applies CNC regulation No. 2004-15 of 23 June 2004, concerning the definition, recognition and measurement of assets. This regulation is designed to bring accounting policies into line with IAS 38.

The following amortisation periods, which reflect the best estimate of the asset's useful life, are used by the Company:

- internally-developed software: five years
- business applications (licences): five years

Internally developed software is amortised from the date on which it is placed in service; licences are amortised from their acquisition date.

Finance and support projects are deemed to have a longer useful life than business applications and, beginning in 2013 they will be amortised over eight years.

This longer amortisation period resulted in lower operating expense of €1.8 million for the period.

Assets no longer used by the Company are scrapped.

In 2013, the Company compiled an inventory of IT equipment no longer being used and the hardware and software on the list was written off.

This resulted in an expense of €4.3 million for the year ended 31 December 2013.

4.3 INVESTING ACTIVITIES

Investments and related activities are accounted for in accordance with the French Insurance Code.

4.3.1 Measurement

Investments are measured at their historical cost, less acquisition-related costs, with the exception of:

- investments held to cover linked liabilities, which are remeasured at the end of each reporting period based on any changes in the related unrealised gains or losses – the matching liabilities are remeasured on the same basis
- investments subject to legal revaluation requirements.

Investment property

Since 1 January 2005, CNP Assurances recognises buildings by significant part or component, in accordance with Regulation 2005-09 of 3 November 2005, which made substantial changes to CRC Regulation No. 99-03 of 29 April 1999 concerning the General chart of accounts, and Article 15-1 of Regulation No. 2002-10, concerning the depreciation of assets.

Amortised cost consists of acquisition cost less accumulated depreciation and impairment expense.

Borrowing costs incurred during the construction period are recognised as an expense.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:

- land
- shell and roof structure
- facades and roofing
- fixtures
- technical installations.

Maintenance and upkeep costs are capitalised by significant part provided that future economic benefits are expected to flow from the work and that they can be estimated reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

Accrued rental income is recognised in profit.

Accumulated depreciation was calculated retrospectively in the balance sheet at 1 January 2005: each building was divided into specific parts and depreciated from the acquisition date through 1 January 2005, using the depreciation periods determined by the Company.

In order to break down the amortised cost of each building at 1 January 2005 by specific part, a simplified approach was used based on the breakdown observed for similar reference buildings (eight categories):

- "Haussmann" style buildings
- intermediate-period and recent buildings
- "old" office buildings
- "intermediate-period and recent" offices
- shopping centres and cinemas
- business premises
- high-rise housing developments
- high-rise office developments.

The split into specific parts was based on the average observed within each of the eight reference building categories.

Fixtures and fittings were allocated to the different specific parts in view of their non-material amounts.

Equity investments

Equities are recognised at their purchase price, less expenses, and dividends are recorded at the payment date, less tax credits, which are netted against income tax expense.

Bonds, loans and other fixed income securities

Bonds and other fixed income securities are recognised at their purchase price less any accrued income which is posted to the income statement at the end of the reporting period.

In accordance with the decree of 28 December 1991, any positive or negative difference between the redemption price of the bonds and their purchase price, net of accrued interest is deferred over the period through to maturity of the bonds concerned for all portfolios. The deferral calculations are performed on a yield-to-maturity basis for fixed rate securities and using a straight-line basis for variable rate securities.

In accordance with ANC Regulation 2013-03 of 13 December 2013, the same basis of calculation is now used for amortisable securities covered by Articles R.332-19 and R.332-20 of the French Insurance Code.

4.3.2 Depreciation of buildings

Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.

Due to the difficulty of reliably determining the residual value of property, investment and operating properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land which is not depreciated. These periods are as follows:

- shell: 50 years
- facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years
- technical installations: 20 years
- fixtures: 10 years.

4.3.3 Individual provisions for impairment of property and securities

Impairment loss provisions are recognised in accordance with Articles R.332-19 and R.332-20 of the French Insurance Code based on the classification of the assets in question.

Securities classified under Article R.332-19 of the French Insurance Code

CNC regulation No. 2006-07 of 30 June 2006 stipulates that "the insurer must assess whether or not there is a recognised counterparty risk arising from one or a number of events that have occurred since initial recognition, and if the related impairment loss can be estimated reliably".

Securities classified under Article R.332-19 are written down when there is a recognised risk of issuer default. The potential impairment loss arising on the deterioration in issuer risk is estimated by the Company using a multi-criteria approach. In the event of an improvement in the issuer's situation, the impairment loss is reversed in proportion to this improvement.

Assets classified under Article R.332-20 of the French Insurance Code

An impairment loss provision is recognised on property or financial instruments when there is evidence that they are subject to other-than-temporary impairment in accordance with Article R.332-20 of the French Insurance Code.

In 1995, when the new accounting regulations applicable to insurers were applied for the first time, other-than temporary impairment of assets at the beginning of the reporting period was recognised in equity at 1 January 1995 and no impact was recorded in profit or loss.

First-time application of ANC Regulation 2013-03 of 13 December 2013, which amended the basis for calculating provisions for other-than-temporary impairment on amortisable securities covered by Article R.332-20, did not have a material impact on the financial statements of the Company.

Buildings classified under Article R.332-20 of the French Insurance Code

At the end of each reporting period, the land and shell components of each building are tested for impairment and to see if there are indicators that they may be impaired.

One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the building concerned.

The recoverable amount of a property is the higher of its value in use and its enterprise value, as determined by annual independent valuations of the Group's entire property portfolio. The recoverable amount is prorated between the land and shell components based on the building's carrying amount.

Securities classified under Article R.332-20 of the French Insurance Code

a) Criteria for assessing whether an asset is subject to other-than-temporary impairment:

The criteria used to determine whether an asset is subject to other-than-temporary impairment are adapted according to the nature of the asset and the associated risk:

Shares in companies classified under Article R.332-20 of the French Insurance Code

A range of indicators relating to a decline in the value of the investment, such as losses over a sustained period or forecasts taken from the business plan, are considered objective evidence of other-than-temporary impairment.

Other non-amortisable securities classified under Article R.332-20 of the French Insurance Code

Opinion No. 2002-F issued by the CNC's emerging issues task force on 18 December 2002, states that the criterion for presumption of impairment concerning "material unrealised losses may be defined for French equities in relation to the degree of volatility: 20% of the carrying amount when the markets are relatively stable, rising to 30% when they are volatile".

Within the context of the ongoing financial crisis, on 15 December 2008, the CNC and the French Prudential supervision and resolution authority, (*Autorité de contrôle prudentiel et de résolution* – ACPR), issued a recommendation concerning the financial statements for the year ended 31 December 2008: the CNC and the ACPR considered that the high degree of volatility on the markets warranted raising the threshold for the presumption of other-than-temporary impairment to 30% of unrealised losses on the carrying amount of French equities and – unless there are exceptional circumstances – on European equities as well.

In 2012, in view of the continuing volatility on the markets, CNP Assurances opted to reduce the threshold for the presumption of other-than-temporary impairment to 20% of unrealised losses. In 2013, this threshold continued to apply to securities issued in France or in another country.

The following securities must also be tested for impairment:

- securities for which a provision has already been recognised
- securities for which there is evidence that the Company may not be able to recover all or part of the carrying amount of the investment
- securities that have lost at least 30% of their value over the past six months due to a high degree of volatility
- securities that have (i) lost more than 50% of their carrying amount at the reporting date; or (ii) behaved abnormally since the reporting date; or (iii) been subject to an unfavourable assessment by CNP Assurances.

Amortisable securities classified under Article R.332-20 of the French Insurance Code

Amortisable securities classified under Article R.332-20 that CNP Assurances has the positive intention and ability to hold to maturity are only written down if there is a recognised credit risk.

Amortisable securities classified under Article R.332-20 that CNP Assurances does not have the positive intention or the ability to hold to maturity are assessed for impairment with regard to all of the risks identified in relation to the investment and the intended holding period.

b) Amount of the provision:

The amount of the provision always corresponds to the difference between the carrying amount and the recoverable amount so, if a short-term sale is planned, the recoverable rate is the market rate.

If the Company has the positive intention and ability to hold onto the investments, by pointing to the stability of its commitments and its asset rotation policy, the recoverable amount will take account of the intended holding period.

The recoverable amount of shares in non-consolidated companies takes account of the specific features of the companies in question, particularly the earnings outlook and forecasts taken from the business plan. It is based on the value in use of the securities using a multi-criteria approach and a long-term perspective.

The recoverable value of other equities and mutual fund units is based on their fair value using a multi-criteria approach, capitalised at the risk-free rate plus a conservatively estimated risk premium (capitalisation rate corresponding to the TME rate + 500 bps) over the probable holding period for the corresponding assets.

The amortisable securities were written down in accordance with the methods described in Note 3.

4.3.4 General provision for impairment of property, shares and other securities

The Company has set up a liquidity risk reserve.

In accordance with Decree no. 2013-717 of 2 August 2013 amending certain rules applicable to investor insurance companies, and Article R.331-5-1 of the French Insurance Code, this reserve is used to record any overall decline in the aggregate carrying amount of (i) amortisable assets classified under Article R.332-20 that CNP Assurances does not have the positive intention or the ability to hold to maturity and; (ii) non-amortisable assets classified under Article R.332-20.

In the accounts for the year ended 31 December 2008, the Company opted to defer the liquidity risk reserve as authorised under Article R.331-5-4 of the French Insurance Code, provided all of the necessary conditions have been met (solvency capital, maturities of liabilities).

Article R.331-26 of the French Insurance Code stipulates that the following assumptions should be used to measure liability maturities: year-by-year projections of benefit payments (total and partial surrenders and endowment) over a 50-year period. Benefit maturities may vary for a number of different reasons, notably due to surrender options held by policyholders. Moreover, the effect of discounting has not been taken into account and the calculation period has been limited to eight years in order to obtain a whole number.

Based on the foregoing, the liquidity risk reserve is deferred over an eight-year period. The deferred expense is credited to non-technical income in account "753 – deferred increase in the liquidity risk reserve" with a corresponding debit to account "379 – deferred increase in the liquidity risk reserve". A related disclosure is included in Note 5.10 to the Company financial statements.

In accordance with Article R.322-6 of the French Insurance Code, the expense deferred pursuant to Article R.33165-4 is deducted from distributable profit as defined in Article L.232-11 and in Article L.232-12, paragraph 2, of the French Commercial Code.

Realisable value

Realisable value is defined as follows for the purposes of calculating the liquidity risks reserve:

- the realisable value of listed shares and securities is the average price calculated over the 30 days preceding the reporting date, or the most recent available listed price
- the realisable value of shares in money market funds and mutual funds is calculated at the average redemption price published over the 30 days preceding the reporting date, or the most recent available price
- the realisable value of property and shares in unlisted property companies is determined on the basis of five-year valuations performed by a qualified expert recognised by the ACP. In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

The recoverable amount of a property is the higher of its value in use and its net market price, as determined by annual independent valuations of the Group's entire property portfolio.

- the realisable value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction and based on their value in use for the Company.

In accordance with Article R.331-5-4 of the French Insurance Code, the liquidity risk reserve is calculated based on average prices for the month of December.

The basis used to calculate the liquidity risk reserve includes unrealised losses on forward financial instruments as provided for under Articles R.332-45 to R.332-47 of the French Insurance Code, with the underlyings referred to under Article R.332-20. These unrealised losses are included for the portion that exceeds the value of the securities or the cash put up as collateral. Unrealised gains are only included if they are guaranteed under the conditions provided for in Article R.332-56, *i.e.*, there is a framework agreement between issuer and holder whereby unrealised gains and losses are secured by collateral.

Unsecured forward financial instruments are excluded from the calculation of unrealised gains and losses not covered by existing provisions.

4.3.5 Disposals and exchanges

Gains and losses on disposals of investments are calculated using the FIFO method and based on a single regulation-compliant portfolio.

They are recognised in profit or loss on the actual date of sale.

Gains or losses recognised within the scope of a public exchange offer are calculated based on the best estimate of the share price which may correspond to:

- the offerer's average share price over the period between the date on which the offer was made and the date on which it expires or
- the stock market price (closing price) on the date the results of the share offer were published by the competent regulatory body.

4.3.6 Allocation of financial income

Net investment management income (excluding adjustments to assets held in unit-linked contracts) is split between: income generated by the investment of the funds corresponding to the contract's technical reserves (including the capitalisation reserve) which are recorded as "technical business", and those generated out of equity (excluding the capitalisation reserve), classified in "non-technical business".

4.3.7 Translation of foreign currency transactions

Since 31 December 2008, CNP Assurances has applied CRC Regulation No. 2007-07 of 14 December 2007 relating to the translation of foreign currency transactions governed by the French Insurance Code.

Foreign currency transactions are defined in Article A.342-3 of the French Insurance Code. They are recognised in their trading or settlement currency in each accounting currency (where a number of different accounting currencies are used).

CRC Regulation No. 2007-07 defines foreign currency transactions and stipulates that changes in foreign exchange rates are accounted for by classifying these transactions into two categories:

- transactions involving assets and liabilities that generate a "structural" position. For insurers, these mainly consist of strategic investments in non-consolidated companies traded in foreign currency, advances in foreign currency made to branches and financing of said investments and advances in foreign currencies. These items are unlikely to be realised and their measurement should not be affected by fluctuations in exchange rates

- other transactions denominated in foreign currency that generate an "operational" position. These operating transactions represent the short- or medium-term foreign exchange exposure borne by the entity in its day-to-day business that is affected by fluctuations in exchange rates.

Separate accounts are also used to record both structural and operational exchange rate positions for each currency both on- and off-balance sheet.

In the Company balance sheet, accounts denominated in foreign currency are translated into euros at the spot rate on the reporting date or the most recent available spot rate.

Translation differences on structural positions, measured based on the difference between the trading rate (historical rate) and the closing rate are recognised both on and off-balance sheet.

Translation differences on operational positions are recorded in account 665 "Foreign exchange losses" or account 765 "Foreign exchange gains".

In accordance with CRC Regulation No. 2007-07 of 14 December 2007, the Company recognised unrealised foreign exchange differences on operational positions at 31 December 2013 in profit or loss.

4.3.8 Forward financial instruments

CNP Assurances uses financial instruments traded over the counter or on organised markets to hedge its financial risk exposure.

Since 1 January 2003, the Company has applied CRC Regulation No. 2002-09 relating to forward financial instruments.

Hedges have been set up to manage exposure to:

- interest rate risk on the bond portfolio and on insurance policies with guaranteed minimum yields
- equity risk
- foreign currency risk.

Interest rate risk

Interest rate hedges comprise:

- floors which increase in value as interest rates fall, and caps which gain in value as interest rates rise
- put options on bonds whose value is tied to a decline in bond prices.

Equity risk

CNP Assurances has contracted options that partially hedge against the risk of a decline in the value of its equities portfolio.

In light of the volumes and the resulting financial impact, the Company's partial hedging of its equities portfolio is based around a dynamic hedging strategy designed to optimise gains from market opportunities as well as the overall cost of the hedging strategy.

Hedging of currency risk

CNP Assurances set up hedges to protect against the risk of fluctuations in:

- the Brazilian real exchange rate when it acquired Caixa Seguros and
- the pound sterling exchange rate when it issued sterling-denominated subordinated debt in 2011.

Accounting treatment

- All forward financial instruments held at the reporting date are disclosed in the summary schedule of investments included in the notes to the Company financial statements. Each forward financial instrument is shown in relation to the investment that it hedges.
- In the absence of any transfer of full and unrestricted ownership, securities pledged or received as collateral are measured at their realisable value in the schedule of commitments given or received.

Investment or divestment strategy

- The portion of the premium corresponding to intrinsic value is carried in an adjustment account until the hedge is unwound. By way of an exception, the premium for caps or floors is deferred over the life of the hedge.
- The portion of the premium corresponding to the time value of money is deferred over the life of the hedge.
- The elimination of debit or credit balances on margin accounts, other periodic flows and balancing adjustments are kept in the adjustment account over the life of the hedge.
- When the hedge is unwound, the balance on the adjustment account, or the gain or loss on the forward financial instrument is included in the purchase price of the investment or the proceeds on disposal.

Yield strategy

- All income and expense relating to forward financial instruments, whether they have been received or settled, realised or unrealised, are deferred to profit or loss over the planned life of the hedge based on the expected yield of the instrument.
- However, a straight-line basis is used in the deferral calculation as this does not result in any significant change vis-à-vis the calculations performed on the basis of the effective yield of the instrument.
- Income and expense related to return strategies are calculated over the life of the forward financial instrument and any residual flows are included when the hedge is unwound.

4.4 PROPERTY, PLANT AND EQUIPMENT

Property and equipment consists mainly of office and computer equipment and miscellaneous installations.

It is recognised at cost and depreciated over its estimated useful life. Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

4.5 LIFE INSURANCE AND SAVINGS CONTRACTS

4.5.1 Premiums

Premiums on contracts in force during the period are recognised in revenue after adjustment for the estimated earned portion of premiums not yet written.

4.5.2 Technical and mathematical reserves

Reserves for contracts including whole life cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for traditional savings contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Insurance liabilities are discounted at a rate that is equal to the highest contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. CNP Assurances also has a regulatory option to defer any changes in mortality tables as these are not systematically allocated to policies. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

Mathematical reserves are zillmerised provided that this does not give rise to a negative amount for a given policy. Zillmerisation consists of deducting the present value of acquisition expenses included in premiums from mathematical reserves. The loadings on premiums for zillmerisation corresponds to the contractual policy terms.

Acquisition costs incurred when a contract is written are recognised as an asset for the amount of the zillmerisation variance (the difference between the mathematical reserves carried in the balance sheet in accordance with Article L.331-1 of the French Insurance Code and the amount of the same reserves if these acquisition costs had not been included in the insurer's obligations).

A matching provision for deferred acquisition costs has been recognised in liabilities in accordance with Article R.331-3-7 of the French Insurance Code.

A provision for future expenses is set up for future contract administration costs not covered by the loading on premiums or by the fees levied on financial products.

The provision for future expenses is set up in accordance with (i) Article A.331-1 of the French Insurance Code, amended by the government order of 29 December 1998; and (ii) the provisions of the amended Finance Act of 30 December 1998 relating to the conditions of tax deductibility

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserve.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the reporting date.

If the actual return on plan assets at the reporting date, reduced by one-fifth, is less than the quotient of the total amount of guaranteed interest by the average amount of the mathematical reserves set aside, an amount must be recognised in the financial contingency reserve in accordance with Article A.331-2 of the French Insurance Code.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide whole life cover.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit or loss, to offset the impact of changes in the related technical reserves.

4.6 DISABILITY, ACCIDENT AND HEALTH INSURANCE

Premiums are recognised net of taxes and estimated cancelled premiums. Earned premiums for the period are adjusted for:

- estimated earned premiums not yet written at the period-end
- the change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

An escalating risks reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

An equalisation reserve is set up to cover fluctuations in loss ratios on Group policies that provide bodily injury cover.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNRs).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A reserve is recorded for claims handling expenses based on a calculated percentage of actual expenses.

4.7 REINSURANCE

4.7.1 Outward reinsurance

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under the “Reinsurance result” line item of the income statement.

4.7.2 Inward reinsurance

Inward reinsurance is recognised based on information received from reinsurers or else an estimate of unbilled accounts.

4.8 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations are recognised in full.

4.8.1 Defined benefit pension plan

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of the French Tax Code *(Code général des impôts)*. The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions.

4.8.2 Length-of-service awards payable to employees on retirement and jubilees

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

4.8.3 Discount rate

The discount rate corresponds to the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

4.8.4 Accounting treatment

Actuarial gains and losses on long-term benefit obligations are recognised directly in profit or loss.

Actuarial losses recognised in current profit for defined-benefit plans comprise two elements:

- current service cost and past service cost
- interest cost less the expected return on plan assets.

4.9 ACQUISITION COSTS AND ADMINISTRATION EXPENSES

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts
- contract administration expenses include all the costs of managing In-Force business
- investment management costs include all internal and external costs of managing asset portfolios and financial expenses
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.

Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

They are allocated as follows:

- operating expenses are initially recognised by nature and profit centre and are then reallocated by function
- costs are allocated to the different functions on a profit centre basis.

Costs are analysed by function:

- either directly based on the nature of the activity (new business acquisition costs, claims management, etc.) or
- indirectly using statistical cost allocation keys or actual business data.

4.10 *PLAN ÉPARGNE RETRAITE POPULAIRE* (PERP) AND *PLAN ÉPARGNE RETRAITE ENTREPRISE* (PERE)

The PERP and PERE pension plans sold by CNP Assurances are accounted for in accordance with CNC opinion No. 2004-16 of 27 October 2004. A special segregated portfolio has been set up for these operations to safeguard policyholder’s special entitlement to use plan assets to settle claims. A subsidiary set of accounts is kept for each PERP and PERE plan.

The separate PERP and PERE plan accounts are presented to the Supervisory Board.

Transactions between the plan portfolios and the Company’s asset portfolio are recognised as a purchase/sale in each portfolio and the gain or loss on disposal is recognised using the FIFO method.

In the plan accounts:

- the underwriting and financial profit generated by the plan over the reporting period is recognised in the policyholder surplus reserve
- if there is an overall decline in value of the non-amortisable assets in the special segregated portfolio, a provision must be recognised in the liquidity risk reserve

- the capitalisation reserve is calculated for the segregated PERP portfolio and reclassified to other life technical reserves for PERP and PERE plans.

Other assets and liabilities are measured using the accounting principles applied by the Company and described earlier.

When a provision is set aside in the liquidity risk reserve in the subsidiary accounts of a PERP or a PERE plan, the expense deferred pursuant to Article R.331-5-4 of the French Insurance Code is recognised in the Company accounts and has no impact on the subsidiary plan accounts.

4.11 ADDITIONAL SPECIAL TECHNICAL RESERVES FOR THE FRENCH CIVIL SERVANT PENSION PLAN *(RÉGIME L.441-1 PRÉFON-RETRAITE)*

CNP Assurances markets a number of points-based pay-as-you-go group pension plans ("Article L.441-1" plans). Pursuant to Article R.441-21 of the French Insurance Code, the insurer must calculate the theoretical mathematical reserves required to meet annuity payments based on the number of points earned at the reporting date. If the balance on the special technical reserves account (*i.e.*, the balance of policyholder payments and accrued benefits in the segregated portfolio) is less than the theoretical mathematical reserves, the insurer must transfer the shortfall to special technical reserves. If the balance on the special technical reserves account returns to an amount greater than the theoretical mathematical reserves, the additional special technical reserve previously recognised is reversed.

When plan assets backing liabilities exceed the conventional minimum, the assets may be reallocated to the insurer's asset portfolio.

4.12 TAXATION

4.12.1 Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Carrés Bleus SA (formerly Sogestop C), Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Foncière Investissement, Ecureuil Vie Crédit and 270 Investments.

4.12.2 Deferred taxation

No provision for deferred taxation is recognised in the CNP Assurances Company accounts.

4.13 CONSOLIDATION

CNP Assurances, the parent company, is fully consolidated by CNP Assurances Group.

NOTE 5 Balance sheet items

5.1 CHANGES IN INTANGIBLE ASSETS, BUILDINGS, AND INTERESTS IN SUBSIDIARIES AND AFFILIATES

Gross *(in € thousands)*	**Gross at 01.01.2013**	**Acquisitions**	**Disposals**	**Transfers**	**Gross at 31.12.2013**
Intangible assets	**281,241**	**25,556**	**37,396**		**269,401**
Software	281,241	25,556	37,396		269,401
Land and buildings	**6,900,631**	**1,371,928**	**838,245**	**5,261**	**7,439,575**
Forests	62,628	349	1,027		61,950
Developed property	497,650	473	801	634	497,956
Shares in unlisted property companies	6,320,013	1,356,522	836,417	5,261	6,845,379
Property investments in progress	20,340	14,584		(634)	34,290
Investments in subsidiaries and affiliates	**4,839,251**	**520,098**	**337,895**	**(2,052)**	**5,019,402**
Investments in subsidiaries	3,843,522	166,213	99,777	(2,016)	3,907,942
Investments in affiliates	995,729	353,885	238,118	(36)	1,111,460
TOTAL	**12,021,123**	**1,917,582**	**1,213,536**	**3,209**	**12,728,378**

Depreciation, amortisation and impairment provisions *(in € thousands)*	**Gross at 01.01.2013**	**Increases**	**Decreases**	**Transfers**	**Gross at 31.12.2013**
Amortisation of software	224,454	12,118	22,747		213,825
Depreciation of buildings	189,619	8,215	752		197,082
Provisions for impairment of buildings	17,831	8,252	2,755		23,328
Provisions for impairment of shares in property companies	153,715	27,145	8,590	(36)	172,234
Provisions for impairment of investments in subsidiaries	429,089	19,079	12,862		435,306
Provisions for impairment of other investments	45,688	9,183	13,595		41,276
TOTAL	**1,060,396**	**83,992**	**61,301**	**(36)**	**1,083,051**

Carrying amount (gross amount less depreciation, amortisation and provisions) *(in € thousands)*	**Carrying amount at 01.01.2013**	**Increases**	**Decreases**	**Transfers**	**Carrying amount at 31.12.2013**
Intangible assets	**56,787**	**13,438**	**14,649**		**55,576**
Software	56,787	13,438	14,649		55,576
Land and buildings	**6,539,466**	**1,328,316**	**826,148**	**5,297**	**7,046,931**
Forests	62,628	349	1,027		61,950
Developed property	290,200	(15,994)	(2,706)	634	277,546
Shares in unlisted property companies	6,166,298	1,329,377	827,827	5,297	6,673,145
Property investments in progress	20,340	14,584		(634)	34,290
Investments in subsidiaries and affiliates	**4,364,474**	**491,836**	**311,438**	**(2,052)**	**4,542,820**
Investments in subsidiaries	3,414,433	147,134	86,915	(2,016)	3,472,636
Investments in affiliates	950,041	344,702	224,523	(36)	1,070,184
TOTAL	**10,960,727**	**1,833,590**	**1,152,235**	**3,245**	**11,645,327**

5.2 INVESTMENTS

5.2.1 Summary of investments

At 31.12.2013 *(in € thousands)*	**Gross amount**	**Carrying amount**	**Realisable value**
I- Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	7,658,722	7,266,077	9,267,446
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
2) Equities and other variable income securities, other than mutual fund units	20,638,256	17,456,291	22,245,421
■ Forward financial instruments: investment or divestment strategy	15,399	15,399	15,399
■ Forward financial instruments: yield strategy	0	0	0
3) Mutual fund units (other than those in 4)	14,082,096	13,973,022	16,012,272
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
4) Units of mutual funds invested exclusively in fixed-income securities	17,059,505	17,058,985	17,188,995
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
5) Bonds and other fixed income securities	193,612,868	195,702,453	209,823,023
■ Forward financial instruments: investment or divestment strategy	1,125,939	616,778	(228,753)
■ Forward financial instruments: yield strategy	0	0	0
6) Mortgage loans	69	69	69
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0

At 31.12.2013 *(in € thousands)*	Gross amount	Carrying amount	Realisable value
7) Other loans	303,900	303,900	279,720
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
8) Deposits with ceding insurers	0	0	0
9) Cash deposits (other than those in 8) and guarantees and other investments	1,991,607	1,991,607	1,991,607
10) Assets backing unit-linked contracts	23,682,206	23,682,206	23,682,206
■ Property investments	0	0	0
■ Variable income securities other than mutual fund units	0	0	0
■ Mutual funds invested exclusively in fixed-income securities	0	0	0
■ Other mutual funds	0	0	0
■ Bonds and other fixed income securities	0	0	0
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
11) Other forward financial instruments	0	0	0
■ Forward financial instruments: investment or divestment strategy	0	0	0
■ Forward financial instruments: yield strategy	0	0	0
■ Forward financial instruments: other	0	0	0
12) Total - lines 1 to 11	**280,170,568**	**278,066,786**	**300,277,406**
a) of which:			
■ Investments measured in accordance with Article R. 332-19	189,001,519	190,768,211	203,857,827
■ Investments measured in accordance with Article R. 332-20	67,486,843	63,616,369	72,737,373
■ Investments measured in accordance with Article R. 332-5	23,682,206	23,682,206	23,682,206
b) of which:			
■ Securities representing technical provisions other than those listed below	256,725,491	255,018,161	275,367,835
■ Securities pledged to cover commitments to providential insurance companies or covering managed investment funds	0	0	0
■ Securities deposited with assignors (including securities deposited with assignors whose company has provided jointly liable surety)	2,905,526	2,905,526	2,905,526
■ Securities allocated to special technical provisions for other transactions in France	7,541,700	7,660,361	8,382,587
■ Other allocations or unallocated	12,997,851	12,482,738	13,621,458
c) of which:			
■ Investments and forward financial instruments within the OECD	278,267,949	276,192,670	297,560,974
■ Investments and forward financial instruments outside the OECD	1,902,619	1,874,116	2,716,432
II- Assets representing technical provisions (other than investments and reinsurers' share of technical reserves)			
■ Accrued interest not yet payable	3,476,220	3,476,220	3,476,220
■ Bank accounts and checking accounts	308,187	308,187	308,187
■ Other	1,042,458	1,042,458	1,042,458
Total assets representing technical provisions	**4,826,865**	**4,826,865**	**4,826,865**
TOTAL	**284,997,432**	**282,893,651**	**305,104,270**

5.2.2 Investments in government bonds

Issuer government *(in € millions)*	Gross exposure Carrying amount*	Net exposure**
France	64,806	2,742
Italy	5,552	181
Belgium	8,006	224
Spain	3,626	119
Austria	4,707	109
Brazil	2	1
Portugal	650	10
Netherlands	82	2
Ireland	602	9
Germany	2,695	135
Greece	4	0
Finland	31	2
Poland	330	6
Luxembourg	3	0
Denmark	205	8
Slovenia	246	4
Canada	460	40
Japan	44	1
Slovakia	45	1
Czech Republic	10	0
United Arab Emirates	70	2
Supra	5,902	377
TOTAL	**98,078.5**	**3,970.5**

* *Carrying amount, including accrued coupon*

** *The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles under IFRS*

5.3 RECEIVABLES AND PAYABLES BY MATURITY

Receivables *(in € thousands)*	**Gross amount**	**1 year or less**	**Between 1 and 5 years**	**Over 5 years**
Insurance receivables	**1,495,922**	**1,494,364**	**1,558**	
Earned premiums not yet written	1,400,743	1,400,743		
Other insurance receivables	95,179	93,621	1,558	
Reinsurance receivables	**44,778**	**44,778**		
Other receivables	**2,891,452**	**2,891,452**		
Receivables from employees	580	580		
Receivables due from government and social security bodies	821,581	821,581		
Sundry receivables	2,069,291	2,069,291		
Called and unpaid capital				
TOTAL	**4,432,152**	**4,430,594**	**1,558**	

Payables *(in € thousands)*	**Gross amount**	**1 year or less**	**Between 1 and 5 years**	**Over 5 years**
Cash deposits received from reinsurers	**561,161**	**561,161**		
Other liabilities	**17,941,797**	**17,900,931**	**40,866**	
Liabilities arising from insurance transactions	619,370	619,370		
Liabilities arising from reinsurance transactions	335,095	335,095		
Bank borrowings	84,118	84,118		
Other liabilities:	16,903,214	16,862,348	40,866	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	271,068	230,202	40,866	
Employee benefits expense payable	326,385	326,385		
Accrued payroll and other taxes	915,650	915,650		
Sundry payables	15,390,111	15,390,111		
TOTAL	**18,502,958**	**18,462,092**	**40,866**	

5.4 SUBSIDIARIES AND AFFILIATES

5.4.1 Investments in subsidiaries and affiliates

	Total at 31.12.2013				Affiliates				Subsidiaries			
(in € thousands)	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount
Insurance companies												
ASSURISTANCE	13,427			13,427					13,427			13,427
AVENIR SANTÉ	1,099	401		1,500					1,099	401		1,500
CAIXA SEGUROS HOLDING SA	423,580			423,580					423,580			423,580
CNP ASSURANCES BRASIL HOLDING	8,128			8,128					8,128			8,128
CNP ASSURANCES SEGUROS DE VIDA	12,298	7		12,305					12,298	7		12,305
CNP BARCLAYS VIDA Y PENSIONES	215,919			215,919					215,919			215,919
CNP CAUTION	40,638		24,997	15,641					40,638		24,997	15,641
CNP EUROPE LIFE LIMITED	48,240			48,240					48,240			48,240
CNP IAM	245,596			245,596					245,596			245,596
CNP INTERNATIONAL	23,325			23,325					23,325			23,325
CNP UNICREDIT VITA S.P.A.	726,775		370,475	356,300					726,775		370,475	356,300
CNP VIDA DE SEGUROS Y REASEGUR	78,526			78,526					78,526			78,526
CSP PARTICIPAÇÕES	13,741			13,741					13,741			13,741
I.T.V	22,410			22,410					22,410			22,410
LA BANQUE POSTALE PRÉVOYANCE	94,061			94,061					94,061			94,061
MARFIN INSURANCE HOLDINGS LIMI	145,915		17,200	128,715					145,915		17,200	128,715
MFPRÉVOYANCE	67,853			67,853					67,853			67,853
PRÉVIPOSTE	125,770			125,770					125,770			125,770
PREVISOL AFJP	7,460		7,460		7,460		7,460					
SINO-FRENCH LIFE INSURANCE	12,250		2,950	9,300					12,250		2,950	9,300
Sub-total	**2,327,013**	**407**	**423,081**	**1,904,339**	**7,460**		**7,460**		**2,319,553**	**407**	**415,621**	**1,904,339**
Other companies												
270 INVESTMENTS	125,573	59,050		184,623					125,573	59,050		184,623
3I GROWTH CAPITAL	36,006			36,006					36,006			36,006
AGE D'OR EXPANSION	6,840	2,200	6,845	2,195					6,840	2,200	6,845	2,195
ALPINVEST	50,058			50,058					50,058			50,058
AXA AK	15,300			15,300					15,300			15,300
AXA INFRASTRUCTURE PARTNERS	66,718			66,718	66,718			66,718				
BRIDGEPOINT EUROPE IV	23,218			23,218					23,218			23,218
CANTIS	0	62		62	0	62		62				
CARRÉS BLEUS	4,650		3,211	1,438					4,650		3,211	1,438
CBPE VIII	17,992		1,132	16,860					17,992		1,132	16,860

	Total at 31.12.2013				Affiliates				Subsidiaries			
(in € thousands)	**Equities**	**Other**	**Impair-ment**	**Carrying amount**	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount
CLEANTECH EUROPE II	17,972			17,972					17,972			17,972
CNP FORMATION	19			19					19			19
CNP TECHNOLOGIES DE L'INFORMATION	910	4,000		4,910					910	4,000		4,910
DIF INFRASTRUCTURE II	30,939			30,939					30,939			30,939
DIF INFRASTRUCTURE III	8,667			8,667	8,667			8,667				
ECUREUIL VIE DÉVELOPPEMENT	19	1,000		1,019					19	1,000		1,019
ECUREUIL VIE INVESTMENT	328,338	1,600		329,938					328,338	1,600		329,938
EQUASANTE	1,351		792	559	1,351		792	559				
ESDF IV	13,603		2,698	10,905					13,603		2,698	10,905
FILASSISTANCE SERVICES	378		176	201					378		176	201
FSN CAPITAL	24,269			24,269					24,269			24,269
GESPRE EUROPE	3,000		1,168	1,832	3,000		1,168	1,832				
HOLDING INFRASTRUCTURES GAZIERES	336,980	20		337,000					336,980	20		337,000
INFRA-INVEST	2,709	175	672	2,212					2,709	175	672	2,212
INFRASTRUCTURE PARTNERS (MS)	35,984			35,984					35,984			35,984
INFRAVIA 2	40,116			40,116	40,116			40,116				
MEIF III SCOTLAND LP	59,598			59,598	59,598			59,598				
MERIDIAM INFRASTRUCTURE	91,969			91,969	91,969			91,969				
MONTAGU IV	29,998			29,998					29,998			29,998
OCM EUROPEAN PRINCIPAL OPP II	10,267			10,267					10,2667			10,267
OFI INFRAVIA	20,201			20,201	20,201			20,201				
PREVIMUT	352,477		4,873	347,603					352,477		4,873	347,603
SOGESTOP G	190	135	23	303					190	135	23	303
SOGESTOP K	156		54	101					156		54	101
SOGESTOP L	18,626			18,626					18,626			18,626
SOGESTOP M	37			37					37			37
UBS INTERNATIONAL INFRA FUND	36,296	0		36,297					36,296	0		36,297
Other companies*	812,318		31,857	780,462	812,318		31,857	780,462				
Sub-total	**2,623,740**	**68,243**	**53,501**	**2,638,482**	**1,103,938**	**62**	**33,816**	**1,070,184**	**1,519,802**	**68,181**	**19,685**	**1,568,297**
Total by nature	4,950,753	68,650	476,583	4,542,821	1,111,398	62	41,276	1,070,184	3,839,355	68,588	435,307	3,472,636
TOTAL	**5,019,403**		**476,583**	**4,542,821**	**1,111,460**		**41,276**	**1,070,184**	**3,907,943**		**435,307**	**3,472,636**

* *Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital*
Property companies that are more than 10%-owned are included in Land and buildings

5.4.2 Financial income and expenses of subsidiaries and affiliates

(in € thousands)	Subsidiaries	Affiliates	31.12.2013	31.12.2012
Financial expenses	15,298	4,344	19,642	107,576
Financial income	243,554	12,399	255,953	154,487

5.4.3 Receivables and payables of subsidiaries and affiliates

(in € thousands)	Subsidiaries	Affiliates	31.12.2013	31.12.2012
Receivables	**166,413**	**(2,699)**	**163,714**	**126,879**
Other receivables	166,413	(2,699)	163,714	126,879
Receivables due from government and social security bodies	14,400	-	14,400	14,400
Sundry receivables	152,013	(2,699)	149,314	112,479
Other payables	**284,742**	**453,129**	**737,871**	**483,438**
Other payables	284,742	453,129	737,871	483,438
Sundry payables	284,742	453,129	737,871	483,438

5.4.4 Subsidiaries and affiliates (Articles L.233-1 and L.233-2 of the French Commercial Code)

Subsidiaries and affiliates *(in € thousands)*	**Headquarters**	**Currency**	**Share capital**	**Reserves and retained earnings**	**Total assets**	**Gross value of investment**	**Carrying amount of investment (of which KNL)**	**Interest**	**Loans and receivables**	**Revenue**	**Profit or loss**	**Dividends**	**Sector**
A - Investments with a carrying amount in excess of 1% of CNP Assurances' share capital.													
I - Subsidiaries (over 50% owned)													
270 INVESTMENTS[4]	4 place Raoul Dautry –75015 Paris – France	EUR	32,129	69,673	155,930	125,573	125,573	100.00%	59,050	0	1,355		Asset management
3I GROWTH CAPITAL F	16 Palace Street – SW1E 5JD London – UK	EUR	NA	NA	NA	36,006	18,706	76.92%	0	NA	NA		Asset management
AEW IMCOM 6[2]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	303,442	152	513,347	258,699	258,699	83.33%	158,332	22,717	16,877	16,918	Property company
AEW IMCOM UN[2]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	104,965	33	137,811	102,119	102,119	100.00%	24,389	5,990	4,731	9,650	Property company
ALPINVEST FEEDER (EURO) V C.V.	Jachthavenweg 118, 1081 KJ Amsterdam	EUR	NA	NA	NA	50,058	5,437	99.98%		NA	NA		Asset management
ASSURBAIL PATRIMOINE[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	177,408	37,415	426,883	160,974	160,974	80.83%	85,023	21,714	23,174	13,749	Property company
ASSURECUREUIL PIERRE[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	74,248	36,683	161,396	122,673	122,673	85.83%		11,596	45,170	12,817	Property company
ASSURECUREUIL PIERRE 3[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	199,624	167,477	893,014	252,165	252,165	77.98%	229,259	8,041	47,059	51,166	Property company
ASSURECUREUIL PIERRE 4[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	101,740	68,473	244,928	168,599	168,599	100.00%	62,782	0	8,483	15,220	Property company
ASSURECUREUIL PIERRE 5[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	6,361	1,679	9,506	11,224	11,224	100.00%		1,505	1,033	1,114	Property company
ASSURIMMEUBLE[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	266,800	259,358	532,090	621,441	621,441	100.00%		0	4,847	19,703	Property company
ASSURISTANCE[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	20,344	0	20,327	13,427	13,427	66.00%		0	(139)		Insurance
AXA AK	20 place Vendôme – 75001 Paris – France	EUR	NA	NA	NA	15,300	15,083	100.00%		NA	NA		Asset management
BAUDRY PONTHIEU[1]	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	4,100	30,890	99,258	40,959	40,959	99.90%	60,870	5,694	1,814		Asset management
BRIDGEPOINT EUROPE IV G	30 WarwickStreet – London W1B 5AL – UK	EUR	NA	NA	NA	23,218	18,550	98.00%		NA	NA		Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CAIXA SEGUROS HOLDING SA[1]	SCN Quadra 01 Lote A Ed. N° 1-15°, 16° e 17° Andares Brasilia – Brazil	EUR	691,102	78,197	1,440,776	423,580	423,580	50.75%		0	488,963	116,690	Insurance
CBPE CAPITAL VIII SPECIAL INVESTORS	2 George Yard – EC3V 9DH London – UK	GBP	NA	NA	NA	17,992	11,995	100.00%		NA	NA		Asset management
CICOGE[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	37,320	48,402	96,599	199,242	199,242	99.99%	0	9,047	3,428	2,961	Property company
CIMO[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	213,022	158,088	405,677	582,622	582,622	93.04%		20,527	20,769	19,598	Property company
CLEANTECH EUROPE II SPECIAL INVESTORS	140 Brompton Road - SW3 1HY London – UK	EUR	NA	NA	NA	17,972	7,696	100.00%		NA	NA		Asset management
CNP ASSURANCES BRASIL HOLDING[1]	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710–900 Brasila – Brazil	EUR	7,429	0	29,725	8,128	8,128	100.00%		0	8,347	802	Insurance
CNP ASSURANCES SEGUROS DE VIDA[1]	M.T. de Alvear 1541 (C1060AAC) – 1001 Buenos Aires – Argentina	EUR	6,402	4,903	45,656	12,298	12,298	76.47%	7	55,510	6,324	3,021	Insurance
CNP CAUTION[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	24,997	(9,847)	104,687	40,638	15,641	100.00%	0	10,903	(5,964)		Insurance
CNP EUROPE LIFE LIMITED[1]	Embassy House Herbert Park Lane Ballsbridge Dublin 4 – Ireland	EUR	38,523	20,328	1,383,302	48,240	48,240	100.00%		26,504	2,391		Insurance
CNP IAM[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	30,500	899,991	8,067,371	245,596	245,596	100.00%	0	2,137,376	(106,199)		Insurance
CNP INTERNATIONAL[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	22,875	10,333	423,279	23,325	23,325	100.00%	0	81,651	445	7,995	Insurance
CNP UNICREDIT VITA S.P.A.[1]	Piazza Durante 11 – 20131 Milan – Italy	EUR	381,699	355,432	11,211,295	726,775	356,300	57.50%		2,566,139	44,015	11,396	Insurance
CNP VIDA DE SEGUROS Y REASEGUR[1]	El Plantio Calle Ochandiano n°10 Planta 2a 28023 Madrid – Spain	EUR	105,336	14,364	1,204,700	78,526	78,526	94.47%		186,912	(2,185)		Insurance
CŒUR MÉDITERRANÉE[4]	173 boulevard Haussmann – 75008 Paris – France	EUR	41,320	42,908	61,675	28,619	28,619	92.40%	12,933	3,650	2,993	2,075	Property company
COMMERCIAL REAL ESTATE LOANS SCA - CRE SENIOR 1[4]	21 boulevard Grande Duchesse Charlotte – L-1331 Luxembourg	EUR	264,215	66	270,154	176,027	175,904	66.67%		5,790	5,073	5,689	Asset management

Subsidiaries and affiliates *(in € thousands)*	**Headquarters**	**Currency**	**Share capital**	**Reserves and retained earnings**	**Total assets**	**Gross value of investment**	**Carrying amount of investment (of which KNL)**	**Interest**	**Loans and receivables**	**Revenue**	**Profit or loss**	**Dividends**	**Sector**
CSP PARTICIPAÇÕES[1]	SCN Quadra 01 Lote A Ed. N° 1-15°, 16° e 17° Andares Brasilia – Brazil	BRL	21,806	0	26,194	13,741	13,741	50.75%		4,983			Insurance
CYPRUS INSURANCE HOLDINGS LIMI[1]	CNP Cyprus Insurance holdings Ltd, 64 Arch. Makarios III ave. & 1 Karpenisiou Str, 1077 Nicosia – Cyprus	EUR	90	80,040	140,429	145,915	128,715	50.10%			13,479		Insurance
DIF INFRASTRUCTURE II	WTC Schiphol Airport, Tower D, 10th Floor. Schiphol Boulevard 269. 1118 BH Schiphol. The Netherlands	EUR	NA	NA	NA	30,939	30,939	53.33%		NA	NA	1,736	Asset management
ECUREUIL IMMO +[4]	147 boulevard Haussmann – 75008 Paris – France	EUR	24,882	(513)	25,574	7,000	7,000	100.00%		1,065	732	221	Property company
ECUREUIL VIE INVESTMENT[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	10,935	318,504	337,823	328,338	328,338	100.00%	1,600	0	5,686	5,686	Asset management
ESDF IV LLC	P.O. Box 255 - Trafalgar Court - Les Banques - GY1 3QL - St Peter Port - Guernesey	EUR	NA	NA	NA	13,603	8,905	100.00%		NA	NA		Asset management
FARMORIC[4]	Cœur Défense – Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92400 Courbevoie – France	EUR	93,289	100,919	127,166	85,003	85,003	100.00%	26,231	7,631	(42)	7,625	Property company
FONCIÈRE ELBP[4]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	7,614	67,591	73,383	96,131	96,131	100.00%	81,983	7,198	(1,822)		Property company
FSN CAPITAL IV (B) L.P	Norway	SEK	NA	NA	NA	24,269	0	100.00%					Asset management
GCK	4 rue Auber – 75009 Paris – France	EUR	NA	NA	NA	96,760	96,760	80.00%	0	NA	NA		Property company
HOLDPIERRE	France	EUR	NA	NA	NA	60,350	60,350	100.00%	300			2,749	Property company
HOLDING INFRASTRUCTURES GAZIER[3]	4 place Raoul Dautry – 75015 Paris – France	EUR	526,370	95,127	658,065	336,980	336,980	51.21%	20	0	36,473		Infrastructure
I.T.V[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	22,418	21,372	643,747	22,410	22,410	100.00%	0	40,287	3,084		Insurance
ILOT A5B[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	7,644	1,328	9,062	8,871	8,871	100.00%		0	(19)		Property company
IMMAUCOM[1]	4 rue Auber – 75009 Paris – France	EUR	170,848	(5,991)	171,914	128,226	128,226	80.00%	NA	4,140	6,979		Property company

Subsidiaries and affiliates *(in € thousands)*	**Headquarters**	**Currency**	**Share capital**	**Reserves and retained earnings**	**Total assets**	**Gross value of investment**	**Carrying amount of investment (of which KNL)**	**Interest**	**Loans and receivables**	**Revenue**	**Profit or loss**	**Dividends**	**Sector**
INFRASTRUCTURE PARTNERS (MS)[(4)]	6 place de la République Dominicaine, 75017 Paris – France	USD	58,108	0	60,906	35,984	29,452	64.94%			2,151		Asset management
ISSY VIVALDI[(4)]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	3,310	29,753	80,745	33,010	33,010	100.00%	40,552	4,474	2,151	2,152	Property company
JESCO[(4)]	41 rue Louise Michel, 92594 Levallois Perret Cedex – France	EUR	40,801	10,204	101,374	28,051	28,051	55.00%	25,874	5,162	(1,552)		Property company
LBP Actifs Immo[(4)]	147 boulevard Haussmann – 75008 Paris – France	EUR	430,154	(5,753)	476,876	384,250	384,250	100.00%	30,520	24,527	12,344	12,685	Property company
MFPREVOYANCE[(4)]	62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	81,774	54,321	1,267,247	67,853	67,853	51.00%		122,512	8,187	1,276	Insurance
MONTAGU IV (SCOTS FEEDER)	2 More London Riverside – SE1 2AP – London – UK	EUR	NA	NA	NA	29,998	10,967	100.00%		NA	NA		Asset management
MTP INVEST[(4)]	173 boulevard Haussmann – 75008 Paris – France	EUR	300,809	(8,196)	433,656	296,611	296,611	100.00%	183,598	12,028	8,824	16,736	Property company
OCM European Principal OPP II	333 South Grand Avenue – Los Angeles, CA 90071 – USA	EUR	NA	NA	NA	10,267	9,797	62.64%		NA	NA		Asset management
OPCI AEP 247[(1)]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	163,655	11	170,711	151,818	151,818	90.59%	0	7,359	5,164	7,350	Property company
OREA[(4)]	41 rue Louise Michel, 92594 Levallois Perret Cedex – France	EUR	94,576	0	104,468	86,829	86,829	100.00%		4,330	3,346	2,816	Property company
PAYS-BAS RETAIL 2013 BV	Naritaweg 165 Telestone 8 - 1043 BV Amsterdam – Holland	EUR	NA	NA	NA	17,500	17,500	100.00%	32,500				Property company
PIAL 34[(1)]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	15,001	126,000	230,429	141,001	141,001	100.00%	89,525	0	(1,260)		Property company
PREVIMUT[(4)]	4 place Raoul Dautry – 75015 Paris – France	EUR	440,001	(71,365)	458,236	352,477	347,603	90.00%	0	0	1,488		Asset management
PREVIPOSTE[(4)]	4 place Raoul Dautry – 75015 Paris – France	EUR	125,813	211,628	7,761,541	125,770	125,770	100.00%	0	187,732	22,670	21,945	Insurance
RUE DU BAC[(1)]	4 rue Auber – 75009 Paris – France	EUR	25,240	147,143	251,788	86,192	86,192	50.01%	40,006	12,277	4,980		Property company
SAPHIRIMMO[(4)]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	2,300	19,751	54,368	22,991	22,991	100.00%	29,810	4,274	1,229	1,392	Property company

Subsidiaries and affiliates *(in € thousands)*	**Headquarters**	**Currency**	**Share capital**	**Reserves and retained earnings**	**Total assets**	**Gross value of investment**	**Carrying amount of investment (of which KNL)**	**Interest**	**Loans and receivables**	**Revenue**	**Profit or loss**	**Dividends**	**Sector**
SCI CANOPÉE[1]	1 rue de Gramont – 75002 Paris – France	EUR	47,210	49,170	113,578	47,200	47,200	99.98%	57,615	8,546	1,959	995	Property company
SCI de la CNP[4]	4 place Raoul Dautry – 75015 Paris – France	EUR	59,711	37,500	105,445	137,827	137,827	100.00%	5,000	4,830	2,462	2,203	Property company
SCI EQUINOX[1]	1 rue de Gramont – 75002 Paris – France	EUR	41,404	44,124	98,162	41,400	41,400	99.98%	50,957	8,932	2,720	684	Property company
SCI Jasmin[1]	1 rue de Gramont – 75002 Paris – France	EUR	19,010	20,417	47,385	19,000	19,000	99.95%	25,600	3,208	1,406	1,175	Property company
SUNLIGHT[4]	173 boulevard Haussmann – 75008 Paris – France	EUR	66,545	69,180	69,208	38,269	38,269	50.62%	0	2,723	2,634	3,644	Property company
THEEMIM[1]	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	26,636	60,864	91,627	84,646	84,646	100.00%		4,307	3,525		Property company
UBS INTERNATIONAL INFRA FUND[4]	8 avenue Hoche – 75008 Paris – France	EUR	20,459	16,883	37,697	36,296	36,296	100.00%	0		57		Asset management

5.4.4 Subsidiaries and affiliates (Articles L.233-1 and L.233-2 of the French Commercial Code)

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
II - Affiliates (10% to 50% owned)													
5-7 RUE SCRIBE[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	479	32,510	83,456	7,302	7,302	15.00%	6,805	4,283	1,828	176	Property company
ALTERCAP LUX II	LBO France – 148 rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	17,956	13,956	15.26%		NA	NA		Asset management
ALVEN CAPITAL IV	1 place André Malraux - 75001 Paris - France	EUR	NA	NA	NA	12,000	960	10.26%		NA	NA		Asset management
AXA DBIO	40 rue du Colisée - 75008 Paris - France	EUR	NA	NA	NA	20,000	22	23.80%	0	NA	NA		Asset management
AXA INFRASTRUCTURE PARTNERS [4]	20 place Vendôme – 75001 Paris – France	EUR	346,901	0	432,526	66,718	46,976	12.90%			6,819		Asset management
AXA S COINVEST	20 place Vendôme – 75001 Paris – France	EUR	NA	NA	NA	10,300	10,050	22.22%		NA	NA		Asset management
AXE FRANCE[1]	8 rue de l'Hôtel-de-Ville – 92200 Neuilly-sur-Seine – France	EUR	5,001	55,242	155,877	43,085	43,085	50.00%	43,019	11,609	3,114		Property company
CABESTAN CAPITAL	47 rue du Faubourg Saint-Honoré – 75008 Paris – France	EUR	NA	NA	NA	10,000	3,301	12.50%		NA	NA		Asset management
CDC CAPITAL III	148 rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	56,540	42,240	34.68%		NA	NA		Asset management
CDC CAPITAL III B	148 rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	78,328	63,432	44.23%		NA	NA		Asset management
CHINA EQUITY LINKS	TX Private Equity 9 avenue de l'Opéra – 75001 Paris – France	EUR	NA	NA	NA	7,008	3,749	15.83%		NA	NA		Asset management
CLEARSIGHT TURNAROUND FUND I	Carinthia House, 9-12 The Grange GY1 4BF – St Peter Port, Guernsey – UK	EUR	NA	NA	NA	12,246	7,812	16.32%		NA	NA		Asset management
CLEARSIGHT TURNAROUND FUND II	Carinthia House, 9-12 The Grange GY1 4BF – St Peter Port, Guernsey – UK	EUR	NA	NA	NA	24,996	7,734	15.62%		NA	NA		Asset management
CLEARSIGHT TURNAROUND FUND III	Churerstrasse 23 CH-8808 Pfäffikon – Switzerland	EUR	NA	NA	NA	25,000	1,250	11.02%		NA	NA		Asset management
CNP BARCLAYS VIDA Y PENSIONES [1]	El Plantio. Calle Ochandiano n°16. Planta 1. 28023 Madrid – Spain	EUR	203,815	39,432	2,766,500	215,919	215,919	50.00%		368,920	37,796	8,294	Insurance
DBAG FUND VI FEEDER GMBH & CO	Handelsregister B 90813, Amtsgericht Frankfurt a. M. – Germany	EUR				16,000	2,598	26.56%					Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
DÉFENSE CB3 [4]	117 quai du Président Roosvelt – 92130 Issy Les Moulineaux – France	EUR	38	16,462	138,430	22,604	22,604	25.00%	5,087	10,842	(365)	812	Property company
DIF INFRASTRUCTURE III	Luxembourg	EUR	NA	NA	NA	8,667	8,667	45.04%		NA	NA	275	Infrastructure
EMZ 7-I	11 rue scribe 75009 Paris - France	EUR	NA	NA	NA	60,000	600	27.32%		NA	NA		Asset management
DÉVELOPPEMENT PME IV	152 avenue de Malakoff – 75116 Paris – France	EUR	NA	NA	NA	24,111	17,390	28.71%		NA	NA		Asset management
EPF IV	152 avenue des Champs-Élysées – 75008 Paris – France	EUR	NA	NA	NA	10,000	4,000	10.20%		NA	NA		Asset management
EPL(4)	167 quai de la bataille stalingrad, 92867 Issy les Moulineaux cedex – France	EUR	63,809	13,342	339,886	38,238	29,672	38.20%	29,147		22,620		Property company
EUROFFICE [3]	1-3 rue des Italiens – 75009 Paris – France	EUR	83,402	(4,924)	233,986	24,119	14,964	19.09%	31,658		(19,762)		Property company
FARMAN [1]	4 rue Auber – 75009 Paris – France	EUR	25,000	131,681	240,947	80,872	80,872	50.00%	38,414	15,936	7,139		Property company
FONCIÈRE ADYTON 1 [2]	41 rue Louise Michel – 92594 Levallois Perret Cedex – France	EUR	318	23,040	100,760	12,776	12,776	36.14%	10,364	5,284	396	800	Property company
FONCIERE CNP [1]	4 rue Auber – 75009 Paris – France	EUR	2,250	17,579	75,599	8,734	8,734	47.92%	17,455	7,825	21,386	1,020	Property company
FONCIERE ECUREUIL II [2]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	45,188	1,370	78,141	13,729	11,686	21.77%	7,012	0	(621)		Property company
FONDINVEST VII	33 rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	22,086	13,602	40.85%		NA	NA		Asset management
FONDINVEST VIII	3 rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	31,291	28,898	12.10%		NA	NA		Asset management
GREEN RUEIL [1]	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	4,561	41,040	58,868	22,411	22,801		3,751	0	(2,423)		Property company
HEXAGONE III-1	148 rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	15,000	8,175	11.08%		NA	NA		Asset management
ILOT 13 [4]	50/56 rue de la Procession – 75015 Paris – France	EUR	45,000	49,464	105,681	22,500	22,500	50.00%	24,922	11,434	4,464	2,232	Property company
INDUSTRIE ET FINANCE INVEST.	4 Avenue Marceau – 75008 Paris – France	EUR	NA	NA	NA	12,000	1,627			NA	NA		Asset management
INTERMEDIAIRE FINANCE EUROPE II	33 avenue du Maine 75015 Paris – France	EUR	NA	NA	NA	8,750	7,603	12.54%		NA	NA		Asset management
INVASION V FEEDER	Grafenaustrasse 7 – 6300 Zug – Switzerland	EUR	NA	NA	NA	18,000	794	23.38%		NA	NA		Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
IPH CO-INVEST	232 rue de Rivoli – 75054 Paris cedex 01 – France	EUR	NA	NA	NA	20,000	20,000	22.70%		NA	NA		Asset management
IXO	34 rue de Metz 31000 Toulouse – France	EUR	NA	NA	NA	10,000	0	11.76%		NA	NA		Asset management
LA BANQUE POSTALE PRÉVOYANCE[4]	10 place de Catalogne –75014 Paris – France	EUR	5,202	146,268	1,470,262	94,061	94,061	50.00%		434,898	32,054	13,405	Insurance
LATOUR CAPITAL I	31 boulevard de la Tour Maubourg – 75007 Paris – France	EUR	NA	NA	NA	15,000	6,330	16.58%		NA	NA		Asset management
LIBERTÉ[1]	4 rue Auber – 75009 Paris – France	EUR	25,350	67,328	250,776	51,003	51,003	50.00%	69,696	18,742	9,327	1,156	Property company
LOGISTIS[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	378,098	80	404,155	112,903	112,903	28.11%		40,754	36,562	11,568	Property company
LOGISTIS LUX[1]	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	22,191	14,238	105,801	12,721	12,673	28.12%	18,661	0	2,116		Property company
LONGCHAMP FCPR	5 rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	16,750	12,500	23.47%		NA	NA		Asset management
MALTHAZAR[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	6,135	52,826	118,052	52,988	52,988	50.00%	26,796	10,527	4,065	2,638	Property company
MANTRA INVEST FEEDER 3	75201 Dallas	EUR	NA	NA	NA	10,534	6,439	24.49%		NA	NA		Asset management
MASSERAN FRANCE SELECTION 1	Texas	EUR	NA	NA	NA	12,765	10,632	16.66%		NA	NA		Asset management
MEIF III SCOTLAND LP	Carinthia House 9-12 The Grange – St Peter Port Guernsey GY 4BF – UK	EUR	NA	NA	NA	59,598	59,598	36.46%		NA	NA		Asset management
MERIDIAM INFRASTRUCTURE	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	NA	NA	NA	91,969	91,969	17.31%		NA	NA	877	Infrastructure
MONTAIGNE CAPITAL	28 rue Bayard – 75008 Paris – France	EUR	NA	NA	NA	7,568	6,768	10.37%		NA	NA		Asset management
NEXT ESTATE INCOME FUND	1 rue Joseph Hackin – L1746 Luxembourg – Luxembourg	EUR	NA	NA	NA	9,260	9,260	19.88%	17,197	NA	NA		Property company
NIBC GROWTH CAPITAL FUND II	Carnegieplein 4 2517 KJ La Hague – Netherlands	EUR	NA	NA	NA	20,159	6,166	10.00%		NA	NA		Asset management
OFELIA[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	12,609	20,676	38,180	11,916	11,916	33.33%	45,731	0	4,878	1,345	Property company
OFFICE CB 21[4]	10 avenue Kleber – 75016 Paris – France	EUR	297,746	46	313,472	82,553	82,553	25.00%		0	15,650	2,296	Property company
OFI INFRAVIA[4]	1 rue Vernier – 75017 Paris – France	EUR	136,773	0	162,694	20,201	18,720	11.84%		20,606	18,648		Asset management

Subsidiaries and affiliates *(in € thousands)*	**Headquarters**	**Currency**	**Share capital**	**Reserves and retained earnings**	**Total assets**	**Gross value of investment**	**Carrying amount of investment (of which KNL)**	**Interest**	**Loans and receivables**	**Revenue**	**Profit or loss**	**Dividends**	**Sector**
OFI INFRAVIA II	20 rue Vernier 75017 Paris – France	EUR	NA	NA	NA	40,116	1,600	17.02%		NA	NA		Infrastructure
ONZE PRIVATE EQUITY	Schuetzenstrasse 6 P.O. Box 8808 Pfaeffikon – Switzerland	EUR	NA	NA	NA	18,279	13,333	21.61%		NA	NA		Asset management
OPC 1[4]	147 boulevard Haussmann – 75008 Paris – France	EUR	63,830	(869)	91,424	13,990	13,990	19.56%		4,463	3,125	695	Property company
OPC2[4]	147 boulevard Haussmann – 75008 Paris – France	EUR	76,482	22	108,368	27,505	27,505	42.14%		7,931	5,792	2,438	Property company
ORKOS III	Orkos Capital 34 boulevard Haussman 75009 Paris – France	EUR	NA	NA	NA	7,942	2,354	10.00%		NA	NA		Asset management
PAI GAILLON	5 rue Guillaume Kroll – L1882 Luxembourg – Luxembourg	EUR	NA	NA	NA	11,092	1,380	11.54%		NA	NA		Asset management
PARTECH INTERNATIONAL VI	12 rue de Penthièvre – 75008 Paris – France	EUR	NA	NA	NA	10,000	2,050	10.00%		NA	NA		Asset management
PARTECH VENTURES V	49 avenue Hoche – 75008 Paris – France	EUR	NA	NA	NA	8,166	7,666	13.92%		NA	NA		Asset management
PBW II REAL ESTATE FUND[4]	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	356,475	(98,073)	486,243	51,946	35,769	14.57%		26,731	(38,344)		Property company
PECHEL INDUSTRIES III	162 rue du Faubourg Saint Honoré – 75008 Paris – France	EUR	NA	NA	NA	7,924	5,167	10.26%		NA	NA		Asset management
PECHEL PABLO CO-INVEST	162 rue du Faubourg Saint Honoré – 75008 Paris – France	EUR	NA	NA	NA	10,945	10,741	33.30%		NA	NA		Asset management
PLACEMENT CILOGER 3[4]	147 boulevard Haussmann – 75008 Paris – France	EUR	102,002	14,862	218,978	49,050	49,050	36.24%		16,564	6,949	2,549	Property company
PLANTAGENET CAPITAL EUROPE	39 avenue Pierre 1er de Serbie – 75008 Paris – France	EUR	NA	NA	NA	7,793	0	47.73%		NA	NA		Asset management
PREVISOL AFJP	25 de Mayo 445 – Capital Federal – Argentina	EUR	NA	NA	NA	7,460	0	29.84%		NA	NA		Insurance
PYRAMIDES 1[1]	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France	EUR	51,103	4,336	112,843	23,881	23,881	45.00%	22,876	0	3,072	8,969	Property company
REIM EUROCORE 1[4]	10 Boulevard Royal – Luxembourg B118,089 – Luxembourg	EUR	10,224	(28,667)	59,908	16,471	14,902	32.22%	19,710	315	(1,981)		Property company
SCCD[1]	7 place du Chancelier-Adenauer – 75016 Paris – France	EUR	3,048	54,679	374,639	27,567	27,567	22.00%	38,565	76,454	51,630	8,279	Property company
SCIENCE ET INNOVATION 2001	63 avenue des Champs-Élysées – 75008 Paris – France	EUR	NA	NA	NA	11,939	5,753	11.05%		NA	NA		Property company

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
SG AM AI PRIVATE VALUE A	2 place de la Coupole – 92078 Paris – La Défense – France	EUR	NA	NA	NA	13,487	10,945	19.61%		NA	NA		Asset management
SIERRA FUND[2]	2nd floor Regency Court Glategny Esplanade St-Peter Port. Guernesey GY1 3NQ – UK	EUR	405,908	492,944	494,103	57,179	57,179	11.56%		NA	87,037		Property company
SILVERSTONE[4]	173 boulevard Haussmann – 75008 Paris – France	EUR	129,665	132,314	136,831	20,000	20,000	18.01%		8,007	7,865	1,536	Property company
SINO-FRENCH LIFE INSURANCE[1]	12F Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men Av. Chao Yang District, Beijing, PR. of China	EUR	25,643	(8,638)	74,663	12,250	9,300	50.00%		1,267	(1,382)		Insurance
SOFINNOVA CAPITAL VII	16-18 rue du 4 Septembre – F-75002 Paris – France	EUR				25,000	5,000	10.42%					Asset management
SOGESTOP L[4]	62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	22,897	19,726	42,662	18,626	18,626	50.62%	0	0	8		Insurance
UNICAPITAL INVESTMENTS V	12 avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	19,996	17,496	21.47%		NA	NA		Asset management
UNIGESTION SECONDARY OPP II	12 avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	10,457	10,082	23.74%		NA	NA		Asset management
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital.													
French subsidiaries			---	---	---	30,023	17,573	---	346,578	---	---	8,225	
Foreign subsidiaries			---	---	---	2,709	2,036	---	174,466	---	---	0	
French affiliates			---	---	---	53,126	36,825	---	12,635	---	---	1,365	
Foreign affiliates			---	---	---	14,562	9,475	---	160,409	---	---	0	
C - Aggregate information (A+B)													
French subsidiaries			---	---	---	6,430,759	6,381,691	---	1,728,409	---	---	272,524	
Foreign subsidiaries			---	---	---	1,907,762	1,381,986	---	206,973	---	---	139,334	
French affiliates			---	---	---	1,752,878	1,401,583	---	433,931	---	---	64,156	
Foreign affiliates			---	---	---	635,403	490,881	---	215,976	---	---	8,569	

(1) Provisional data at 31 December 2013
(2) Data at 30 September 2013
(3) Data at 30 June 2013
(4) Data at 31 December 2012

5.4.5 Entities for which CNP Assurances has joint and several unlimited liability

Company	Legal form	Headquarters
5/7 RUE SCRIBE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
AIC LA DAME BLANCHE	Non-trading property company	139/147 Rue Paul Vaillant Couturier 92240 Malakoff – France
ASSURECUREUIL PIERRE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
ASSURECUREUIL PIERRE 3	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
ASSURECUREUIL PIERRE 4	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
ASSURECUREUIL PIERRE 5	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
ASSURIMMEUBLE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
BAUDRY PONTHIEU	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
BROUSSAIS COLLANGE	Non-trading property company	173 boulevard Haussmann – 75008 Paris – France
CANOPÉE	Non-trading property company	1 rue de Gramont – 75002 Paris – France
CANTIS	Intercompany partnership	16-18 place du Général-Catroux – 75017 Paris – France
CAPTIVA CAPITAL PARTNERS	Partnership limited by shares	41 avenue de la Liberté – L1931 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS II	Partnership limited by shares	41 avenue de la Liberté – L1931 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	41 avenue de la Liberté – L1931 Luxembourg – Luxembourg
COTTAGES DU BOIS AUX DAIMS	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
CIMO	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
CNP IMMOBILIER	Non-trading property company	4 place Raoul Dautry – 75015 Paris – France
CNP TECHNOLOGIES DE L'INFORMATION	Intercompany partnership	4 place Raoul Dautry – 75015 Paris – France
CRYSTAL DÉFENSE	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
DALLE 3	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
DÉFENSE CB3	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
DISTRIPOLE PORTE DE FRANCE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
EdR REAL ESTATE	Partnership limited by shares	20 boulevard Emmanuel Servais – L2535 Luxembourg – Luxembourg
ÉOLE RAMBOUILLET	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
EQUINOX	Non-trading property company	1 rue de Gramont – 75002 Paris – France
FARMAN	Non-trading property company	4 rue Auber – 75009 Paris – France
FONCIÈRE ADYTON 1	Non-trading property company	41 rue Louise Michel, 92594 Levallois Perret Cedex – France
FONCIÈRE ALPECUREUIL	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
FONCIÈRE CNP	Non-trading property company	4 rue Auber – 75009 Paris – France
FONCIÈRE ELBP	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
GF DE LA GRANDE HAYE	Co-operative	102 rue de Surène – 75002 Paris – France
GROUPEMENT PROPRIÉTÉS CDC CNP	Co-operative	45 avenue Victor-Hugo – 93530 Aubervilliers – France
GREEN REUIL	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
ÎLOT 13	Non-trading property company	50/56 rue de la Procession – 75015 Paris – France
ÎLOT A5B	Non-trading property company	4 place Raoul Dautry – 75015 Paris – France
ISSY DESMOULINS	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
ISSY VIVALDI	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
JASMIN	Non-trading property company	1 rue de Gramont – 75002 Paris – France
JESCO	Non-trading property company	4 rue Auber – 75009 Paris – France
KLEMURS	Partnership limited by shares	21 avenue Kléber – 75116 Paris – France
LIBERTÉ	Non-trading property company	4 rue Auber – 75009 Paris – France
MONTAGNE DE LA FAGE	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France

Company	Legal form	Headquarters
MTP ERLON	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
NATURIM	Non-trading property company	41 rue Louise Michel, 92594 Levallois Perret – France
NEXT ESTATE INCOME FUND	Partnership limited by shares	1 rue Joseph Hackin – L1746 Luxembourg – Luxembourg
PARVIS BELVÉDÈRE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
PASSAGE COM F8 IMMO	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
PÉGASE	Non-trading property company	7 place du Chancelier-Adenauer – 75016 Paris – France
QUAI DE SEINE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
REIM EUROCORE 1	Partnership limited by shares	10 boulevard Royal – L2449 Luxembourg – Luxembourg
RUE DU BAC	Non-trading property company	4 rue Auber – 75009 Paris – France
RUEIL NEWTON	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
SAPHIRIMMO	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
S-CDC	Intercompany partnership	84 rue de Lille – 75007 Paris – France
SCI DE LA CNP	Non-trading property company	4 place Raoul Dautry – 75015 Paris – France
SICAC	Non-trading property company	4 place Raoul Dautry – 75015 Paris – France
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE	Non-trading property company	7 place du Chancelier-Adenauer – 75016 Paris – France
STAM REI	Partnership limited by shares	400 route d'Esch – L1471 Luxembourg - Luxembourg
TERRE NEUVE 4 IMMO	Non-trading property company	8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
VENDÔME EUROPE	Non-trading property company	Cœur Défense Tour B – La Défense 4 100 Esplanade du Général de Gaulle – 92932 Paris La Défense Cedex – France
147 AVENUE VICTOR HUGO	Non-trading property company	4 rue Auber – 75009 Paris – France
VIVIER MERLE	Non-trading property company	8/12 rue des Pirogues-de-Bercy – 75012 Paris – France
WEINBERG REAL ESTATE PARTNERS	Partnership limited by shares	46A avenue J.F. Kennedy – L1855 Luxembourg – Luxembourg
WHITEHALL 2008	Partnership limited by shares	9-11 Grande-Rue – L1661 Luxembourg – Luxembourg

5.5 OWNERSHIP STRUCTURE

5.5.1 Composition of share capital

Number of shares	31.12.2013	31.12.2012
Number of ordinary shares outstanding	686,618,477	643,500,175
Number of treasury shares	(460,673)	(1,253,770)
Number of ordinary shares giving entitlement to a dividend	686,157,804	642,246,405

5.5.2 Treasury shares

Movements over the reporting period:

Movements	Number of shares
Acquisitions	7,138,312
Disposals	7,931,409

Number of shares and value at closing:

Movements	31.12.2013	31.12.2012
Number of shares	460,673	1,253,770
Carrying amount of treasury shares in euros	6,286,601	14,063,168

5.6 RESERVES, EQUITY, REVALUATION RESERVE

(in € thousands)	Nature of reserve	31.12.2012	Appropriation of 2012 profit	2013 profit	Capital increases	Change over the period	31.12.2013
Share capital	Statutory	643,500			43,118		686,618
Share premium reserve	Statutory	1,321,020			395,826		1,716,846
Forest revaluation reserve	Tax-regulated	21,564				-	21,564
Special reserve for long-term capital gains	Tax-regulated	1,396,309				-	1,396,309
Capitalisation reserve	Tax-regulated	1,727,238				6,755	1,733,993
Guarantee fund reserve	Tax-regulated	56,971	924				57,895
Optional reserves	Other	2,310,744	(25,885)				2,284,859
Contingency reserve	Other	338,850					338,850
Impact on property-based equity	Other	(75,034)					(75,034)
Provisions for other-than-temporary impairment	Tax-regulated	(3,369)				1,867	(1,502)
Retained earnings (losses)		(84,169)	84,982				813
Net profit for the year		554,702	(554,702)	735,289			735,289
TOTAL		**8,208,326**	**(494,681)**	**735,289**	**438,944**	**8,622**	**8,896,500**

5.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

5.7.1 Accruals and prepayments

Accrual/prepayment accounts *(in € thousands)*	31.12.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
Accrued interest not yet payable	3,787,276		3,790,621	
Deferred acquisition costs	275		424	
Deferred expenses				
Prepaid expenses	916,765		1,105,757	
Accrued income	60,999		53,923	
Amortisation by the effective interest method (income)	3,563,702		3,451,405	
Unearned income		442,472		379,052
Amortisation by the effective interest method (expense)		1,400,275		795,795
Unearned interest income		32,541		67,382
TOTAL	**8,329,017**	**1,875,288**	**8,402,130**	**1,242,229**

5.7.2 Accrued receivables and payables

Balance sheet *(in € thousands)*	Accrued income		Accrued expenses	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
Other receivables	230,760	301,585	278,196	104,601
■ Receivables from employees			345	5
■ Sundry receivables	230,760	301,585	277,851	104,596
Accrued income and prepaid expenses	3,844,032	3,842,475		
■ Prepaid interest and lease payments	3,787,276	3,790,621		
■ Deferred acquisition costs				
■ Other accrued income and prepaid expenses	56,756	51,854		
Other payables			1,564,985	1,261,706
■ Employee benefits expense payable			316,174	291,146
■ Sundry payables			1,248,811	970,560
TOTAL	**4,074,792**	**4,144,060**	**1,843,181**	**1,366,307**

Balance sheet *(in € thousands)*	Unearned income		Prepaid expenses	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
Accrued income and prepaid expenses			**4,484,985**	**4,559,655**
■ Deferred acquisition costs			274	424
■ Amortisation by the effective interest method			(3,563,702)	3,451,405
■ Other accrued income and prepaid expenses			921,009	1,107,826
Deferred income and accrued expenses	**1,875,288**	**1,242,229**		
■ Unearned income	1,613,434	1,508,084		
■ Amortisation by the effective interest method	229,313	(333,237)		
■ Unearned interest income	32,541	67,382		
TOTAL	**1,875,288**	**1,242,229**	**4,484,985**	**4,559,655**

5.7.3 Breakdown of provisions for liabilities and charges

Nature of provision *(in € thousands)*	Purpose	**31.12.2013**	31.12.2012
Revaluation provision	Revaluation of the property portfolio	2,505	2,571
Hurricane-related provision	Provision for the costs of replanting/restoring forests		
Foreign exchange provision	Provision for foreign exchange losses		
Other provisions	Provision for litigation and miscellaneous risks	111,320	98,571
TOTAL		**113,825**	**101,142**

5.7.4 Assets denominated in foreign currency

Balance sheet	Currency	Foreign currency units *(in thousands)*	Equivalent value *(in thousands)*
Other investments		**2,242,401**	**1,891,678**
	US dollar	1,421,555	1,030,785
	Danish krona	81,810	10,967
	Swedish krona	20,897	2,358
	Swiss franc	2,373	1,933
	Australian dollar	23,418	15,183
	Pound sterling	692,348	830,452

5.8 BREAKDOWN OF THE CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

(in € thousands)	**31.12.2013**	**31.12.2012**
In profit or loss		
1 Change in life premium reserves	(3,212,120)	(2,955,182)
2 Profit-sharing and participation in underwriting surplus included directly	7,296,702	6,975,001
Underwriting surplus included	1,457,432	1,628,556
Profit-sharing included	5,839,270	5,346,445
3 Use of policyholder surplus reserve	403,941	498,273
4 Portfolio transfers		
TOTAL	**4,488,523**	**4,518,092**
In the balance sheet		
Change in mathematical reserves		
1 Life premium reserves - end of period	232,173,306	227,684,783
2 Life premium reserves - start of period	(227,684,783)	(223,166,691)
TOTAL	**4,488,523**	**4,518,092**

5.9 BREAKDOWN OF MATHEMATICAL RESERVES FOR PERP PLANS

(in € thousands)	**31.12.2013**	**31.12.2012**
Traditional savings insurance commitments - mathematical reserves for annuity payments	771,065	680,021
Traditional savings insurance commitments	124,681	111,618
Special mathematical reserves for annuity-linked commitments	239,582	203,471
TOTAL	**1,135,328**	**995,110**

5.10 LIQUIDITY RISK RESERVE

(in € thousands)	**31.12.2013**	**31.12.2012**
Total unrealised losses – Article R. 331-5-1 of the French Insurance Code	8,021,785	4,879,284
Gross amount of liquidity risk reserve for other technical reserves	0	283
Amount of deferred liquidity risk reserve	0	0
Actual net profit, excluding impact of transfers to liquidity risk reserve	735,289	561,270

NOTE 6 Income statement

6.1 BREAKDOWN OF INVESTMENT INCOME AND EXPENSES

	31.12.2013			31.12.2012
(in € thousands)	Income and expenses from investments in subsidiaries	Other financial income and expense	Total	
Investment income				
Income from investments in subsidiaries and affiliates	215,057	26,390	241,447	56,618
Income from property investments	40	383,208	383,248	383,890
Income from other investments		7,661,047	7,661,047	7,804,788
Other financial income (commissions, fees)	8,031	555,801	563,832	656,081
Income from financial investments	223,128	8,626,446	8,849,574	8,901,377
Other investment income	17,425	1,208,712	1,226,137	3,203,524
Profits on disposal of investments		1,650,229	1,650,229	3,004,537
Total investment income	**240,553**	**11,485,387**	**11,725,940**	**15,109,438**
Investment expenses				
Financial expenses (commissions, fees, interest, overdraft charges, etc.)		486,831	486,831	495,076
Other investment expenses	4,999	1,561,337	1,566,336	2,689,855
Losses on disposal of investments	(758)	836,383	835,625	3,884,689
Total investment expenses	**4,241**	**2,884,551**	**2,888,792**	**7,069,620**
NET INCOME FROM INVESTMENTS	**236,312**	**8,600,836**	**8,837,148**	**8,039,818**

6.2 BREAKDOWN OF INCOME AND EXPENSES FROM TECHNICAL OPERATIONS

LIFE

Categories 1 – 19 *(in € thousands)*	**Endowment policies with single premiums (or additional payments)**	**Individual term life insurance policies (including open group policies)**	**Other individual term life insurance policies with single premiums (or additional payments) (including open group policies)**	**Other individual term policies with regular premiums (including open group policies)**	**Group whole life cover policies**
Earned premiums	20,704	96,774	13,904,349	130,945	2,133,764
Claims and benefits	38,952	39,286	16,393,545	124,857	403,168
Change in life premium reserves and other technical reserves	(19,244)	(1,533)	(3,770,848)	(11,547)	581,000
Mark-to-market adjustments for gains on assets held to cover linked liabilities					
Underwriting profit (loss)	**996**	**59,021**	**1,281,652**	**17,635**	**1,149,596**
Business acquisition costs	(1,591)	10,364	179,670	10,878	702,185
Other contract administration costs, net	(684)	16,038	1,014,692	4,624	167,520
Acquisition and contract administration costs	**(2,275)**	**26,402**	**1,194,362**	**15,502**	**869,705**
Net income from investments	16,166	368	7,575,228	57,113	41,242
Profit sharing and participation in underwriting surplus	8,879	2,827	7,346,326	56,752	16,655
Balance	**7,287**	**(2,459)**	**228,902**	**361**	**24,587**
Ceded premiums		59,379	19,569	759	585,891
Reinsurers' share of claims and benefits		24,193	274	12,323	(76,424)
Reinsurers' share of change in life premium reserves and other technical reserves		(85)		(111)	491,713
Reinsurers' share of profit sharing					2,564
Reinsurance commissions received		25,737			79,473
Reinsurance balance		**(9,534)**	**(19,295)**	**11,453**	**(88,565)**
Underwriting result	**10,558**	**20,626**	**296,897**	**13,947**	**215,913**
Off-account items					
Policy surrenders	26,012	1,232	9,685,498	49,705	596
Gross underwriting surplus	350	1,637	1,335,004	47,449	
Technical reserves – end of period	540,492	92,976	216,171,095	1,627,296	1,831,973
Technical reserves - start of period	568,867	85,912	212,111,188	1,589,666	1,375,089

* *Including PERP plans in accordance with Article L.441*

Group life policies	Unit-linked life or endowment policies with single premiums (or additional payments)	Unit-linked life or endowment policies with regular premiums	Group policies governed by Article L.441.1 of the French Insurance Code*	PERP	Inward reinsurance (life)	Total
204,783	1,528,497	51,833	545,307	125,985	192,891	18,935,832
218,643	1,086,265	57,942	389,813	18,299	170,144	18,940,914
30,952	1,702,759	13,561	(73,133)	107,518	(66,861)	(1,507,376)
	1,364,217	52,970		11,708		1,428,895
(44,812)	**103,690**	**33,300**	**228,627**	**11,876**	**89,608**	**2,931,189**
(7,150)	28,905	262	24,828		975	949,326
8,315	110,492	1,406	193	12,935	4,408	1,339,939
1,165	**139,397**	**1,668**	**25,021**	**12,935**	**5,383**	**2,289,265**
168,137	237,910	9,217	451,806	36,688	228	8,594,103
163,687	112,106	10,747	820,646	35,745	7,492	8,581,862
4,450	**125,804**	**(1,530)**	**(368,840)**	**943**	**(7,264)**	**12,241**
66,266	407		270,324		20,346	1,022,941
61,278	187		221,863		7,503	251,197
5,408	(46)		(17,536)		(142)	479,201
12,554			384,153			399,271
60	(294)				9,379	114,355
13,034	**(560)**		**318,156**		**(3,606)**	**221,083**
(28,493)	**89,537**	**30,102**	**152,922**	**(116)**	**73,355**	**875,248**
25,942	701,518	24,531		16,373	3,173	10,534,580
61,063	71	8,755			3,104	1,457,433
4,628,885	22,879,136	885,034	14,188,208	1,158,749	337,911	264,341,755
4,436,376	21,403,489	858,630	13,435,840	1,015,535	403,670	257,284,262

NON-LIFE

Categories 20-39 *(in € thousands)*	Individual bodily insurance policies	Group bodily insurance policies	Inward reinsurance	Total
Earned premiums	5,155	24,013	20,447	49,615
1a. Earned premiums	*5,154*	*24,015*	*20,447*	*49,616*
1b. Change in earned premiums reserve and unsettled claims	*(1)*	*2*		*1*
Claims and benefits	(3,818)	27,722	19,964	43,868
2a. Paid benefits and expenses	*691*	*19,063*	*22,892*	*42,646*
2b. Change in reserves for outstanding claims and miscellaneous expenses	*(4,509)*	*8,659*	*(2,928)*	*1,222*
Underwriting profit (loss)	**8,973**	**(3,709)**	**483**	**5,747**
Business acquisition costs	770	11,155	1,260	13,185
Other contract administration costs, net	1,526	(193)	628	1,961
Acquisition and contract administration costs	**2,296**	**10,962**	**1,888**	**15,146**
Investment income	(7)	9	5	7
Policyholder dividends			608	608
Balance	**(7)**	**9**	**(603)**	**(601)**
Reinsurers' share in earned premiums		23,483	3,688	27,171
Reinsurers' share in paid claims				
Reinsurers' share of reserves for outstanding claims		29,870	2,700	32,570
Reinsurers' share of profit sharing				
Reinsurance commissions received			200	200
Reinsurance balance		**6,387**	**(788)**	**5,599**
UNDERWRITING RESULT	**6,670**	**(8,275)**	**(2,796)**	**(4,401)**
Off-account items				
Provisions for unearned premiums and unsettled claims (closing balance)	21			21
Provisions for unearned premiums and unsettled claims (opening balance)	22			22
Unexpired risks reserve (closing balance)	955	153,248	152	154,355
Unexpired risks reserve (opening balance)	759		3,081	3,840
Other technical reserves (closing balance)	29,040	44,788	745	74,573
Other technical reserves (opening balance)	33,745	189,377	749	223,871

6.3 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense can be broken down as follows:

(in € thousands)	31.12.2013	31.12.2012	Year-on-year change
Salaries	178,553	172,100	3.7%
Social security charges	104,482	130,096	- 19.7%
Other	5,875	5,733	2.5%
TOTAL	**288,911**	**307,929**	**- 6.2%**

6.4 COMMISSIONS

The amount of commission arising from insurance transactions recognised during the period was €1,905,296 thousand and includes all types of commissions paid to CNP Assurances' partners that distribute its products.

6.5 BREAKDOWN OF EXCEPTIONAL, NON-TECHNICAL OPERATIONS

Income statement *(in € thousands)*	**31.12.2013**	**31.12.2012**
Breakdown of other (non-technical) income	**57,659**	**210,860**
Interest received on sundry loans	57,156	221,098
Other income	503	41
Expense deferred pursuant to Article R.331-5-4 of the French Insurance Code		(10,279)
Breakdown of other (non-technical) income	**61,015**	**238,511**
Communication expenses	61,015	238,511
Breakdown of exceptional income	**31,966**	**24,195**
Exceptional income	1,654	10,951
Reversal of provisions	30,312	13,244
Breakdown of exceptional expenses	**56,102**	**69,107**
Prior-period losses	825	1,548
Exceptional expenses for the period	306	3,883
Disposal of business premises		
Additions to provisions	54,971	63,676

6.6 INCOME TAX EXPENSE

Breakdown of income tax expense *(in € thousands)*	**31.12.2013**	**31.12.2012**	**Year-on-year change**
Tax expense on recurring operations	332,235	115,740	
Tax (credit) expense on non-recurring operations*	0	(21,000)	
Income tax	**332,235**	**94,740**	**250.7%**

* *As part of the reorganisation of its Brazilian businesses at end-2011, CNP Assurances set aside a provision for tax expense on non-deferrable taxable gains. The exceptional tax credit corresponds to the reversal of this tax expense*

6.7 POLICYHOLDER PARTICIPATION IN UNDERWRITING AND FINANCIAL PROFIT

Description *(in € thousands)*	**31.12.2013**	**31.12.2012**	**31.12.2011**	**31.12.2010**	**31.12.2009**
A. Policyholder dividends	**8,582,471**	**8,094,578**	**7,320,095**	**8,812,656**	**8,200,118**
A1. Policy-based participation (including underwriting surplus)	7,743,761	7,516,356	7,357,847	8,811,917	8,255,903
A2. Change in the policy-holder surplus reserve	838,710	578,222	(37,752)	739	(55,785)
B. Policyholder participation in policies governed by Article A.132.2(1)					
B1. Average mathematical reserves(1)	224,669,386	230,231,773	214,364,250	204,077,943	190,213,416
B2. Minimum dividends payable to policyholders(3)	5,024,096	4,866,285	4,184,024	4,976,167	5,582,383
B3. Actual policyholder dividends(2) (3)	5,896,548	5,923,946	5,613,395	6,924,295	6,514,975
B3a. Policy-based participation (including underwriting surplus)	5,423,278	5,359,900	5,656,802	6,265,514	6,573,179
B3b. Change in the policy-holder surplus reserve	473,270	564,046	(43,408)	658,781	(58,204)

(1) Half of the sum of the opening and closing mathematical reserve balances, corresponding to categories covered by Article A.331.3
(2) Actual participation (expense for the period, including underwriting surplus), corresponding to categories covered by Article A.331.3
(3) Participation net of deductions from plan assets from 2007 on (gross participation for previous periods)

6.8 WORKFORCE

The workforce can be broken down by category at 31 December 2013 as follows:

Status *(headcount)*	**31.12.2013**	**31.12.2012**	**Year-on-year change**
Management-grade	1,728	1,778	- 2.8%
Non-management-grade	1,270	1,340	- 5.2%
TOTAL	**2,998**	**3,118**	**- 3.8%**

Headcount figures exclude employees from the CNP TI (intercompany partnership).

6.9 MANAGEMENT REMUNERATION

The following disclosures present the cumulative remuneration (by remuneration category) of the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors (Edmond Alphandéry until 29 June 2012, and Jean-Paul Faugère after this date) and the Chief Executive Officer (Gilles Benoist until 29 June 2012, and Frédéric Lavenir from 26 September 2012).

In 2013

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer in 2013, amounted to €1,185,949.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer or to the Chairman or members of the Board of Directors.
- Share-based payments: no share-based payments were made in 2013. No stock options or performance shares were granted to any CNP Assurances senior executives or members of the Board.

In 2012

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer in 2012, amounted to €1,835,378.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0.
- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement. On that basis, Gilles Benoist, the Chief Executive Officer until 29 June 2012, received a total of €395,316 upon his retirement.
- Share-based payments: no share-based payments were made in 2012. No stock options or performance shares were granted to any CNP Assurances senior executives or members of the Board.

6.10 FIVE-YEAR FINANCIAL SUMMARY

Capital at 31 December *(in € thousands)*	**31.12.2013**	**31.12.2012**	**31.12.2011**	**31.12.2010**	**31.12.2009**
Share capital *(in € thousands)*	686,618	643,500	594,151	594,151	594,151
Number of ordinary shares outstanding**	686,618,477	643,500,175	594,151,292	594,151,292	594,151,292
Results of operations *(in thousands)*					
Premium income excluding tax	18,985,447	19,042,303	21,345,143	23,948,663	24,376,642
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	1,062,203	739,281	589,153	282,402	1,099,789
Income tax expense	332,235	94,740	98,045	46,156	142,505
Net profit	735,289	554,702	473,121	212,772	934,268
Earnings per share *(in €)***					
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	1.55	1.15	0.99	0.48	1.85
Net profit	1.07	0.86	0.80	0.36	1.57
Dividends per share*	0.77	0.77	0.77	0.77	0.75
Employee benefits expense payable					
Average number of employees	2,998	3,118	3,077	3,068	3,432
Total payroll and benefits *(in € thousands)*	288,911	307,929	253,039	257,834	269,182

* *Recommended 2013 dividend to be paid in 2014*

** *The share par value was divided by four (4-for-1 stock split) on 6 July 2010. The number of shares outstanding for the period and prior periods has been adjusted to reflect the 4-for-1 stock split on 5 July 2010*

6.11 PREMIUM INCOME BY GEOGRAPHICAL SEGMENT

Gross amount Premium income by geographical segment *(in € thousands)*	31.12.2013	31.12.2012	%
France	18,479,063	18,997,144	-2.7%
International operations	506,384	45,159	1,021.3%
Italian branch	*85,359*	*44,375*	*92.4%*
Spanish branch	*868*	*775*	*12.0%*
Cofidis European Union	*53*	*9*	*488.9%*
Danish branch	*420,104*		
TOTAL	**18,985,447**	**19,042,303**	**-0.30%**

6.12 FEES PAID TO THE AUDITORS IN 2013

Fees paid to the Auditors in 2013
(in € thousands)

Audit fees	Mazars	%	PricewaterhouseCoopers	%
Audit of the financial statements of the Company and the Group	876	89%	882	84%
CNP Assurances	876		882	
Other audit and special engagements	108	11%	174	16%
TOTAL	**983**	**100%**	**1,056**	**100%**

NOTE 7 Off-balance sheet commitments

Strategy Categories by forward financial instrument *(in € thousands)*	Amounts at 31.12. 2013 Commitments received	Amounts at 31.12. 2013 Commitments given	Residual term 1 year or less	Residual term 1 to 5 years	Residual term Over 5 years
Return strategy					
Forward financial instruments – Equities					
Purchases of call – put options	(228,823)		(36,013)	(118,589)	(74,221)
Sales of call – put options					
Forward financial instruments – Interest rates					
Purchases of caps	50,911,000		4,110,000	27,422,000	19,379,000
Sales of caps		37,291,800	1,517,000	18,000,000	17,774,800
Swaps					
Receive swap positions	9,530,866		780,538	1,622,946	7,127,382
Pay swap positions		9,563,401	775,413	1,617,398	7,170,590
TOTAL RECEIVED	**60,213,043**		**4,854,525**	**28,926,357**	**26,432,161**
TOTAL GIVEN		**46,855,201**	**2,292,413**	**19,617,398**	**24,945,390**
FORWARD FINANCIAL INSTRUMENTS IN PROGRESS	**13,357,842**		**2,562,112**	**9,308,959**	**1,486,771**

NOTE 8 Disclosures related to subordinated liabilities

REDEEMABLE SUBORDINATED DEBT

Issuance date	Legal form	ISIN Code	Currency	Total issue *(in issue currency in millions)*	Total issue *(in € millions)*	Interest rate	Maturity
07.04.2011	Subordinated note Fixed/variable rate	FR0011034065	GBP	300	360	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	30.09.2041
07.04.2011	Subordinated note Fixed/variable rate	FR0011033851	Euros	700	700	6.875% until Sept. 2021, then 12-month Libor +440 bps	30.09.2041
24.06.2003	Subordinated note Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	200	200	4.7825% until 24.06.2013, then Euribor +200 bps	23.06.2023
15.11.2004	Subordinated note Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	90	90	4.93% until 15.11.2016, then Euribor +160 bps	Undated
15.11.2004	Subordinated note Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	93	93	3-month Euribor+ 70 bps until 15.11.2016, then 3-month Euribor+160 bps	Undated
14.09.2010	Subordinated note Fixed/variable rate	FR0010941484	Euros	750	750	6% until Sept. 2020, then 3-month Euribor +447.2 bps	14.09.2040
TOTAL REDEEMABLE SUBORDINATED NOTES				**2,133**	**2,193**		

SUBORDINATED LOANS

Issuance date	Legal form	ISIN Code	Currency	Total issue *(in issue currency in millions)*	Total issue *(in € millions)*	Interest rate	Maturity
21.06.2004	Subordinated loan Variable rate	FR0010093328	Euros	250	250	Tec 10 +10 bps, capped at 9%	Perpetual
24.09.2004	Subordinated loan Variable rate	FR0010093328	Euros	50	50	Tec 10 +10 bps, capped at 9%	Perpetual
11.03.2005	Subordinated loanVariable rate	FR0010167296	Euros	23.75	23.75	6.25% until 2009, then 4 times (10-year EURCMS – 2-year EURCMS), 9% cap and 2.75%floor	Perpetual
11.03.2005	Subordinated loan Variable rate	FR0010167247	Euros	225	225	6.5% until March 2008, then 3% +22.5% times 10-year EUR CMS	Perpetual
27.06.2005	Subordinated loan Variable rate	FR0010203026	Euros	75	75	7% until June 2010, then 10-year CMS +30bps.	Perpetual
16.05.2006	Subordinated loan Variable rate	FR0010318386	Euros	160	160	5.25% until 16.05.2036, then 3-month Euribor +185 bps (including 100 bpsstep up at the call date)	Perpetual
22.12.2006	Subordinated loan Fixed rate	FR0010409789	Euros	870	870	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	Perpetual
20.12.2006	Subordinated loan Variable rate	FR0010406082	Euros	108	108	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	Perpetual
18.10.2012	Subordinated loan Fixed rate	FR0011345552	USD	500	363	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate + 648.1 bps	Perpetual
18.07.2013	Subordinated loan Fixed rate	FR0011538461	USD	500	363	6.875% until Oct. 2019, then reset at the 6-year fixed swap rate + 500 bps	Perpetual
TOTAL SUBORDINATED DEBT				**2,762**	**2,487**		
TOTAL SUBORDINATED LIABILITIES				**4,895**	**4,680**		

3.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 31 December 2013, on:

- the audit of the accompanying financial statements of CNP Assurances
- the justification of our assessments
- the specific verifications and information required by law

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

I – OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the change in accounting policy resulting from the application of Regulation 2013-03 of 13 December 2013 of the French accounting standards authority (*Autorité des normes comptables* – ANC) which sets out the guidelines on how to account for amortisable securities covered by Article R.332-20 of the French Insurance Code (*Code des assurances*), as presented in Notes 3 and 4.3.3 to the financial statements.

II – JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Certain technical items specific to insurance and reinsurance, on both the assets and liabilities sides of the balance sheet, such as technical reserves, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 4.5, 4.6 and 4.7 to the financial statements.

We verified that the methods and assumptions used were reasonable, in particular in view of the Company's regulatory environment and experience.

- The provisions for impairment of the securities portfolio are measured in accordance with the methods set forth in Note 4.3 to the financial statements. In particular, we verified the methods used to identify the Group's exposure and to measure and calculate impairment of financial instruments.
  - We verified that the measurement of these provisions, in relation to the assets falling within the scope of Article R.332-20 of the French Insurance Code, was consistent with the Company's intention to hold these securities and examined, as necessary, the data, assumptions applied and documentation prepared by CNP Assurances within this framework.
  - We reviewed the Company's own analyses on the potential risks regarding assets falling within the scope of Article R.322-19 of the French Insurance Code and in particular sovereign debt, its valuation and its accounting treatment.
  - We examined the information provided by management concerning the business activities, the anticipated future prospects, and the criteria and assumptions applied to determine the values in use of the various investment securities and the resulting provisions.

We obtained assurance that the information relating to financial instruments provided in the notes to the financial statements was appropriate.

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

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

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

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, 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 it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Neuilly-sur-Seine and Courbevoie, 26 February 2014

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Éric Dupont	Jean-Claude Pauly

4

Corporate social responsibility

LABOUR ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

4.1 SOCIAL RESPONSIBILITY AT CNP ASSURANCES

4.1.1 Background of our engagement

2003/OUR SUPPORT FOR THE UNITED NATIONS GLOBAL COMPACT

Since its founding, the CNP Assurances Group has upheld human rights and citizens' rights, in line with the Universal Declaration of Human Rights, and more particularly the labour standards of the International Labour Organisation and the national labour laws in each host country.

In pledging our support for the Global Compact in 2003, we reaffirmed our commitment to respecting its fundamental principles, combating corruption and protecting the environment. CNP Argentina, Caixa Seguros Holding and CNP UniCredit Vita have also joined the Compact.

2009/A COMMITMENT BACKED BY THE INSURANCE INDUSTRY

In 2009 we played an active role in launching the *Association Française de l'Assurance*'s Sustainable Development Charter. Our commitments under the charter are to meet core social responsibility challenges in the insurance industry, including helping to reduce social vulnerability and to combat climate change, support economic development and promote socially responsible investment.

2011/A COMMITMENT STRENGTHENED BY OUR WORK IN INSURANCE

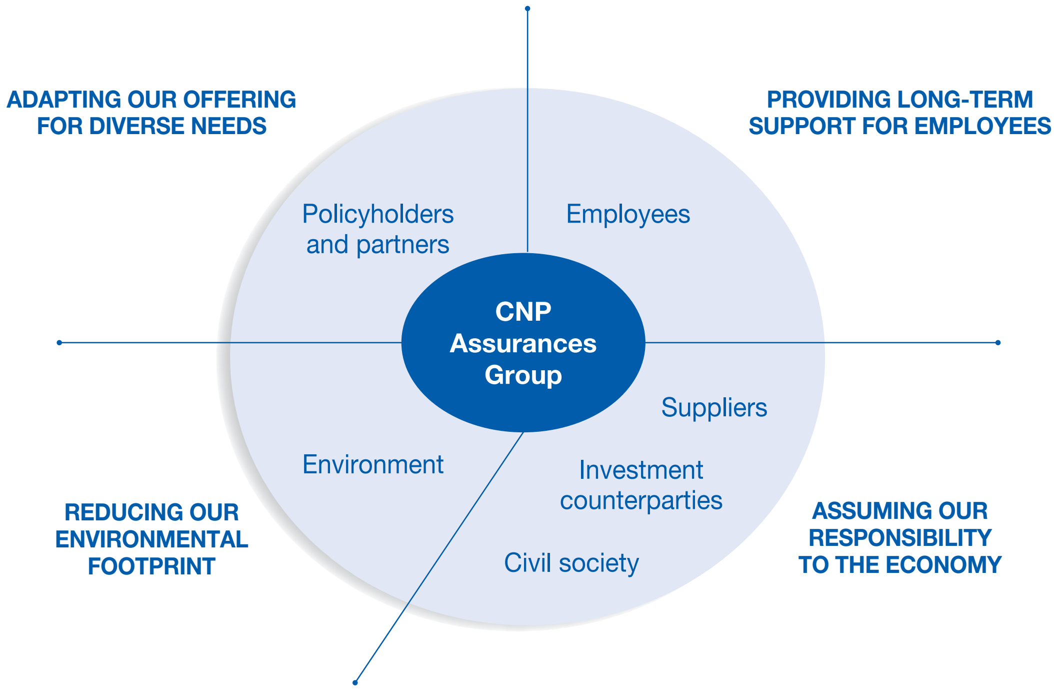
In 2011, CNP Assurances adopted the United Nations' Principles for Responsible Investment (PRI), ushering in a new phase in its commitment as a responsible investor.

COORDINATED IMPLEMENTATION WITHIN SUBSIDIARIES, SHARED WITH OUR PARTNERS

Consistent with the Group's business model, the main subsidiaries team up with one or a number of local partners – usually banks that market products – and the CSR policy is devised by the subsidiary in line with the Group's principles. There are regular exchanges around shared performance indicators.

4.1.2 Components of the CSR policy

The Group's CSR policy is organised around four important commitments which are the driving force behind all our CSR initiatives:



We strive to create value for all CNP Assurances stakeholders as a responsible insurer and investor.

4.1.2.1 STAKEHOLDER DIALOGUE

Dialogue initiatives and metrics for gauging satisfaction are organized on a regular basis in liaison with the key stakeholders.

Thus, in addition to institutional labour relations and monitoring the employee satisfaction survey, a diagnostic review of psychosocial risks in 2013 made it possible to better understand how employees perceive their work environment (see section 4.2.2. – Quality of life at work).

Regular client satisfaction surveys are conducted among policyholders and our distribution partners in France and worldwide. These surveys enhance the Company's client service organisation. In addition, CNP Assurances and its main subsidiaries perform qualitative and quantitative studies to anticipate new needs arising from emerging social and demographic trends (see section 4.4.3. – Policyholder satisfaction).

CNP Assurances also engages in constructive dialogue with companies in which it is a shareholder whenever a problem is revealed in the course of the quarterly SRI screening process *via* our asset managers or directly during the lead-up to General Meetings. Exchanges also take place with shareholders – especially individual shareholders – at meetings outside Paris (for more information, go to http://www.cnp-finances.fr/eng/shareholders-event-calendar), through the CNP Assurances website, which had 45,577 unique visitors in 2013, and on its toll-free hotline. The 2011 survey of Shareholders' Club members confirmed their level of satisfaction.

CNP Assurances actively contributes to the CSR work of the insurance industry federation (*Fédération Française des Sociétés d'Assurances* – FFSA) in the area of CSR. We are also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders (NGOs and trade unions). The international subsidiaries also participate in local professional bodies. Caixa Seguros Holding carries out an annual CSR assessment in conjunction with Ethos, a research institute.

4.1.2.2 CREATED SHARED VALUE & SOCIAL VALUE-ADDED

For CNP Assurances, being a responsible insurer means being an enlightened financial intermediary and a bridge between policyholders and the economic pitfalls of everyday life. CNP Assurances protects policyholders by minimising their risk exposure. Our ability to assess risk and our long-term investment strategy allow us to fulfil our commitments. In addition to these commitments, which strengthen our insurance offering, CNP Assurances offers innovative solutions by providing real added value for society.

AN ENLIGHTENED FINANCIAL INTERMEDIARY BETWEEN POLICYHOLDERS AND THE ECONOMIC WORLD

Our insurance expertise	Assessing every risk over the long term and administrative and financial management costs	Pooling risks to optimise prices	Guaranteeing administrative management, investment security and the coverage of commitments	**RISK CONTROL**
Our insurance commitments	Guaranteeing the payment of costs of policyholders and designated beneficiaries	Guaranteeing euro deposits and unit-linked investments until death	Guaranteeing a temporary minimum return	**PAYMENT GUARANTEE**
Our CSR commitments	Enriching the offering with prevention and assistance services	Investing policyholders' reserves responsibly	Offering products that are affordable for most people	**SOCIAL ADVANTAGES**

A SECURE, RESPONSIBLE AND AFFORDABLE INVESTMENT

4.1.3 CSR in action

4.1.3.1 A STRUCTURED REPORT THAT REFLECTS THE GROUP'S BUSINESSES

This report presents, with concrete figures, the Group's entire CSR action plan including the priorities for each part of the policy and additional initiatives put in place. Questions related to governance and CSR risk are covered in Chapter 5 "Corporate governance and internal control".

This report covers all the consolidated entities of the CNP Assurances Group. It was drafted in accordance with the provisions of Articles R. 225-104 to R. 225-105-2 of the French Commercial Code (*Code de commerce*), and the concordance table makes it possible to find the regulatory information. One of our Statutory Auditors conducted a review to check on the presence and overall consistency of the information required under Article 225 of the French Commercial Code. Key data was subject to a fair presentation review which includes tests of details on corresponding quantitative indicators; the other data was reviewed for overall consistency as indicated in the concordance table at the end of the section.

All CSR indicators broken down by entity are published in our 2013 CSR Report, which can be consulted by visiting www.cnp-finances.fr.

4.1.3.2 MEASURING CSR PERFORMANCE

CNP Assurances's objectives at the end of 2013: overview

- making CSR a core part of its strategy: defining a new ambition of "creating value for all CNP Assurances stakeholders as a responsible insurer and investor"
- assessing the CSR credentials of suppliers: 26.2% (in revenues)
- continuing to reduce CO_2 emissions per FTE employee for internal operations: 1.2% reduction compared with 2012

2013 CSR rating for CNP Assurances shares

The quality of the Group's sustainable development programme has been recognised by socially responsible investment ("SRI") analysts. The Group's performance scores particularly high in terms of Human Resources and community involvement.

Ratings summary (unsolicited)

Rating agency	CSR rating	Comment	Methodological reference
Sustainalytics	79/100 – August 2013	8 out of 140 – insurance industry worldwide	http://www.sustainalytics.com/sustainalytics-global-platform
Oekom	Prime C+ - March 2013		http://www.oekom-research.com/index_fr.php?content=corporate-rating
Vigeo	48/100 (2012 rating, rating 11 out of 33 – insurance under way, 2013 not completed)		www.vigeo.com

CNP Assurances listed on SRI indices

The Group's shares are listed on several European SRI indices, including the Ethibel Sustainability Index Excellence Europe and the NYSE Euronext Vigeo – Eurozone 120 index.

4.2 PROVIDING LONG-TERM SUPPORT FOR EMPLOYEES

All of the Group's companies share four overriding principles: long-term support for employees, respect for human rights, freedom of association, the right to collective bargaining and the promotion of equal opportunity. The goal is to provide support and promote the professional and personal development of all. The skills and personality of all our employees are what make our Group successful. Therefore, we must expand our diversity policy to hire a broader range of employees so we do not miss out on talent.

- Priority No. 1: Optimising the career paths of employees
- Priority No. 2: Quality of life at work
- Priority No. 3: Promoting diversity

4.2.1 Priority No. 1: Optimising the career paths of employees

4.2.1.1 HUMAN RESOURCES MANAGEMENT

Hiring - Long-term jobs and local hires

All announced vacant positions (415 positions Group-wide) were filled in 2013 and CNP Assurances Group did not encounter any particular recruiting problems. The percentage of new hires with permanent employment contracts has actually fallen due to the inclusion in 2013 of headcount statistics of employees on work/study programs with fixed-term contracts.

	2013	2012	Change	Level of coverage
Number of new hires	415	459	- 10%	100%
Percentage of new hires with permanent employment contracts	55%	66%	- 17%	100%

Departures - Controlled management of departures

None of the Group's entities has put in place restructuring plans in the past, or in 2013, and there have never been any collective redundancies. With regard to CNP Assurances, employment forecasts suggest that the workforce will stabilise due to natural attrition towards the end of 2014.

	2013	2012	Change	Level of coverage
TOTAL NUMBER OF DEPARTURES	521	337	55%	100%
▪ including dismissals	80	68	+ 18%	100%
▪ including terminations by mutual agreement	18	12	+ 50%	100%
▪ including resignations	97	101	- 4%	100%
▪ including retirements	135	44	+ 207%	100%
▪ including departures at the end of fixed-term contracts	176	91	+ 93%	100%
TURNOVER	**6.9%**	**4.8%**	**+ 44%**	**100%**

Turnover varied significantly within the Group reflecting different national environments: it was 4.10% for CNP Assurances but over 21% at CNP CIH due to larger numbers of employees retiring as part of a voluntary early retirement plan. Employees on work/study programs with fixed-term contracts were included in 2013 headcount statistics and this accounts for the increase in the number of employees on fixed-term contracts. Employee turnover in Caixa Seguros was especially well managed during the year and was only 11%, compared to 20% for the Brazilian insurance sector as a whole.

The average length of service within the Group was 13 years and is down due to a large number of employees retiring.

Support - Many possibilities for change

Promoting internal mobility has been CNP Assurances policy for a number of years and virtually all vacancies are initially advertised in-house. In 2013, 88% of available permanent positions were filled internally and this proportion has been growing for the past four years.

This policy meets two objectives: keeping costs down in a challenging economic environment and giving priority to optimising the career paths of existing employees. 144 employees were promoted, 18% more than in 2012.

As well as being official Group policy, internal mobility is promoted through individualised career support initiatives. 96% of employees had a performance review and 800 employees received career support.

96% of employees throughout the Group have performance reviews.

4.2.1.2 TRAINING – SUSTAINED INVESTMENT YEAR IN, YEAR OUT

	2013	2012	Change	Level of coverage
Number of training hours(1)	98,251	100,664	- 2.4%	99%
Amount allocated to training as a percentage of payroll	4.3%	4.4%	- 2.3%	99%
Percentage of employees who received training	86%	77%	+ 11.7%	99%

(1) Of which 59,732 training hours for CNP Assurances

In CNP Assurances, the training budget as a percentage of payroll is 5.14%.

The drop in the number of hours of training in 2012 and 2013 is essentially due to a one-off 2,500-hour technical certification programme organised in Caixa Seguros group in 2012 and to the end of the managerial training cycle in CNP Assurances. More people are receiving more hours' training in virtually all the Group's entities.

A large range of training

CNP Assurances HR policy revolves around developing employees' skills. To promote internal mobility and to keep employees' skills up to date, in 2013, 69 CNP Assurances employees received training to obtain a qualification based around a company-approved career plan - that makes nearly 150 employees over the past two years (2012/2013). These programmes focused mainly on "Insurance techniques" and "Accounting, finance and economics".

In the Group, training is centred on insurance practices. Instruction is also provided in computing/office applications, sales and marketing, personal development, management and languages. For the past two years, risk management training has also been provided to selected employees. Training needs are generally identified during annual performance reviews on an individual basis and collectively during the employee training planning process.

In 2013, Caixa Seguros, in conjunction with the *Université Fédérale* de Rio de Janeiro, created the first course specializing in actuarial analysis to fill a gap in the university course offering.

4.2.2 Priority No. 2: Quality of life at work

Maintaining wellness in the workplace is a core part of the Human Resources policy of the Group's entities. This requires having a good understanding of stress factors and putting in place programmes to offer personalized support for employees who are experiencing difficulties.

4.2.2.1 AWARENESS AND SUPPORT FOR PSYCHOSOCIAL RISKS AT CNP ASSURANCES

Since 2009, CNP Assurances has been focusing closely on the prevention of stress and psychosocial risks. It attempts to keep these risks to a minimum by implementing various initiatives (an in-house mediation service, specific training for managers, outside helpline for all employees, etc.). The agreement entered into with the trade unions in April 2012 provides a concrete, shared framework and detailed processes for identifying, preventing and handling psychosocial risks.

The first review of psychosocial risks and stress provided for in the agreement was carried out in the second quarter of 2013 in order to analyse relevant employee working conditions and experience. The level of exposure to psychosocial risks was slightly lower compared with a similar study conducted in 2005 and an action plan will be unveiled in 2014.

In-house mediation: The in-house mediation service was set up to prevent and handle situations of alleged workplace harassment and discrimination, situations of hardship and day-to-day conflicts. In 2013, the service was used 63 times (30% less than in 2012), primarily regarding requests for advice and support.

A dedicated commission: Pursuant to the collective bargaining agreement on psychosocial risks that was signed in 2012, a Committee was appointed to handle situations involving groups of individuals. It meets on a quarterly basis at each site: Paris, Angers and Arcueil. Employees can also contact a 24-hour helpline throughout the year (Filassistance-toll-free number).

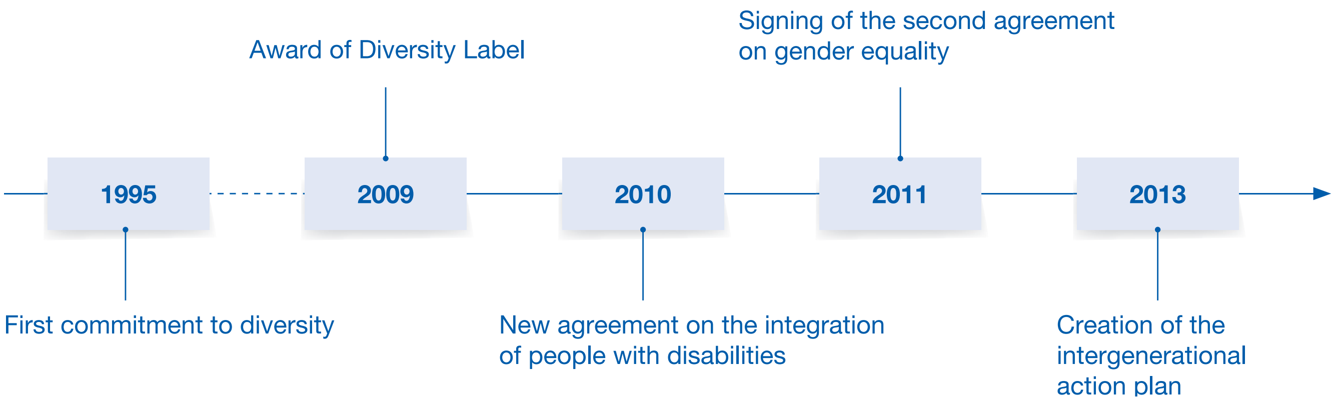
4.2.2.2 A WIDE RANGE OF INITIATIVES THROUGHOUT OUR SUBSIDIARIES

All CEOs worldwide follow stress management training. In addition, Caixa Seguros Holding and CNP BVP developed comprehensive workplace wellness programmes. Every year, Caixa Seguros dedicates a week to wellness and the prevention of stress in the workplace. In 2012, the occupational health, safety and working conditions committee at MFPrévoyance began more intensive monitoring of psychosocial risks and a related module has been included in the training given to managers. CNP Argentina's code of ethics calls for the implementation of programmes to prevent accidents and occupational illness. CNP CIH has a special team that communicates on a regular basis about workplace health and safety risks. For several years now, this team has taken part in the organisation of the "Health and Safety Week" promoted by the Ministry of Labour. In 2013, CNP UniCredit Vita introduced mandatory training on health and safety at work for all employees.

In 2013, Caixa Seguros received first place in the Brazilian insurance sector for the management of its Human Resources. This prize, awarded by the guide Epoca Negocios 360°, was based on a study comparing best practices in the market among 250 companies.

4.2.3 Priority No. 3: Promoting diversity

TIMELINE OF INITIATIVES



4.2.3.1 STRUCTURING AND CERTIFYING THE GROUP'S APPROACH

An innovative commitment: In January 2009, CNP Assurances was one of the first seven companies in France to be awarded the Diversity Label. Following an assessment in November 2011 by AFNOR Certification, the Diversity Label was renewed on 21 February 2012 for a four-year period.

A commitment adapted within the various entities: Fighting discrimination is a Group-wide concern and features in the rules and regulations of CNP Assurances, Caixa Seguros Holding's code of conduct and CNP Argentina's code of business ethics. Internal rules at CNP CIH also cover discrimination, privacy, freedom of religion and respect for each employee.

An approach based on continuous progress: A Diversity steering Committee was set up at CNP Assurances in 2010. It met once in 2013 to review the actions undertaken in each aspect of the business and to ensure policy consistency throughout the organisation. Career management and the employee assessment system respect the principle of non-discrimination and more than 300 managers now receive training on this theme. A number of mechanisms have been put in place to regularly monitor the diversity policy and draw up an annual assessment that is sent to employee representatives.

In September 2013, CNP UniCredit Vita set up a voluntary employee working group to work out ways of giving enhanced recognition to diversity and coming up with related action plans. One of the goals is to sign up to a Diversity Charter.

4.2.3.2 PROMOTING GENDER EQUALITY

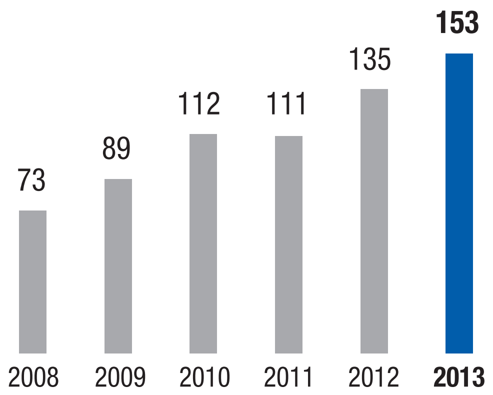
CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion. On 18 November 2011, all of the trade unions signed the second agreement on gender equality, which in particular sets measurable goals in terms of gender parity, promotions, training and work/life balance. The proportion of women returning to work after maternity leave is especially closely monitored. The proportion of female management-grade staff is growing throughout the Group. A collective agreement was also signed in 2011 by MFPrévoyance covering these topics.

	2013	2012	Change	Level of coverage
Proportion of female management-grade staff	48.0%	47.7%	+ 0.6%	100%
Proportion of female senior executives	28.9%	26.1%	+ 11%	100%
Average male/female income ratio by category	109%	108%	+ 0.9%	99%

The proportion of women directors and the proportion of women on the Executive Committee has been increasing for a number of years and stood at 33% and 38% respectively at end-2013. To advance the cause of women in the workplace, CNP Assurances belongs to several women's networks: Financi'elles, a network for female management-grade employees in insurance, banking and finance, and Alter'égales, the network for female management-grade employees within the Caisse des Dépôts Group.

4.2.3.3 EMPLOYMENT AND INTEGRATION OF PEOPLE WITH DISABILITIES

HISTOGRAM OF EMPLOYEES WITH A DISABILITY



Over the last 15 years, CNP Assurances has implemented a pro-active policy to promote the integration of people with disabilities. The most recent agreement, which was signed in 2010 for a four-year period, contains specific commitments in terms of the number of new hires with disabilities. A total of 136 employees with a disability are on permanent contracts. With 141 employees with a disability and a total of 152 full-time equivalent positions filled through the use of sheltered workshops, the percentage of disabled employees stood at 5.70% at the end of 2013. This number was down slightly year on year (by 0.19 points) due to retirements and an increase in part-time working arrangements.

Access to all CNP Assurances facilities for employees with a disability is audited in liaison with the occupational health, safety and working conditions committee. For example, based on audits of the two main sites in Paris in 2011, the level of accessibility varies between 77.4% and 73.2%, depending on the buildings.

Caixa Seguros is gradually employing more people with disabilities by advertising positions more widely and developing partnerships with agencies that promote sheltered employment.

4.2.3.4 FIGHTING AGE-RELATED DISCRIMINATION

Employing young people

CNP Assurances makes every effort to support young people through work-study contracts. By year-end 2013, the number of apprenticeship or vocational training contracts had risen to 97 and employees under 25 with permanent employment contracts accounted for 3% of the workforce. The intergenerational action plan presented in 2013 specifies the Group's commitments to support access for young people to long-term employment through permanent contracts.

Caixa Seguros Holding has implemented a programme for "young apprentices" to promote the hiring of young people whose family income is less than half the local minimum wage.

Employing seniors

CNP Assurances had 27 seniors on fixed-term contracts in 2013. Twelve older people were hired under fixed-term contracts in 2012. The proportion of employees over the age of 55 represents 19.7% of the workforce at the end of 2013 compared with 20% the year before. CNP Assurances' intergenerational plan sets measurable goals for the hiring and retention of seniors and a collective agreement dealing with intergenerational employment was also signed in 2013 by MFPrévoyance.

4.2.3.5 PROMOTING DIVERSITY THROUGH COMMUNICATION

The internal communications plan for diversity is reviewed every year. Employees may also report any complaints or problems involving suspected or actual discrimination. This procedure is also available on the intranet. Many Articles on the implementation of the diversity policy and external links are also available on CNP's intranet. In 2011, the Human Resources department provided all employees with online training and asked them to complete an evaluation questionnaire. Participation in this training was made one of the criteria for employee profit-sharing in 2011. 78% of employees participated, which was enough to maximise the related profit-sharing payment set aside for awareness-raising initiatives.

Awareness initiatives and training are conducted to fight stereotypes, prejudice, discriminatory language and attitudes, and to convince employees of the advantages of having a diversity policy. In 2013, Caixa Seguros developed awareness-raising initiatives to encourage local teams to hire people with disabilities.

4.2.4 Other initiatives

4.2.4.1 HEADCOUNT

Number of employees in the Group

The CNP Assurances Group had a total of 4,809 employees at the end of 2013, down by a little over 2%.

Headcount of entities	Country	2013	2012	Like-for-like change
CNP Assurances	France	3,095*	3,119	- 3.6%
Caixa Seguros Holding	Brazil	813	787	3.3%
CNP UniCredit Vita	Italy	158	150	5.3%
CNP Cyprus Insurance holdings	Cyprus/Greece	290	360	- 19.2%
CNP Vida	Spain (Italy, France)	152	136	13.4%
MFPrévoyance	France	75	77	- 2.6%
La Banque Postale Prévoyance	France	62	54	14.8%
CNP Barclays Vida y Pensiones	Spain/Italy/ Portugal	71	70	5.97%
CNP Assurances Compañia de Seguros	Argentina	79	77	5.3%
CNP Europe Life	Ireland	14	12	16.7%
CONSOLIDATED TOTAL – GROUP		**4,809**	**4,842**	**- 2.38%**

* *Change in reporting basis: the 2013 figure includes 97 employees on work/study contracts*

CNP Assurances' workforce has stabilised over the past three years. In 2013, the number of employees under permanent contracts fell as forecast.

This lower number is a result of the following factors:

- a slight increase in the number of retirements attributable to uncertainty over regulatory changes to the retirement age and to pension entitlements
- a strict policy of not replacing reductions due to natural attrition in light of the harsher economic environment
- the move to give increased importance to internal mobility which is now the preferred means of filling positions.

The number of employees at LBP Prévoyance continued to grow but a voluntary early retirement plan at CNP CIH cut its workforce by 19% in 2013.

Characteristics of headcount

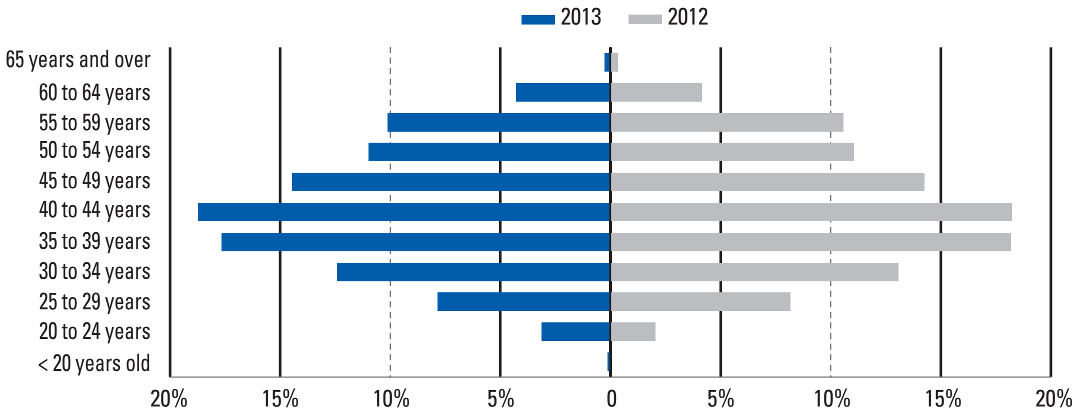
	2013	2012	Change	Level of coverage
Percentage of employees with permanent employment contracts	96%	97%	- 1%	100%
Percentage of women	60%	60%	0%	100%
Average age of permanent employees	42.8 years	42.6 years	s.o.	100%

Almost all Group employees (99%) are covered by local insurance industry collective bargaining agreements. The only exceptions, in accordance with local regulations, are Ireland and 24 executives in Argentina.

There were 175 civil servants from Caisse des Dépôts on secondment at CNP Assurances, and 0.4% of the workforce was seconded to foreign subsidiaries; management-grade staff accounted for 56% of employees.

The breakdown by gender and age reflects the situation in each country's insurance industry.

Age pyramid: breakdown of the Group's workforce as a percentage



4.2.4.2 USE OF OUTSIDE SUBCONTRACTORS - LIMITED AND STRUCTURED OUTSOURCING

At CNP Assurances, only limited use is made of outside contractors. There are 41 outside security staff, 84 cleaners (in all of France), 22 maintenance workers, and 7 receptionists, for a total of 157 outside contractors, compared with 156 in 2012. An intercompany partnership established in 2012 (CNP TI) employs 330 IT personnel throughout the Caisse des Dépôts group.

There is significant use of outside contractors in Caixa Seguros and CNP Vida which outsource their IT operations (203 contractors). Both entities ensure that the employees concerned are accorded the full protection of applicable labour legislation (see section 4.3.3. – Responsible purchasing).

4.2.4.3 PROMOTION AND COMPLIANCE WITH INTERNATIONAL LABOUR ORGANIZATION (ILO) STANDARDS

In keeping with their adherence to the Global Compact, CNP Assurances, CNP Argentine, Caixa Seguros Holding and CNP UniCredit Vita ensure that laws and regulations are complied with in each country where they operate.

All subsidiaries abide by its four guiding principles, namely human rights, freedom of association and the right to collective bargaining, long-term career support, and the promotion of equal opportunities. Subsidiaries report their results in these four fundamental areas to CNP Assurances annually. Numerous procedures guarantee the respect of civil and political rights in force at CNP Assurances, in particular the internal code of conduct, the designation of a liaison officer at the National Commission for Data Protection (*Commission nationale de l'informatique et des libertés* – CNIL) and an agreement on the right of unionisation.

All employees are covered by the collective bargaining agreement for the insurance industry (excluding Ireland and management-grade employees in Argentina): see section 4.2.4.7. Labour relations. CNP Assurances monitors the level of training and promotion of its staff representatives.

Furthermore, compliance with ILO standards is reflected in dealings with suppliers and their own subcontractors (see section 4.3.3.), the inclusion of CSR criteria in the investment strategy (80% of financial assets of the French entities and 100% of the Brazilian entity) and the management of property assets.

<u>Elimination of forced or compulsory labour and effective abolition of child labour</u>: CNP Assurances and Group subsidiaries are not directly concerned by the fight against forced or child labour. However, the Group pays particularly close attention to this issue in its purchasing policy (see section 4.3.3.).

4.2.4.4 ORGANISATION OF WORKING HOURS

Hours worked annually

At the level of the CNP Assurances Group, the number of hours worked annually varied from 1,555 to 1,980 depending on local legislation. At CNP Assurances and MFPrévoyance, full time corresponds to 1,575 hours per year (*ARTT* agreement of November 2001). A new agreement was signed at LBP Prevoyance that provides for a system of variable, individualised working hours of 1,555 hours per year.

	2013	2012	Change	Level of coverage
Average annual number of hours worked	1,671	1,672	- 0.1%	100%
Percentage of employees working part time	14%	14%	0%	99%
Number of overtime hours	28,417	28,391	+ 0.1%	100%
Percentage of overtime hours	0.34%	0.34%	0%	100%

Advanced part-time working practices

With the exception of four CNP Vida employees, all employees who work part-time within the Group's entities chose to do so, and account for 14% of the workforce. At CNP Assurances in 2013, 21% of the workforce elected to work part-time; their average annual working time was 1,243 hours. Part-time employees are entitled to all of the same benefits as full-time employees.

Flexible time management

In addition, 68% of CNP Assurances employees enjoy flexible working hours and have considerable freedom to organise their working hours in line with their professional obligations.

4.2.4.5 HEALTH AND SAFETY

Absenteeism

The absenteeism rate rose slightly in 2013 after falling in 2012. New methods were implemented for the 2012 indicators and these have been retained for 2013.

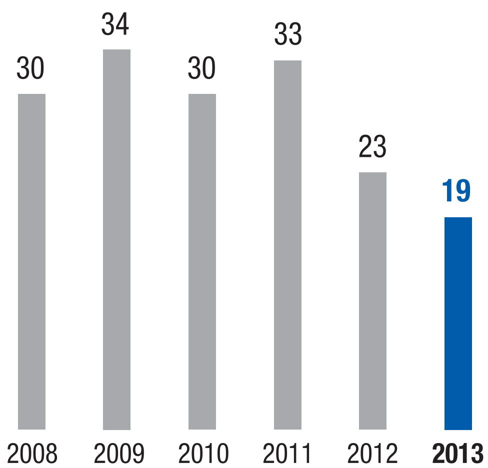
	2013	2012	Change	Level of coverage
Absenteeism rate	6.00%	5.89%	+ 1.9%	99%
Absenteeism rate excluding maternity leave	4.89%	4.75%	+ 2.9%	99%

Workplace health and safety

One work-related illness was reported in the Group. There were no deaths in 2013 resulting from an occupational accident or a work-related illness.

	2013	2012	Change	Level of coverage
Number of occupational accidents	19	23	- 17%	99%
Number of occupational accidents leading to sick leave	12	10	+ 20%	99%
Work-related illnesses	1	1	0%	99%

NUMBER OF OCCUPATIONAL ACCIDENTS WITHIN THE GROUP



At CNP Assurances, the Company's training blueprint includes specific advice on safe driving practices for travelling salespersons. The accident frequency rate, as measured by the CNAM for 2012, was 2.08% for Paris; the accident severity rate was 0.18%. The rates for 2013 have not been published yet as they are measured by the CNAM the following year; however, CNP Assurances did not see an increase in the frequency or length of sick leave for occupational accidents.

CNP Assurances is concerned about the health and safety of its employees. Many health improvement programmes have been established with the Group's entities (see details in section 4.2.2. – Priority No. 2: Quality of life at work).

CNP Assurances has deployed autonomous Health at work units at its main sites and provides employees with additional preventative services such as visiting doctors. A social worker is also available. Prevention programmes are organised on a regular basis and include measures such as flu vaccines, musculoskeletal injury awareness campaigns, fire hazard e-learning, etc. Similar initiatives have been deployed in Caixa Seguros, which also has on-site psychologists and nutritionists.

Workplace health and safety agreements

Collective bargaining agreements cover 99.2% of the Group's employees and address the main issues related to health and safety.

The occupational health, safety and working conditions committee is responsible for all employees working for CNP Assurances in addition to outside contractors working on its premises. It meets once per month. Each year, a blueprint is developed for preventing risks and improving working conditions. One member of the occupational health, safety and working conditions committee has been delegated as the liaison for psychosocial risks and is in contact with the in-house mediation service at least once per quarter. Another member is responsible for the prevention scheme concerning outside contractors.

For example, during the summer of 2013, fears over the presence of asbestos at Tour Montparnasse in Paris were referred to the occupational health, safety and working conditions committee. As a precaution, CNP Assurances employees were evacuated and redeployed to the main headquarters building located nearby. They were able to return to their desks 48 hours later as dust removal processes revealed no airborne asbestos fibre counts. These findings were confirmed by further investigations conducted at the end of August.

In addition to supplementary health insurance, CNP Assurances employees benefit from an optional group policy covering death/disability and long-term care. Collective bargaining agreements negotiated with the MFPrévoyance occupational health, safety and working conditions committee also provide for supplementary health and death/disability insurance. CNP Vida has an occupational health, safety and working conditions committee which met on two occasions in 2013.

4.2.4.6 REMUNERATION

Average gross salary by country	2013	2012	Change	Average annual increase by country
France	€55,055	€54,781	+ 0.5%	0.02%
Brazil	BRL 58,573	BRL 57,572	+ 1.7%	7.2%
Italy	€52,535	€53,910	- 2.5%	1.4%
Cyprus/Greece	€40,000	€40,000	+ 0%	0%
Spain	€46,054	€44,383	+ 3.7%	3.3%
Ireland	€58,613	€66,133	- 11.4%	0%
Argentina	ARS 180,498	ARS 139,842	+ 29%	25%

For the consolidated CNP Assurances Group, the overall average increase was 1.85% with differences between countries due to inflation (up 29% in Argentina), and the economic crisis (in Cyprus and Greece). CNP CIH decided not to increase salaries over the 2011-2013 period and to maintain benefits, with the agreement of employee representatives.

Total remuneration paid to CNP Assurances in 2013 came to €6,505,676 for discretionary profit-sharing, €17,387,981 for statutory profit-sharing and €614,088 for payments to civil servants on secondment.

All CNP Assurances employees are covered by supplementary health and death/disability insurance, a separate long-term care insurance policy and a life insurance/pension plan with matching employer contributions. They are also eligible to participate in a "time savings account" and invest in a PERCO voluntary pension plan.

4.2.4.7 LABOUR RELATIONS

Employee representation and protection

Labour relations are a priority for the Group. All international subsidiaries have at least one employee representative apart from CNP Europe life which only has 14 employees. Caixa Seguros Holding, in accordance with the rules set out under the agreement of the insurance employees' union, does not have a staff representative, however a representative takes part in labour/management meetings along with the President of the employees union. All the Group's employees are covered by an insurance industry collective bargaining agreement with the exception of Ireland and management-grade employees in Argentina in accordance with local law, representing 99% of the Group's workforce. A total of 142 labour/management meetings were held at the Group's various entities.

A European Works Council was created in 2010 and met on two occasions in 2013. It brings together employee representatives from France, Italy, Spain, Portugal, Greece, Cyprus and Ireland to discuss cross-border issues and projects.

Informing and consulting staff representatives

CNP Assurances complies with all of the rules and procedures for informing or consulting the Works Council and the occupational health, safety and working conditions committee. The provisions in the Works Council's internal rules and the rules of procedure followed by the occupational health, safety and working conditions committee go beyond compliance with regulatory obligations. CNP Assurances monitors the level of training and promotion of its staff representatives which are subject to a negotiated agreement.

Collective bargaining agreements

At the level of CNP Assurances – Defining new labour-related projects

The current labour agreements cover all major employment issues. An agreement on the prevention of psychosocial risks was signed for the 2012-2015 period. This agreement is one of the many initiatives developed by the Group over the years to improve prevention for risk situations, particularly as regards safety, health and better working conditions. This agreement also gives managers, employees and their representatives a concrete framework to identify, prevent and manage social risks. Pluri-annual agreements have also been signed in recent years on disability and gender equality in the workplace. These agreements include procedures for monitoring progress by the Works Council or through special committees. Six agreements were signed in 2013 dealing with profit-sharing, an exceptional payout under the statutory/discretionary employee profit-sharing schemes, and work representative elections. An intergenerational employment plan was also signed in 2013.

At the level of the entities - Agreements for social progress

MFPrévoyance has a set of twelve agreements on major topics that are also regularly monitored, through analysis of indicators and an assessment. Agreements on the organisation of working hours were signed in Brazil, on the reduction of allowances in Cyprus, on telecommuting and overtime hours in Italy, and on working hours and intergenerational employment in MFPrévoyance.

Social and cultural activities for the entire Group represented 1.51% of total payroll in 2013.

Building employee awareness of sustainable development issues

Training awareness initiatives are organised for sustainable development challenges so these issues can become firmly rooted in corporate culture and day-to-day practices.

Awareness campaigns

Several Group entities have a section on their intranet dedicated to sustainable development. For several years now, regular events and programmes have been organised in each entity to raise awareness among employees about sustainable development issues.

- In 2012, an employee competition and survey were conducted during the CNP Assurances SRI Week; in addition, an SRI conference was held at the head office and broadcast to regional sites, and employees in attendance as well as all sales personnel received a “mini-guide” to SRI.
- In 2013, sustainable development week was used to foster awareness of eco-driving practices among employees working at the Paris and Angers sites. Training materials and a simulator were used during the sessions. The sustainable development unit also organised information sessions and exchanges on CSR ratings.
- MFPrevoyance has educated its workforce about selective sorting practices, while LBP Prevoyance employees have been trained in eco-responsible habits with regard to lighting, computers and printing.
- Caixa Seguros Holding takes a variety of steps each year to instil sustainability awareness in its personnel. In 2012 the subsidiary placed the “five Rs” – recycle, reduce, reuse, rethink, respect – on the computer desktop screens of all employees and service providers. It has also circulated Caixa group’s new code of business ethics to all employees and organises training around the related challenges. In 2013, the various awareness-raising measures dealt with water, electronic waste, prevention of stress in the workplace and food hygiene.
- In Italy, the Green Group organises employee events to spread the word about selective sorting and since 2012 it has been encouraging more responsible use of transport and promoting the advantages of video conferencing. In 2013, it organised the first “Green footprint” awareness day.

Training

- Caixa Seguros Holding conducts four-hour online training sessions on socially and environmentally responsible actions that are open to all employees. Eleven percent of the workforce participated in the training during 2012.
- In 2013, CNP UniCredit Vita provided external training in CSR to members of the Green Group and it launched an experimental in-house CSR training module.
- A pilot training programme in sustainable development was tested by selected CNP employees, while CNP Assurances buyers attended dedicated training courses.

4.3 ASSUMING OUR RESPONSIBILITY TO THE ECONOMY

At the CNP Assurances Group, our primary financial responsibility is to secure our commitments and deliver steady, optimised performance over time.

We are convinced that including socially responsible investment criteria in the investment selection process helps to create value and optimise the yield/long-term risk trade-off. For this reason we have for several years maintained a strategy of responsible investing for the majority of the Company's assets and those of its French subsidiaries (80% at end-2013).

This commitment also applies to our suppliers. CNP Assurances has launched an initiative to audit the progress of our suppliers and help them gradually improve their performance in terms of environmental and labour issues.

- Priority No. 1: Investing responsibly in listed equities
- Priority No. 2: Investing responsibly in unlisted assets
- Priority No. 3: Responsible purchasing

4.3.1 Priority No. 1: Investing responsibly in listed equities

4.3.1.1 IN FRANCE, A STRATEGY SET OUT BY CNP ASSURANCES AND IMPLEMENTED BY THE MANAGEMENT COMPANIES

CNP Assurances is an insurer. It does not manage assets for third parties, and it outsources management of its own portfolios. The responsible investing policy is defined and overseen by CNP Assurances, drawing on its asset managers' SRI expertise. This commitment was reinforced in 2011 through its signing of the Principles for Responsible Investment (PRI).

Since 2008, CNP Assurances has excluded manufacturers of cluster munitions and anti-personnel mines, as well as all firms that speculate in agricultural commodities, from its assets. Mutual funds from 67 companies are also screened for these activities (most recently in October 2013).

In line with this responsible investing strategy, ESG screens are gradually being applied in the various asset classes across the portfolio:

- Listed equities: best-in-class management. Equities have been monitored on a quarterly basis since 2006 with ESG analysts at Natixis AM and since 2009 at LBPAM. Constructive dialogue is engaged with investee companies whenever an ESG problem is revealed *via* our asset managers or during the lead-up to General Meetings. When dialogue fails to produce results, other increasingly severe measures may be taken, from not making any follow-up investments to selling the entire stake.
- Government bonds and equivalents: the ESG screen excludes non-democratic countries, those where freedom is infringed, as rated by Freedom House, and countries deemed corrupt by Transparency International.
- Corporate bonds: quarterly ESG ratings of portfolios, bonds have been excluded from the portfolio or their weighting limited on the basis of issuer compliance with Global Compact principles.
- Mutual funds: SRI funds offered with traditional insurance policies totalled €2.3 billion at 31 December 2013, representing 11% of all mutual fund units purchased by CNP Assurances. For SRI mutual funds purchased by policyholders, see Section 4.4.4.2.

4.3.1.2 A RESPONSIBLE SHAREHOLDER

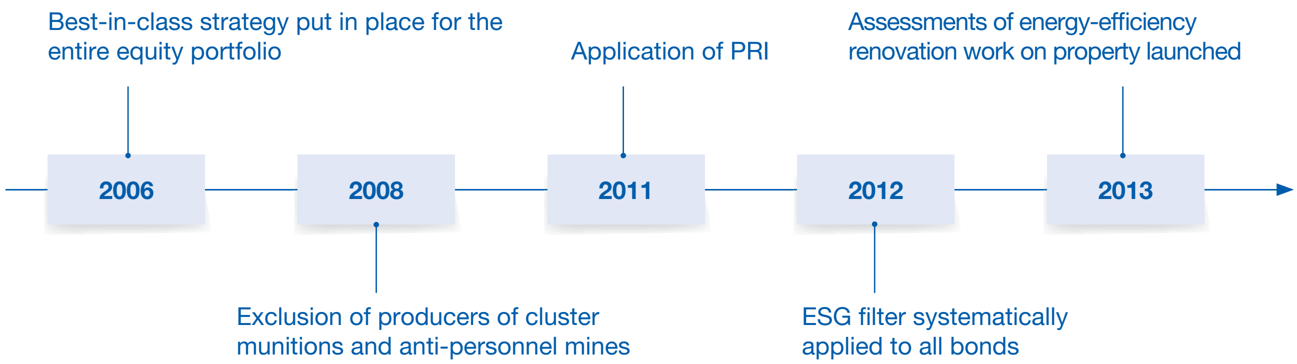
Systematically exercising voting rights: since 2005, CNP Assurances has been committed to taking an active role in voting at the General Meetings of listed companies in its portfolio or that of MFPrévoyance and LBP Prévoyance. In 2013, CNP Assurances voted at the General Meetings of 99.9% of the French companies in its portfolio and some 20 European issuers. It voted against 19.4% of the proposed resolutions.

The principles are defined by senior management and are designed to protect the rights of minority shareholders who are investing to support the investee's long-term growth. These principles, which are regularly updated to reflect the latest market trends and investor concerns, are applied to all investee companies, in line with each one's characteristics, industry and national legislation.

4.3.1.3 INTEGRATING ESG CRITERIA IN OUR INTERNATIONAL SUBSIDIARIES

Caixa Seguros Holding excludes certain sectors from its public and private bond investments and its equity investments. In choosing among investments with an equivalent risk and return, CNP Argentina gives priority to those with the best social and/or environmental profile. In 2013, 10% of its assets were dedicated to supporting projects in the real economy.

IMPORTANT DATES IN THE DEVELOPMENT OF CNP ASSURANCES'S RESPONSIBLE INVESTING POLICY



4.3.2 Priority No. 2: Investing responsibly in unlisted assets

4.3.2.1 PROPERTY

Responsible management

CNP Assurances plays a major role in the property sector, owning assets in France with a net book value of €6 billion. Management of its property assets is entrusted to specialised companies on the basis of strict specifications that deal notably with the need to preserve the environment and ensure safety. These include the Sustainable Property Management Charter adopted with Icade in 2008 and, in 2012, "green appendices" incorporated into master agreements for property asset management and club deal agreements.

Better energy efficiency

In its maintenance and renovation of the property assets in its portfolio, CNP Assurances constantly aims to make properties more energy-efficient. It seeks to apply the most stringent environmental standards: 8% of office space carries French HQE or BBC certification, or has a BREEAM Very Good rating.

Since 2009, an environmental assessment has been carried out on all newly acquired properties. Energy performance assessments have been performed on 96% of residential property and 69% of commercial property.

A comprehensive audit of energy efficiency

To meet the recent requirements set out under France's Grenelle I and II laws and in the run-up to the publication of the implementing decree, 75% of its property assets (over 100 residential and office buildings) have already been assessed for energy efficiency. Action plan scenarios for each building have been established in order to reduce energy consumption and CO_2 emissions.

4.3.2.2 WOODLANDS

Woodlands owned and managed taking into account environmental issues

CNP Assurances is France's largest private owner of woodland, with 54,443 hectares at end-2013. Société Forestière, a subsidiary owned 50% by CNP Assurances, sustainably manages the forests, which are PECF and ISO 9001 certified.

Carbon sinks in France and Brazil

In 2013, the growth of CNP Assurances' trees helped sequester 546,299 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 288,357 tonnes of carbon dioxide was added to the sequestered total.

Since 2007, Caixa Seguros Holding has been offsetting its CO_2 emissions by funding tree-planting projects in Brazil's Atlantic Forest carried out by the Brazilian NGO Iniciativa Verde, a campaign that has earned the subsidiary CarbonFree certification. The forests are managed in accordance with biodiversity principles, while providing income and training to poor communities in the region. A total of 17 hectares of trees have been planted, and initiatives organised by CNP Assurances have added another 4,665 trees to the forests.

Anticipating the effects of climate change

Today, climate change is a core issue in managing CNP Assurances's forests – to preserve the health and value of the forests over the long-term. The company managing the forests has chosen "transitional" species adapted to today's and tomorrow's climate and now pays greater attention to soil moisture reserves in the areas where trees are planted.

Preserving biodiversity

Société Forestière has started inventorying the environmental zones and every year takes steps to preserve biodiversity: for example, in 2013, appropriate management to preserve the habitat of protected raptors, an important anthill that is fundamental to the forest ecosystem, and the Martagon lily. Forest management also prevents soil erosion and ensures water filtration and purification.

Similarly, reforestation work by the subsidiary Caixa Seguros Holding is fostering biodiversity, improving water resources and protecting the soil.

4.3.2.3 UNLISTED SMES

Our shareholdings

Since 2010, the due diligence reviews carried out before all new private equity investments in private equity are used to establish an ESG rating. Eighteen funds were rated in 2013. In addition, CNP Assurances has invested in several SRI funds, for a total of nearly €123 million at end-2013 – for example, financing small businesses that have trouble raising capital due to social barriers, and supporting SMEs in financial difficulty.

Our ongoing support

CNP Assurances has been active in the private equity market since 1992 and is one of France's largest investors in unlisted companies, providing funding to SMEs at development stages ranging from start-up and growth to transfer of ownership. In this way CNP Assurances is underpinning expansion at almost 500 French firms with revenue of less than €50 million. These companies play a strategic role in strengthening France's economic base, creating jobs and enhancing the country's international appeal.

In every sector of the economy, from high-tech to traditional manufacturing, CNP Assurances lends its backing to companies throughout France, including innovative SMEs as well as firms that are well established in their market.

4.3.2.4 INFRASTRUCTURE

An ESG questionnaire was also introduced in 2010 for new investments, with regular reporting required. Investments in renewable energies and water and waste treatment represented total assets of €133 million at 31 December 2013.

4.3.3 Priority No. 3: Responsible purchasing

CSR was first taken into account in sourcing policy within the Group's larger entities: CNP Assurances and Caixa Seguros Holding. Other subsidiaries, particularly within CNP UniCredit Vita's Green Group, are also making headway with their CSR initiatives. LBP Prévoyance and CNP Argentina are both taking steps to develop a CSR-based purchasing policy.

4.3.3.1 CNP ASSURANCES – COMMITMENT IN ACTION

At CNP Assurances, the Purchasing department puts CSR commitments in action. All buyers are made aware of CSR standards and most receive training in this area. Ethical guidelines on purchasing and a code of ethics govern their buying practices.

CNP Assurances has signed the Charter of "10 commitments for sustainable procurement" from the French Credit Ombudsman service and the French Managers and Buyers Association (CDAF), with criteria that include environmental and regional impact. The main calls for tender and consultations include CSR issues, and these criteria are used to consider proposals.

As a signatory of the United Nations Global Compact, CNP Assurances systematically promotes its commitment to human rights among subcontractors and suppliers. Agreements include contractual clauses to protect workers. After contracts are signed, a CSR assessment of the main suppliers is then carried out by EcoVadis (see Section 4.3.3.3).

Nearly all CNP Assurances' suppliers of goods and intellectual and other services are located in France. The use of subcontractors is primarily restricted to intellectual services as well as printing, routing, enveloping, archiving, data entry, telephone reception and maintenance services.

4.3.3.2 CAIXA SEGUROS HOLDING – CLAUSES IN ALL CONTRACTS

Since 2008, Caixa Seguros Holding has inserted CSR clauses into contracts based on commitments relating to the UN's Global Compact (ILO, the fight against organised crime and drug trafficking, the environment, fraud and money laundering). Contracts signed prior to 2008 have been amended to include the new clauses. Suppliers and subcontractors working for the Caixa Seguros Holding Group pledge to comply with regulations and act responsibly towards the environment. Non-compliance is grounds for termination of the contract or other appropriate legal responses.

4.3.3.3 A PLATFORM TO AUDIT SUPPLIERS' CSR PERFORMANCE

CNP Assurances is partnering with EcoVadis in order to have a comprehensive, shared approach to monitoring its suppliers' environmental, social and ethical performance. The information is compiled through a collaborative platform that covers 150 business sectors and 95 countries.

For each consultation or new listing (tender procedure), supplier evaluations are requested, and a programme has been put in place to rate the main suppliers. In 2013, 26.2% of suppliers in terms of payments to suppliers have been assessed, for a total of 57 suppliers.

4.3.4 Other initiatives

4.3.4.1 PREVENTING MONEY LAUNDERING

Shared requirements

As a financial intermediary, the CNP Assurances Group is deeply involved in the fight against money laundering. Given its business model, the "know your client" and due diligence requirements are defined in the agreements signed with its distribution partners, who are in direct contact with clients. These same requirements govern procedures at the international subsidiaries, which act in compliance with local legislation.

Controls at every stage of business

In addition to internal control systems and the rollout of ethical standards, anti-money-laundering measures are subjected to regular, cross-business checks amended to comply with the latest regulations.

Procedures stipulate the controls to be carried out, in particular by sales representatives or business partners when dealing with customers, particularly as concerns verifying the identity of the person paying the premium and method of payment.

A dedicated unit

Supported by nearly 20 employees, a specific unit is dedicated to these controls both in France and in the Group's major subsidiaries. International subsidiaries have a correspondent at the Group's headquarters. Anti-money-laundering procedures can be freely consulted by staff on the intranet.

Each subsidiary regularly conducts training in coordination with the Group's Risk Control department. In 2013, training was provided at MFPrévoyance, LBP Prévoyance, CNP BVP and CNP UniCredit Vita. In 2010 and 2011, an online training programme, with different modules depending on the level of application, was offered to all CNP Assurances employees. In 2013, employees were also invited to a presentation on the systems to combat fraud, money-laundering and terrorism in conjunction with one of our major partners.

4.3.4.2 FIGHTING CORRUPTION

Codes within all entities

Corruption is not a major risk in our business, because all funds can be traced.

The CNP Assurances code of conduct, which was updated and bolstered in 2010, sets out standard operating procedures. It is posted on the intranet and printed in the employee orientation guide for new hires. All other Group entities have also adopted codes, specifications and internal regulations.

Certain more exposed units have their own specific codes:

- the CNP Assurances code of conduct contains rules governing conflicts of interest and gratuities. Purchasing guidelines apply the principles set forth in the ethical purchasing guide introduced in 2006 to key areas of purchasing. In June 2012, CNP Assistances pledged to abide by the Charter on Inter-Business Relations established by the French Managers and Buyers Association (CDAF)

- similarly, a specific code of ethics spells out standards for sales representatives of the CNP Trésor network. The Compliance unit ensures that sales campaigns of the CNP Trésor network abide by application regulations.

Targeted training

In 2011 and 2012, training based on the code of conduct was dispensed to all managers with supervisory roles who then trained their staff.

In Italy, compulsory training was provided on administrative responsibility within the Company, while in Brazil, Caixa Seguros Holding has offered training since 2012 in specific issues raised by the Group's code of ethics and conduct.

Structured financial management

Vigilance is applied in managing the financial assets of CNP Assurances particularly for sovereign debt insofar as each country's Transparency International rating represents one of the three elimination criteria.

4.3.4.3 SPONSORSHIP AND COMMUNITY PARTNERSHIPS

Corporate sponsorship operations are carried out in partnership with associations based on calls for projects in France which are often put forward by employees. Employees in Brazil take part in organising corporate sponsorship initiatives. Furthermore, Caixa Seguros Holding has cooperation agreements with UNODC and UNESCO as well as service agreements with the NGO Iniciativa Verde. In 2013, it created the Caixa Seguros Institute in order to structure its initiatives with the UN to improve social behaviour. CNP Vida sponsors a charitable association.

Partnership and sponsorship initiatives:

- policyholders, training/research: CNP Assurances has close ties with French insurance school ENASS. It finances training centres such as IFPASS and ADAPT, and provides financial assistance to educational institutions through the apprenticeship tax. CNP Assurances also sponsors a chair on demographic transitions and economic transitions at the Fondation du Risque.
- reinsertion: The CNP Assurances Group has a long history of introducing young people to the working world. It had 100 apprenticeship/work-study contracts at CNP Assurances and LBP Prévoyance – a significant increase over 2012 – and hosted 190 interns in 2013.

  CNP Assurances is one of the founding members of the Entrepreneurs de la Cité foundation, helping to provide insurance cover to the beneficiary entrepreneurs. The Group is also involved in the Cités Partenaires II investment fund, Business Angels, dedicated to helping entrepreneurs from underprivileged areas. Caixa Seguros Holding is very involved in the "Jovem de expressao" programme (see section 4.3.4.4) and signed a cooperation agreement with UNESCO in 2011 to develop programmes for community outreach and for promoting well-being among young people as part of this social initiative
- health insurance: The CNP Assurances Foundation has been committed to combating chronic pain and providing support care since 1999. The Foundation also provided funding to create two new research clinics in 2013. Since it became involved in providing support for heart attack victims, the CNP Assurances Foundation has devoted €1,554,000 to help local communities in this area: over 2,100 defibrillators have been installed and training has been provided to help people use them. In 2013, the Foundation also supported research partnership for cardiac imaging, as well as four projects proposed by employees.

The subsidiaries have implemented several schemes in conjunction with associations: in Brazil, reforestation (with the NGO Iniciativa Verde), waste management (with Amis du Futur) and HIV prevention (UNESCO), and in 2013 supported the travelling Yann Artus Bertrand exhibition. CNP Vida continues to provide support to the socially vulnerable.

4.3.4.4 LOCAL IMPACT

Local employment

CNP Assurances has been an active employer in the regions where it has been operating for close to a century: 90% of CNP Assurances employees work at one of the Paris, Arcueil or Angers sites. Expatriate workers represent 0.7% of headcount at foreign subsidiaries. The international subsidiaries also participate in the regional job market, even for senior management positions: at end-2013, 75% of Executive or Management Committee members had been hired locally.

More indirectly, several insurance products include job placement assistance: for example, in France, coverage for job loss at reduced rates along with advice for job seekers, or "active job protection", and the job placement assistance put in place by Caixa Seguros Holding.

Impact as an insurer and investor

By making its products widely accessible, both from an economic standpoint and with medical screening, the CNP Assurances Group is fighting actively against financial exclusion. These topics, which are an essential part of the Group's CSR approach, are developed in section 4.4.1.

With over €300 billion in investments, the CNP Assurances Group plays a major role in financing the economy primarily in each host country.

At 31 December 2013, CNP Assurances was one of the largest financial contributors to the French economy and to France's continued competitiveness, with €42 billion in French corporate bonds, €9 billion in French equities and over €50 billion in French government bonds (net book values). All sectors of the economy receive support to foster long-term development. CNP Assurances promotes social responsibility in the companies in which it is a shareholder through its efforts as a responsible investor and stakeholder. (see Priorities No. 1 and 2, in section 4.3.). Similarly, Caixa Seguros Holding's financial investments are made entirely in Brazil.

Breakdown of corporate income tax expense

2013	France	Latin America	Europe excluding France	Total
Income tax expense in millions of euros	(346)	(313)	(38)	(697)

The Group's French insurance companies also paid over €1 billion for taxes owed by policyholders.

Actions in the local community

The Group's entities also help to resolve the community's current concerns. For example:

- assistance and prevention services offered by Filassistance meet the needs of ageing, disabled and sick populations
- the Caixa Seguros Holding Group actively provides support to local residents. The "Jovem de expressao" campaign fosters personal development amidst Brazil's changing demographic and epidemiological landscape (see www.jovemdeexpressao.com.br). Through this campaign, the Group seeks to reduce violence by improving access to jobs among young people in the surrounding region, in partnership with local cultural centres. "Jovem de expressao" has been recognised as an innovative programme since 2010. It is managed in conjunction with the UN Office on Drugs and Crime (UNODC). In 2013 Caixa Seguros conducted a study on the vulnerability of young people.

Lobbying

The only form of lobbying that the Group's entities engage in involves belonging to professional insurance bodies and, for its international subsidiaries, participating in meetings by local French consulates. The CNP Assurances Group lends its voice to issues of community concern by contributing to research and discussion, notably on the topics of retirement and long-term care in France.

CNP Assurances systematically acts through industry organisations, in particular the *Fédération Française des Sociétés d'Assurances* (FFSA). In the realm of sustainable development, CNP Assurances participates in Paris Europlace's SRI Commission. It is also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders including NGOs and employee and employer representatives.

None of the Group's entities makes donations to political parties. This practice is specifically prohibited by the corporate ethics codes adopted at CNP Argentina and CNP BVP.

4.3.4.5 HUMAN RIGHTS

The guiding principles of the global compact

In line with its Global Compact commitments since 2003, CNP Assurances ensures compliance with human rights laws and regulations in each country where it operates. Following the lead of CNP Argentina and Caixa Seguros Holding, CNP UniCredit Vita also pledged to uphold the Compact in 2010. The Caixa Seguros Holding Group has its corporate social responsibility audited by Ethos on an annual basis to verify compliance with Global Compact principles.

These signatories annually restate their commitment to the Compact's principles and promote it among their asset management companies and suppliers. Specifically, this commitment has led to the inclusion of environmental, social and governance criteria in investment strategy. Respect for human rights is one criterion used in selecting equity and bond investments. This commitment was reinforced in 2011 through the signature of Principles for Responsible Investment (PRI). The Company also signed the advertisers' federation charter (UDA) confirming its adherence to the principle of diversity in communication initiatives.

Dedicated procedures

All subsidiaries abide by four guiding principles, namely human rights, freedom of association and the right to collective bargaining, long-term career support, and the promotion of equal opportunities.

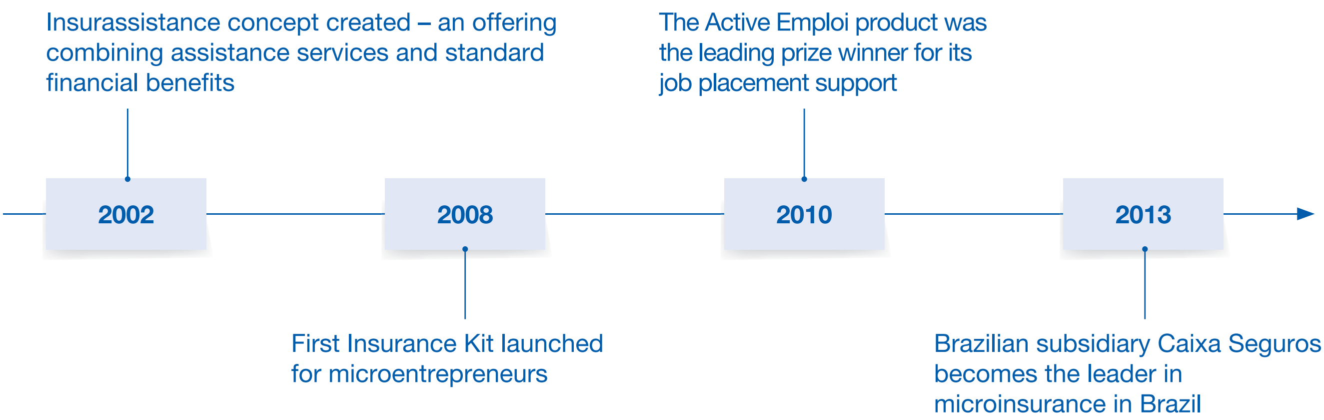
Each one submits an annual review of its CSR performance to CNP Assurances, with a special focus on these fundamental criteria. CNP Assurances and Group subsidiaries do not have recourse to forced or child labour. The Group pays particularly close attention to this issue in its purchasing policy (see section 4.3.3. – Priority No. 3) and in its property management. The CNP Assurances Group ensures respect for civil and political rights in a variety of ways, notably through its internal codes of conduct, through agreements on the right of unionisation, and through measures to protect personal data.

4.4 ADAPTING OUR OFFERING FOR DIVERSE NEEDS

At CNP Assurances Group, we seek to offer all our policyholders the cover that best corresponds to their day-to-day life, their needs and their abilities. This is an ambitious goal as the Group faces very diverse situations across its different markets.

By adapting to different situations, CNP Assurances strives to combat financial exclusion. In certain cases, that means going beyond financial compensation by offering policyholders innovative services to help them overcome the difficulties they encounter.

- Priority No. 1: Efforts to fight financial exclusion
- Priority No. 2: Designing socially-responsible products and services
- Priority No. 3: Policyholder satisfaction.



4.4.1 Priority No. 1: Efforts to fight financial exclusion

4.4.1.1 PRODUCTS TO MEET CUSTOMER NEEDS

In France, an offering that meets the needs of people with low revenue

In agreement with our distribution partners, and despite higher administrative costs, CNP Assurances offers products with minimum premiums or investments that are deliberately kept low (€30 for life insurance). The €30 band represents more than half of all subscriptions of these contracts in 2013. The €7,500 minimum capital payment is another example, in personal risk, and is offered as “emergency cover” for €3 per quarter.

CNP Assurances is a founding member of the *Entrepreneurs de la Cité* foundation, which helps entrepreneurs obtain insurance for their new businesses, and a co-insurer of the foundation’s “Insurance Kit”, which offers death/disability and health cover. A total of 539 new contracts were written in 2013.

In Brazil, a successful and innovative microinsurance product

Caixa Seguros Holding was the first company to offer a microinsurance product on the Brazilian market. The product has been available since 2011 and over 218,000 Amparo policies have been sold. The offer includes an accidental death benefit, complete funeral assistance, food assistance for the deceased’s family for three months, as well as a monthly prize draw to foster customer loyalty. The price of the product is the lowest on the market (starting at BRL2.50, for a benefit of BRL2,000).

4.4.1.2 RISK SELECTION IN ACCORDANCE WITH THE HEALTH OF OUR POLICYHOLDERS

Thanks to its many years of experience in personal health insurance, CNP Assurances has compiled an especially rich database of risks. This makes it possible to continually update and refine its risk selection policy taking into account each insured's changing physical health so it can provide temporary or permanent disability coverage as much as possible. Under the framework for the application of the AERAS agreement, and for the second consecutive year, specific disability coverage was offered to a large number of clients. Premiums for low-income borrowers have been capped, and the access criteria were expanded in 2012.

The term creditor insurance refusal rate has remained under 0.2% for five years.

4.4.1.3 INFORMATION FOR ALL OUR POLICYHOLDERS

In October 2010, CNP Assurances launched http://www.toutsavoirsurlassurancevie.fr, the first interactive video website dedicated entirely to life insurance, which allows interested people to learn more about insurance through an educational web series and information sheets, free of sales material. With nearly 637,000 unique visitors, the site has clearly responded to a real need for information.

The Caixa Seguros group instils a culture of retirement saving among civil servants and makes it easier for people with hearing difficulties to have access to information.

4.4.2 Priority No. 2: Designing socially-responsible products and services

The CNP Assurances Group continues to adjust its offering to adapt to the way society is changing. This means expanding current offerings and developing targeted prevention services.

4.4.2.1 EXPANDING OFFERINGS

Innovative cover is offered to help policyholders deal with problems related to long-term care, job loss and ageing:

In France, for example, cover for job loss at reduced rates along with advice for job seekers from CNP Assurances. In particular, the Protection Active Emploi product provides financial support for six or 24 months, plus personalised assistance such as career reviews, training and logistical support.

The Effinance term creditor insurance contract for home-buyers co-insured with La Banque Postale Prévoyance received an award "for the product's wide accessibility as well as its useful guarantees and small number of exclusions, all at a reasonable price".

4.4.2.2 HEALTHCARE AND PREVENTION

CNP Assurances believes in providing policyholders with cradle-to-grave services. Starting in 2003, the Group pioneered the integration of assistance and prevention services in life insurance/savings and long-term care insurance policies, in particular through its Filassistance International subsidiary.

In 2013, this positioning in personal assistance and everyday health and life assistance was strengthened in particular for the retirement planning offering, anticipating problematic situations, and support for women with cancer and their loved ones once cancer is detected.

4.4.3 Priority No. 3: Policyholder satisfaction

4.4.3.1 MONITORING SATISFACTION ON TWO FRONTS

The surveys conducted on a regular basis by the entities of the CNP Assurances Group are carried out not only with policyholders, but also with distribution partners. They help provide a very comprehensive overview of client satisfaction.

In 2013, CNP Assurances conducted four satisfaction surveys on policy administration. These surveys, often performed for purposes of certification and service contracts, help improve the Company's client service organisation, and the analyses are shared with our partners. The satisfaction rate increased in 2013, with 84% satisfaction among LBP, CNP Trésor and Caisses d'Epargne beneficiaries.

Internationally, client satisfaction surveys are conducted in every subsidiary, but for CNP BVP only through the distribution partner. The surveys are conducted annually in Italy and Cyprus and monthly in Brazil. For several years now, CNP Vida has been meeting with its distribution partners on a monthly basis to receive their feedback on service quality (73% satisfaction rate in 2013).

Studies on policyholder expectations

In addition to surveys carried out with the distribution partners, CNP Assurances conducts surveys to anticipate new needs arising from emerging social and demographic trends. In 2013, these surveys dealt with new concepts for innovative personal risk and savings offerings (CNP Assurances) and understanding needs in order to develop personal risk offerings (CNP UniCredit Vita and LBP Prévoyance).

4.4.3.2 QUALITY OF SERVICE SUPPORT SYSTEMS

The workstations used by the various distribution partners of the entities of CNP Assurances incorporate due diligence obligations in providing advice, while enhancing the quality and efficiency of policyholder services. New shared and converging Quality initiatives were set out with CNP Assurances's partners in 2013 to help improve the quality of service offered to policyholders and advisors.

New technologies have been rolled out to make it easier for policyholders to file claims. CNP Assurances launched a claims reporting website in 2012 for term creditor insurance that policyholders can use to send documents – even *via* text message – and follow the progress of their claims. A 100% online enrolment system with electronic signature was also launched at the end of 2013 for the term creditor policies of Boursorama Banque property loans. In addition, CNP Assurances offers its partners that distribute term creditor insurance the possibility to let clients fill in their medical questionnaires at home.

Caixa Seguros Holding has developed online services at the request of its clients. Policies can also be obtained online, with specialists available *via* client forums to provide help during the purchase process.

CNP UniCredit Vita has enhanced its website for direct access to insurance accounts, by adding downloadable information and claim forms.

4.4.3.3 SERVICE ACCESSIBILITY FOR POLICYHOLDERS AND ADVISORS

In 2013, CNP Assurances handled 1.4 million calls concerning individual insurance. The economic climate and special measures adopted in 2012 led to significant improvement in the response rate (88% in 2013). A total of 90% LBP and CNP Trésor callers were satisfied in 2013.

A business continuity plan defines steps for addressing the risk of downtime following an incident. Various tests are performed each year, using different scenarios, to ensure that normal business operations could be quickly and efficiently restored in every department.

4.4.3.4 MONITORING POLICYHOLDER REQUESTS

Mediation service:

CNP Assurances has set up a mediation service for which the contact details are indicated in the terms and conditions of each of its policies. This easy-to-use, free dispute resolution process improves the policyholder/insurer relationship and often prevents cases from ending up in court. The mediation service was asked to examine or reopen 1,374 disputes in 2013, an increase of nearly 20% over 2012 given the service's increased visibility.

Complaints – Shorter processing times

The complaint rate has always been marginal (approximately 0.05% of policyholders). The number of complaints submitted during the claims process has remained stable since 2009, and complaints and requests for information regarding individual life insurance are also very rare (around 0.06%).

In 2013, CNP Assurances made a commitment to respond to claims within two months. Processing times have been reduced thanks to a major reorganisation, which was led in conjunction with its distribution partners. Tools have been put in place to fine-tune the follow-up on and the analysis of claims and find ways to improve the quality of service.

Unclaimed settlements at CNP Assurances:

Thanks to a system to find beneficiaries with the help of the distribution networks, the Company paid out over €77 million to more than 11,000 beneficiaries identified in 2013.

4.4.4 Other initiatives

4.4.4.1 PROTECTING POLICYHOLDERS

Protecting policyholders' personal data

Personal insurance involves knowledge of personal, and therefore sensitive, data. The Group takes great care to respect confidentiality rules. Medical and personal information on clients is protected by procedures in accordance with regulations in each country of operation. The French subsidiaries MFPrévoyance and LBP Prévoyance, which are particularly concerned by medical confidentiality, organise special training on a regular basis with the help of advising physicians.

In addition, policyholders must give their consent to receiving communication *via* e-mail from CNP Assurances. A dedicated computer system is used to manage client authorisation.

Product and service compliance

All of the Group's entities verify that contractual documents are compliant at every stage of the development of new products.

The Group's entities expand the scope of certifications every year while ensuring that previous certifications are renewed. The main processes involved in the business of CNP Assurances and several subsidiaries are ISO 9001 certified.

Measures in support of policyholder health

The CNP Assurances Group's core business does not have a direct effect on consumer health. Nevertheless, the Company's subsidiary, Filassistance, has developed a series of preventive measures to assist individuals in everyday health and safety issues, in the form of appraisals on "preventing loss of independence" and "prevention of memory loss", as well as ergonomic support, information services and psychological support.

Additionally, CNP Assurances runs prevention and occupational health initiatives with client local authorities. CNP CIH also promotes preventive medical screening.

4.4.4.2 ENCOURAGING POLICYHOLDER COMMITMENT TO SUSTAINABLE DEVELOPMENT

SRI offering

In personal insurance, the only "green" products are SRI funds in savings products: they are offered in each of the flagship unit-linked products available in the individual insurance offerings from CNP Assurances.

Its two major partners continued to promote SRI funds in 2013. At year-end, nearly 85,000 individual life insurance contacts from CNP Assurances included SRI funds. SRI assets totalled €319 million, a gain of more than 9% over 2012, in particular thanks to payments on SRI monetary funds.

Environmental, social and governance criteria are increasingly integrated into management of the assets underlying all our traditional savings products and own funds portfolios.

Examples of how the Group communicates

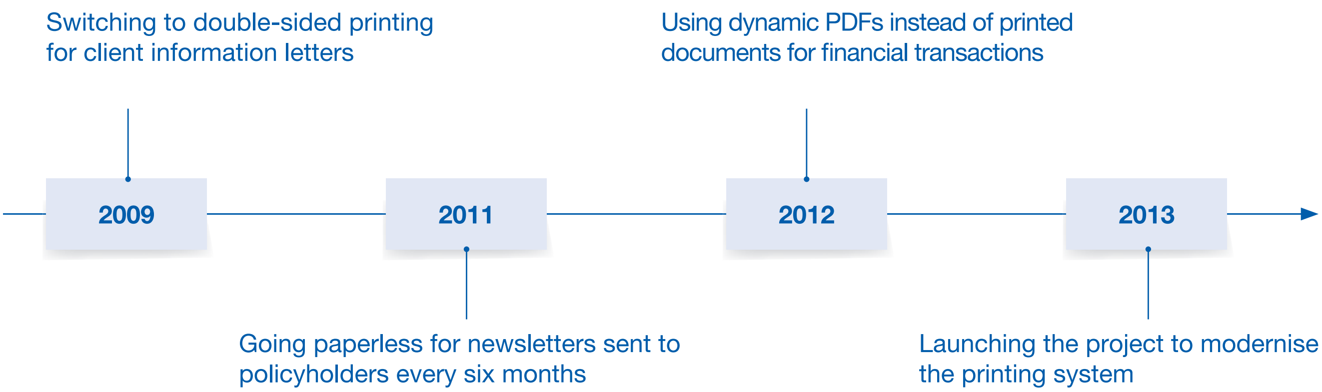
- As a means of presenting its social and environmental concerns and achievements, Caixa Seguros Holding has expanded an informative "Caring for the Future" website (http://www.cuidardofuturo.com.br), which also hosts a blog about responsible consumption issues for policyholders.
- In its correspondence with 18 million policyholders, CNP Assurances highlights its pledge to support the United Nations Global Compact as well as its responsible investing strategy for client policies. Since 2011, this includes annual statements for all life insurance policies other than unit-linked products.

4.5 REDUCING OUR ENVIRONMENTAL FOOTPRINT

Since the CNP Assurances Group is a service provider, its environmental footprint is related to staff activity and computer servers. The goal of reducing our environmental footprint concerns the entire CNP Assurances Group. This objective primarily involves reducing overall consumption, particularly the three main sources of direct emissions: paper use for day-to-day operations and relations with policyholders, business travel and the management of property used for business operations. Employee awareness initiatives have reduced this footprint. Certain waste-sorting practices have been adopted by employees. Similarly, train travel is being used more instead of air travel, and video conferencing has become another regular habit. See box on Building employee awareness of sustainable development issues in section 4.2.4.

- Priority No. 1: Reducing our environmental footprint related to travel
- Priority No. 2: Decreasing the consumption of supplies
- Priority No. 3: Reducing the environmental footprint in our business.

REDUCING PAPER CONSUMPTION AT CNP ASSURANCES



4.5.1 Priority No. 1: Reducing our environmental footprint related to travel

4.5.1.1 PROMOTING ECODRIVING

Within the Group, car travel is a major component of our carbon footprint. The potential economic and environmental gains are therefore significant.

Training programmes and awareness campaigns on road safety and ecodriving have been put in place for all employees, and special personalised modules will be put in place for sales representatives in 2014.

4

4.5.1.2 EXPANDING VIDEO CONFERENCING

The use of video and audio conferencing is widespread within the CNP Assurances Group. It is promoted to limit business travel. Efforts to improve employee awareness have been particularly effective in CNP Vida and Caixa Seguros Holding. CNP UniCredit Vita included indicators to monitor the use of video and audio conferencing time as well as air and train travel in the quarterly dashboard presented to the General Management Committee.

In 2013, 10,800 hours of video conferencing were recorded in the Group, of which 75% at CNP Assurances.

4.5.1.3 COMMUTING

Within the scope of its Corporate Travel Plan, CNP Assurances updated the 2013 commuting survey. Individual car travel decreased (from 9% less to 30% less depending on the site), while travel using two-wheel motor vehicles and carpooling increased (up 8% for employees at the Paris Montparnasse site). Greenhouse-gas emissions decreased 13% in three years.

4.5.1.4 BUSINESS TRAVEL

	2013	2012	Change	Level of coverage
Millions of km travelled by air	12.3	13.4	- 8%	98%
Millions of km travelled by train	2.9	4.8	- 40%	97%
Millions of km travelled by car	0.7	1.0	- 30%	28% (excluding CNP Assurances)

CNP Assurances has set out a travel policy governing employee practices in order to reduce the impact on the environment while preserving convenience and safety. The number of trips by air fell significantly (down 15%), as did travel by train (down 42%). Eighty percent of employee air travel involves distances of 1,000 kilometres or less.

Rail travel primarily concerns CNP Assurances. Employees travelled 2,723,462 kilometres by train, of which more than half was between its principal sites in Angers and Paris. For CNP Assurances, car travel is monitored in terms of fuel consumption: 524,737 litres were consumed in 2013 compared with 589,131 litres in 2012.

Many subsidiaries reduced their business travel in 2013 or opted for means of transport that are better for the environment. CNP UniCredit Vita continues its efforts to promote awareness among employees (train vs. air, and public transport). Similarly, Caixa Seguros put in place a new video conferencing tool that made it possible to reduce the number of kilometres travelled by air by nearly 6%.

4.5.2 Priority No. 2: Decreasing the consumption of supplies

The Group's activity is entirely devoted to insurance. As with other financial services groups, paper is the main raw material consumed. For several years now, many initiatives have been put in place within the Group's entities to reduce the volume of paper consumed. In 2013, CNP UniCredit Vita's paper consumption – a key indicator – was incorporated into the quarterly dashboard presented to the General Management Committee.

4.5.2.1 A CONSOLIDATED DECREASE IN PAPER CONSUMPTION FOR INTERNAL PURPOSES

	2013	2012	Change	Level of coverage
Paper consumption for internal purposes	36 million sheets	not covered		98%
Proportion of paper recycled for internal purposes	18.7%	17.9%	+ 4%	98%

Year after year, the efforts of CNP Assurances' employees make it possible to reduce the amount of paper used: paper consumption decreased by 11% in 2012 and 5% in 2013.

CNP UniCredit Vita decreased its paper consumption by 20% in 2013. Furthermore, it uses only recycled paper for internal purposes, as does CNP Europe Life.

The new system is pooled through multifunction peripherals (printer, photocopier, scanner, fax) and uses the latest technology which should make it possible to save energy. An information and awareness campaign on responsible printing habits will be launched when the project is rolled out. A special intranet section will be dedicated to this topic. These efforts should help to expand paperless operations and reduce internal paper consumption.

4.5.2.2 A PILOT PROJECT AT CNP ASSURANCES TO GO EVEN FURTHER

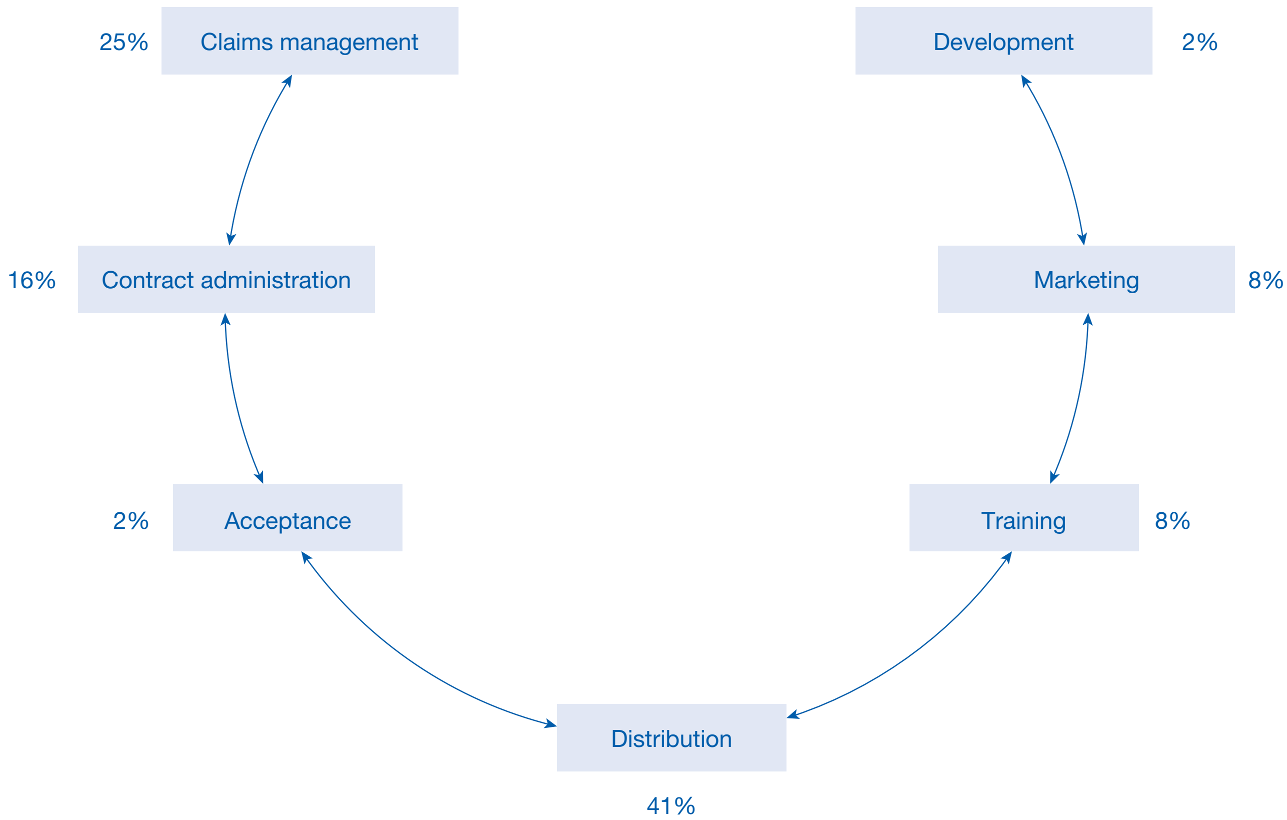
In 2011, CNP Assurances launched a project to modernise its printing systems. An audit revealed a very high number of machines and high paper consumption.

4.5.3 Priority No. 3: Reducing the environmental footprint in our business

4.5.3.1 IMPACT OF AN INSURANCE PRODUCT

The cradle-to-grave carbon emissions associated with an insurance product were assessed in 2010, in line with the greenhouse gas analysis method.

For example, a Trésor Prévoyance Autonomie policy releases 12 kilogrammes of CO_2 over its lifetime, as follows:



This analysis makes it possible to set priorities for initiatives and today justifies our efforts in the following stages:

- "Distribution" focusing on ecodriving
- "Contract administration" by expanding paperless operations
- "Claims management" with online follow-up

4.5.3.2 BUSINESS PAPER CONSUMPTION

	2013	2012	Change	Level of coverage
Paper consumption[1] excluding internal purposes	103 million sheets	not covered		97%
Proportion of paper certified environmentally sustainable[2]	89%	83%	+ 7%	98%

(1) Contractual documents, claims management, customer communication and corporate brochures (France)
(2) All paper, excluding chemical carbon paper limited to contractual documents

Several Group entities, including Caixa Seguros Holding, CNP Vida, CNP Argentina, CNP BVP and MFPrévoyance, have outsourced the printing of their contractual documents and/or customer communications.

A total of 90.8 million sheets of paper were purchased for CNP Assurances's corporate brochures, information for policyholders and contractual documents, down slightly compared with 2012. One of the first major initiatives to reduce the amount of paper used was carried out in 2009 with the switch to double-sided printing for most CNP Assurances customer information letters (42% less in 2009 and 26% less in 2010).

A total of 89% of the paper used within the Group (including for internal purposes) carried a sustainable management label, such as FSC, PEFC, or the EU Ecolabel.

Paperless operations – a rapidly expanding approach

Digital conversion of certain documents and procedures has increased at CNP Assurances: the CNP Trésor network started going paperless for marketing correspondence in 2011. In 2012, a second threshold was crossed when newsletters sent to policyholders every six months became completely paperless. In 2013, paperless operations were tested at three pilot sites for the flow of correspondence from our partner BPCE.

4.5.3.3 THE ENVIRONMENT AS AN INVESTMENT CRITERION

CNP Assurances is the largest private owner of woodland in France. Through this activity, it helps capture a large amount of CO_2. It is important to note (see section 4.3.2.2. – Assuming our responsibility to the economy, Woodlands) that the growth of trees helped sequester 288,357 tonnes of CO_2 in 2013. Managers of CNP Assurances' forestry assets have thought about ways in which exposed ground can be shielded against projected climate changes over the coming decades.

CNP Assurances's management includes environmental criteria for all equities and corporate bonds (see section 4.3.1. – Assuming our responsibility to the economy, A responsible investor) thus favouring, like CNP Argentina, environmentally friendly companies. In addition, CNP Assurances has developed "CNP Développement Durable", an SRI fund focusing on environmentally responsible investments, which is marketed through the own-funds CNP Trésor network.

Since mid-2009, CNP Assurances has conducted an energy efficiency analysis (based on the Green Rating index developed by Veritas) for all property purchases under consideration, so that the full financial cost of required modernisation work can be quantified. Caixa Seguros excludes projects that pose a potential danger to the environment.

Through its investment policy, CNP Assurances and its two subsidiaries in Brazil and Argentina thus encourage reducing the environmental impact of the broader economy. With the same objective, environmental criteria are used to choose suppliers (see section 4.3.3.).

4.5.4 Other initiatives

4.5.4.1 GROUP ORGANISATION FOR DEALING WITH ENVIRONMENTAL ISSUES

The goal of reducing our environmental footprint concerns the entire CNP Assurances Group. Since the CNP Assurances Group is a service provider, this objective primarily involves reducing overall consumption, particularly the three main sources of direct emissions: paper use for day-to-day operations and relations with policyholders, business travel and the management of property used for business operations. Environmental issues are handled locally by each entity. The resources mobilised for this purpose vary with the entity's size. Group subsidiaries report to the parent company on their environmental performance on an annual basis.

CNP Assurances has a Sustainable Development department which reports directly to the Chief Executive Officer. Environmental issues are overseen and handled by the support departments:

purchasing, workplace environment and property investment. The Building Management department monitors regulatory developments. Each year an external audit firm prepares an assessment of regulatory compliance and a monitoring tool for equipment at risk.

For CNP UniCredit Vita, environmental issues are handled by the Green Group, comprising employees who volunteer to help develop ideas for initiatives that address environmental issues.

In 2013, key ESG indicators were added to the Company's dashboard.

Caixa Seguros Holding set up a Sustainable Development Committee in 2007 to address environmental issues. This Committee, comprising 11 representatives from various sectors within Caixa Seguros Holding, is chaired by the chairperson of the Group's Executive Committee. The different initiatives that are part of the "environmental" programme instil a culture of sustainable development within the company.

4.5.4.2 MONITORING OUR CARBON FOOTPRINT

The Group's carbon footprint has been measured within different scopes. The Group is a service provider, and its greenhouse-gas emissions are related to employee activities and the use of computer servers. The areas that account for the most emissions are thus travel, paper and the management of property used for business operations.

CNP Assurances's greenhouse-gas emissions

CNP Assurances's emissions of CO_2-equivalent have been monitored for five years. Since 2012, they have been measured in accordance with Article 75 of the French Act of 12 July 2010 on the country's environmental commitment and came to:

	2013	2012	Change	Level of coverage
Direct greenhouse-gas emissions (Scope 1)	2,859 tonnes of CO_2-equivalent	2,964 tonnes of CO_2-equivalent	- 3.5%	64%
Indirect greenhouse-gas emissions related to energy consumption (Scope 2)	2,015 tonnes of CO_2-equivalent	1,993 tonnes of CO_2-equivalent	+ 1.1%	64%

Detailed information by source as reported to the French authorities is available in French at http://www.cnp.fr. The decrease in fuel for cars (Scope 1) and increased needs for heating (Scope 2) explain the changes in emissions.

Caixa Seguros's greenhouse-gas emissions analysis

The carbon footprint of Caixa Seguros Holding, measured in terms of business travel and buildings (based on the GHG protocol), totalled 2 tonnes of CO_2-equivalent per employee. With its emissions offset by reforestation in the Atlantic Forest carried out with Iniciativa Verde, Caixa Seguros Holding has earned CarbonFree certification for several years in a row.

Climate change

The CNP Assurances Group's largest entities and Caixa Seguros Holding have started significant work on this issue. Since 2005, they have been reporting on greenhouse-gas emissions as part of their participation in the Carbon Disclosure Project. CNP Assurances signed the Kyoto Statement of the Geneva Association.

The most significant issues concern CNP Assurances' forest areas (54,443 hectares) and property (3.7 million sq. m.), see section 4.3.2.

Because some of its business involves home and auto insurance, Caixa Seguros Holding is drafting reports on the impact of climate change, both internally and in conjunction with government bodies, NGOs and other private companies.

4.5.4.3 ENVIRONMENTAL MANAGEMENT OF PROPERTY USED FOR BUSINESS OPERATIONS

Controlling energy consumption

Energy consumption of the CNP Assurances Group corresponds to heating, cooling and office equipment used by employees and computer servers. Electricity is the main form of energy used; electricity consumption increased slightly by 2.9% in 2013 as a result of climate conditions.

	2013	2012	Like-for-like change	Level of coverage
Power consumption	22.5 million KWh	21.2 million KWh	+ 2.9%	98%
Gas consumption	2.3 million KWh	2.1 million KWh	+ 8.7%	98%
Fuel-oil consumption	93,016 litres	83,240 litres	+ 11.7%	64%

CNP Assurances has adopted energy-saving measures designed to help buildings operate more efficiently: overseeing heating (in France except in Arcueil), cooling and ventilation equipment requires expert management of timing programmes to turn equipment on and off, guidelines for room temperature in offices and regulating fan coil units.

Significant work was carried out to reduce energy consumption:

- closed cooling towers were put in place in Paris in 2011 and were studied in 2013 for Angers Saint-Serge (which made it possible to do away with the water consumption required for the open cooling tower system)
- closing certain windows and doors at the headquarters which significantly limits heat loss and replacing energy-intensive inverters
- management systems were replaced by more energy-efficient systems at the sites in Angers in 2013

The Group's Paris offices consumed 3 million KWh of energy from the Paris urban heating company (*Compagnie Parisienne de Chauffage Urbain* – CPCU). Fuel-oil consumption, which is rare and is not significant, relates exclusively to the power generators at the main sites in France.

CNP Assurances's subsidiaries have also gradually implemented measures to reduce power consumption, for example for lighting, heating and servers. Caixa Seguros Holding drove change in 2009 by putting in place virtual servers, and in 2012 it replaced its computer hardware for more energy-efficient hardware. Awareness campaigns have also been conducted among employees in the Group's entities (see 4.2.4. – Building employee awareness of sustainable development issues).

None of the buildings occupied by Group entities were equipped with systems for generating renewable energy, but a project is being examined in Italy.

Water consumption

	2013	**2012**	**Change – scope excluding CNP CIH**	**Level of coverage**
Water consumption in cubic metres	91,307	117,887	4.6%	98%

Analysis of local constraints for the Group's water consumption based on the Global Water Tool 2011.14 shows that 3% of water is consumed in water-scarce areas (Cyprus), 51% in water-sufficient areas and 46% in water-abundant areas (for definition of areas, go to http://www.wbcsd.org).

Change was calculated without this subsidiary because of uncertainty about 2012 data from CNP CIH.

Waste management

	2013	**2012**	**Change**	**Level of coverage**
Proportion of employees with access to waste sorting	96%	95%	+ 1%	90%
Tonnes of paper and cardboard waste recycled	164	182	- 10%	81%

The waste-sorting system set up within the Group's entities makes it possible to recycle printer cartridges and paper used in offices for internal purposes. In Argentina and France, the proceeds from recycling are donated to non-profit organisations. Each Group entity has conducted campaigns to teach employees about recycling.

Computer hardware also generates a great deal of waste: some hardware (38% within CNP Assurances in 2013 and 5% at CNP Vida) was given away or sold, and the rest was disassembled by a specialist company.

Pollution

In light of its business activity, the Group did not produce many greenhouse gases other than CO_2 and did not cause any ground or water pollution. However, on the woodland that it owns, CNP Assurances operates a policy of forestry management for soil protection against erosion, filtration and water purification.

CNP Assurances' entities do not generate any noise pollution or other types of pollution. Several entities including CNP Assurances have put in place systems to turn office lights off automatically.

The Group has not been subject to any court rulings, nor incurred non-pecuniary environmental penalties.

4.6 METHODOLOGY

Group reporting methodology

Progress in sustainable development performance is tracked through the use of dedicated indicators and by identifying outstanding accomplishments. The CNP Assurances Group presents CSR indicators in accordance with the provisions set out in Articles R225-104 to R225-105-2 of the French Commercial Code. The 2013 Sustainable Development Report reviews these indicators in detail by country.

Guidelines and definition

The indicators are set out for all the Group's entities. This process serves as a benchmark for the various participants within CNP Assurances and in all its subsidiaries to develop this section of the report. It describes the issues, roles, indicators, reporting mechanism, main risks identified, and the system for verifying and controlling risk.

This process was put in place with the help of the Global Reporting Initiative (GRI). Benchmark indicators can be consulted by visiting the GRI website at https://www.globalreporting.org.

Scope

The indicators cover all fully consolidated subsidiaries of the CNP Assurances Group on a 100% basis unless otherwise indicated: CNP Assurances (for environmental data excluding 3,800 sq. m. at regional sites), CNP IAM, Previposte, ITV, CNP International, LBP Prévoyance, MFP Prévoyance, CNP Vida (for environmental data excluding CIS offices in Italy and France), CNP Assurances Compañia de Seguros, Caixa Seguros Holding, CNP UniCredit Vita, CNP Cyprus Insurance Holdings (for environmental data excluding Greek subsidiaries), CNP Europe Life and CNP Barclays Vida y Pensiones (for environmental data excluding offices in Italy and Portugal), and their consolidated subsidiaries. Indicators from the Group's consolidated subsidiaries are presented without applying a proportion. The scope of entities covered was identical in 2012 and 2013.

The term "CNP Assurances" covers the legal entities CNP Assurances, CNP IAM, Previposte, ITV and CNP International. The scope used to measure water and energy consumption includes offices in Paris, Angers and Arcueil and excludes offices in the rest of France, which corresponds to 90% of CNP Assurances' employees.

The level of coverage for the indicators is presented in the tables. It represents the employees from the entities included to calculate the indicator divided by the consolidated Group's total employees.

Change is the percentage difference between 2012 data and 2013 data. The scope of labour data was modified in 2013 to include employees on fixed-term work-study contracts in the calculation of statistics. Change is therefore not always like-for-like. However, the change in employees – which is the information that is the most sensitive to this change – is presented on a like-for-like basis. Overall when significant change in scope leads to a particular change, a comment provides more information.

Period under review

Indicators mapping movements cover the period from 1 January 2013 to 31 December 2013 (excluding CNP Assurances business travel over the sliding 12-month period from 1 November 2012 to 30 October 2013) and indicators of quantities as at 31 December 2013.

Background and changes in scope

The consolidated entities in this section in 2013 are the same as in 2012. Changes in scope may however appear in indicators for information that was not provided by an entity or a sub-entity in 2012, and that was provided in 2013.

Method for reporting, control and consolidation:

Indicators are reported by operational departments (HR, building management and purchasing), and are broken down by site, where necessary. An IT accounting consolidation tool is used for reporting. A CSR Officer is selected for each entity (a total of 18 CSR Officers) and prepares the first level of consolidation within the entity concerned. Thirteen validators control the data from their entities. CNP Assurances' Sustainable Development department is responsible for overall consolidation and carries out consistency checks on all the information collected from the CSR Officers.

Implementing CSR reporting in 2006 gradually improved the quality of non-financial data, particularly environmental data. Over the last three years, the Statutory Auditors certified these data and the Group used an IT reporting tool, thereby increasing the standards of non-financial data. By promoting the management of initiatives within each business, these factors contribute to the progress of the Group's CSR programme.

The consolidated ratios for all entities are calculated based on ratios reported by weighting employees for each entity.

Limitations to the completeness and reliability of information

Certain environmental data have been estimated when the direct measurement is not available. This applies in particular to water and energy consumption data for buildings estimated in certain cases in proportion to the number of square metres occupied (sites in Arcueil, CNP BVP, CNP Europe Life). Furthermore, the definitions of social indicators may differ slightly between countries. However, the consolidated indicators used below are consistent and material. The shared system was rolled out in 2013 within the Group's foreign subsidiaries and certain definitions such as that of absenteeism were harmonised.

Verification

One of our Statutory Auditors performed an analysis to verify the presence and fair presentation of information that falls under the scope of Article 225 of the French Commercial Code. A review of fair presentation was conducted on the most important information, including tests of details of related quantitative indicators. A review of consistency was conducted on the other information. The verification report can be found at the end of this chapter.

Names of entities

To make this report easier to read, the names of certain entities have been simplified. CNP Argentine is used for CNP Assurances Compañia de Seguros, LBPP for La Banque Postale Prévoyance, CNP CIH for CNP Cyprus Insurance Holdings, and CNP BVP for CNP Barclays Vida y Pensiones. The CNP Assurances Group presents CSR indicators below in accordance with the provisions set out in Articles R.225-104 to R.225-105 of the French Commercial Code.

All CSR indicators are published in our 2013 Sustainable Development Report, which can be consulted as from April 2014 by visiting www.cnp-finances.fr.

4.7 CONCORDANCE TABLE FOR LABOUR, ENVIRONMENTAL AND SOCIAL DATA

The table below reviews in detail the indicators found in Articles R.225-104 to R.225-105-2 of the French Commercial Code and specifies the sections that cover these indicators in this report. All the sections mentioned in the table fall within the scope of the verification; the level of verification is specified in the table.

Labour indicators (Articles R. 225-104 to R. 225-105-2 of the French Commercial Code)	Level of verification	Section
a) Employees		
Total headcount and breakdown by age, gender and geographical area	Review of fair presentation	4.2.4.1
New hires and dismissals	Review of fair presentation	4.2.1.1
Remuneration and changes in remuneration	Review of fair presentation	4.2.4.6
b) Organisation of work		
Organisation of working hours	Review of fair presentation	4.2.4.4
Absenteeism	Review of fair presentation	4.2.4.5
c) Employee relations		
Labour relations (procedures to inform and consult staff and negotiate with them)	Review of fair presentation	4.2.4.7
Collective bargaining agreements	Review of fair presentation	4.2.4.7
d) Health and safety		
Workplace health and safety	Review of fair presentation	4.2.4.5/4.2.2
Workplace health and safety agreements signed with labour organisations or staff representatives	Review of consistency	4.2.4.5
Occupational accidents, frequency and seriousness, as well as work-related illnesses	Review of fair presentation	4.2.4.5
e) Training		
Training policies	Review of fair presentation	4.2.1.2
Total number of training hours	Review of consistency	4.2.1.2
f) Gender equality		
Measures taken to promote gender equality	Review of fair presentation	4.2.3.2
Measures taken to promote the employment and integration of people with disabilities	Review of consistency	4.2.3.3
Anti-discrimination policy	Review of fair presentation	4.2.3.4
g) Promotion and compliance with relevant International Labour Organisation (ILO) standards		
Respect for freedom of association and the right to collective bargaining	Review of consistency	4.2.4.3/4.2.4.7
Elimination of discrimination in respect of employment and occupation	Review of consistency	4.2.4.3/4.2.3
Elimination of forced or compulsory labour	Review of consistency	4.2.4.3
Effective abolition of child labour	Review of consistency	4.2.4.3

Environmental indicators (Articles R. 225-104 to R. 225-105-2 of the French Commercial Code)	Level of verification	Relevant section
a) General environmental policy		
Company organisation for dealing with environmental issues	Review of consistency	4.5.4.1
Employee training and awareness initiatives focusing on protecting the environment	Review of consistency	Box at end of 4.2
Resources allocated to prevent environmental risks and pollution	Review of consistency	Not covered in view of the Group's activities as a service provider
Amount of provisions and guarantees for environmental risks	Review of consistency	No provisions or guarantees
b) Pollution and waste management		
Preventive measures to reduce and offset damage from air, water and soil emissions harmful to the environment	Review of consistency	Not covered in view of the Group's activities as a service provider
Waste prevention, recycling and elimination measures	Review of consistency	4.5.4.3
Recognition of noise and other pollution resulting from operations	Review of consistency	4.5.4.3
c) Sustainable use of resources		
Water consumption and supply in accordance with local constraints	Review of consistency	4.5.4.3
Raw material consumption and measures to encourage efficiency	Review of fair presentation	4.5.2/4.5.3.2
Energy consumption, measures to improve energy efficiency and encourage use of renewable sources	Review of fair presentation	4.5.4.3
Land use	Review of consistency	4.5.4.3
d) Climate change		
Greenhouse-gas emissions	Review of fair presentation	4.5.4.2
Adapting to the consequences of climate change	Review of fair presentation	4.5.4.2/4.3.2.2
e) Protecting biodiversity		
Measures to preserve and develop biodiversity	Review of consistency	4.3.2.2

Social indicators (Articles R. 225-104 to R. 225-105-2 of the French Commercial Code)	Level of verification	Relevant section
a) Territorial, economic and social impact of the Company's business activity		
In terms of employment and regional development	Review of consistency	4.3.4.4
On residential and local populations	Review of consistency	4.3.4.4
b) Relations with people or organisations interested in the Company's business activity		
Conditions of dialogue with the above people and organisations	Review of consistency	4.3.4.3
Partnership and sponsorship initiatives	Review of fair presentation	4.3.4.3
c) Subcontractors and suppliers		
CSR criteria in sourcing policies	Review of fair presentation	4.3.3
Outsourcing and the importance of including CSR in dealings with suppliers and their own subcontractors	Review of fair presentation	4.3.3
d) Fair practices		
Measures to prevent corruption	Review of fair presentation	4.3.4.2/4.3.4.1
Measures in support of consumer health and safety	Review of consistency	4.4.4.1
e) Other initiatives to promote human rights	Review of consistency	4.3.4.5

4.8 STATEMENT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE ENVIRONMENTAL, LABOUR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT OF CNP ASSURANCES

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2013

To the Shareholders,

In our capacity as Statutory Auditor of CNP Assurances SA, appointed as an independent third party, whose certification request has been approved by COFRAC, we hereby report to you on the environmental, labour and social information presented in the management report (hereinafter the "CSR Information") for the year ended 31 December 2013 in accordance with Article L.225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the Company

The Board of Directors of CNP Assurances is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the CNP Assurances Group's 2013 CSR Reporting Process used by the Company, (hereinafter the "Guidelines"), which are summarised in the management report and are available on request from CNP Assurances' Sustainable Development department.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information)
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information)

Our work was carried out by a team of five people between 23 October 2013 and 11 February 2014 and took around five weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion on fairness, with ISAE 3000[1].

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

1. STATEMENT OF COMPLETENESS OF CSR INFORMATION

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the Company's activity on labour and the environment, of its social commitments and any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological information, section 4.6 of CNP Assurances' management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report.

2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of our work

We conducted around 20 interviews with around ten people responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the appropriateness of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the Company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important, identified in the appendix to this report:

- at parent entity and CNP Vida (Spain) entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report
- at the level of a representative sample of entities selected by us(1) by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents on average 68% of headcount and 30% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the Company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, no material irregularities came to light that call into question the fact that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines.

Neuilly-sur-Seine, 25 February 2014

One of the Statutory Auditors of CNP Assurances SA
PricewaterhouseCoopers Audit

Éric Dupont
Partner

Sylvain Lambert
Partner in charge of the Sustainable Development Department

(1) CNP Assurances SA in France (the site at 4 place Raoul Dautry, Paris only for environmental indicators) and CNP Vida in Spain

Appendix: List of Information that we considered to be the most important

LABOUR INFORMATION

- Headcount: employees as of 31 December 2013 and percentage of employees with permanent employment contracts
- New hires and dismissals: number of hires, total number of departures and breakdown by reason
- Remuneration and changes in remuneration: average annual individual remuneration, discretionary and statutory profit-sharing
- Organisation of working hours
- Labour relations
- Collective bargaining agreements
- Workplace health and safety: frequency and seriousness of occupational accidents
- Training policies
- Measures taken to promote gender equality: percentage of women in Executive Management positions
- Anti-discrimination policy

ENVIRONMENTAL INFORMATION

- Raw material consumption and measures to encourage efficiency: proportion of recycled paper used for internal operations
- Energy consumption by source
- Greenhouse-gas emissions (direct and indirect)
- Adapting to the consequences of climate change

SOCIAL INFORMATION

- Partnership and sponsorship initiatives
- CSR criteria in sourcing policies
- Outsourcing and the importance of including CSR in dealings with suppliers and their own subcontractors
- Measures to prevent corruption

Corporate governance and internal control

5

5.1 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CNP ASSURANCES

To the Shareholders,

This document has been prepared in accordance with Article L.225-37 of the French Commercial Code and is a continuation of those that have been presented at the Annual General Meeting in past years. It has been prepared on the basis of in-depth discussions held with the Chief Executive Officer and the Deputy Chief Executive Officers, has been enhanced following interviews that I conducted with the Company Secretary, management leaders responsible for cross-company controls as well as the principal heads of management or operating departments.

It was submitted for an opinion to the Audit and Risk Committee before being approved on 19 February 2014 by the Board of Directors who instructed their Chairman to report on its contents to the Annual General Meeting.

The first section deals with the governance of the Company and the practices of its management and control bodies. The second section covers internal control and risk management procedures.

5.1.1 Governance

CNP Assurances' governance structure is framed by legislation, the Articles of Association and the regulations set out in the internal rules of the Board of Directors and its committees (which may be viewed on the Company's website). In addition to specific provisions such as the CNP Assurances shareholders' agreement, these rules draw upon recognised best governance practices.

The Company has been using the AFEP-MEDEF Code of Corporate Governance for listed companies since 2008. Without calling this principle into question, the Company's practices may on occasion differ from those set out in the code due to the specific features of CNP Assurances' businesses. These differences, together with the reasons for not applying certain provisions of the code in full, are summarised in the following table.

Recommendations of AFEP-MEDEF Code	Discrepancies between the code and CNP's governance practices in 2013	Explanations
Composition of the Board of Directors and its committees		
Proportion of independent directors		The terms of CNP Assurances shareholders' agreement preclude the Company from complying with the proportions of independent directors recommended by the AFEP-MEDEF Code. *(See following pages)*
▪ Board of Directors of entities controlled by the Company: proportion is over 33% in entities controlled by the Group	Proportion is 22%	
▪ The Audit and Risk Committee: proportion is greater than 66%	Proportion is 33%	
▪ Remuneration and Nominations Committee: proportion is greater than 50%	Proportion is 40%	
The Remuneration and Nominations Committee should not include any corporate officers and should be chaired by an independent director. This Committee should also include an Employee Director.	The Chairman of the Board of Directors is a member of the Remuneration and Nominations Committee which does not have any Employee Director members.	The Chairman's presence on this Committee is deemed to be appropriate in view of his knowledge of the Company. He is not present and does not vote when the Committee discusses his own remuneration.
The maximum term of office of directors should not exceed four years (Article 14).	Five-year term	At the Annual General Meeting to be held on 6 May 2014, shareholders are being asked to reduce the maximum term of office of directors from five to four years, applicable to all renewals or appointments submitted for approval as from this date.

COMPOSITION OF THE BOARD, PREPARATION AND ORGANISATION OF ITS WORK

1 Composition of the Board of Directors

Since CNP Assurance's IPO in 1998, the composition of the Board of Directors of CNP Assurances has reflected its ownership structure and particularly the holdings of its four main shareholders: Caisse des Dépôts, the holding company Sopassure which owns the indirect holdings of La Banque Postale and BPCE, and the French State, all of whom have entered into a shareholders' agreement that expires on 31 December 2015[(1)].

The shareholders' agreement organises the composition of the Board of Directors of CNP Assurances as follows:

- six directors recommended by Caisse des Dépôts
- five directors recommended by Sopassure
- one director recommended by the French State
- one director recommended as an employee shareholder representative
- four directors recommended as "independent qualified persons".

The Annual General Meeting of 25 April 2013 appointed Frédéric Lavenir as director for a four-year term, based on a recommendation by the signatories to the shareholders' agreement. It also ratified the appointments of Anne-Sophie Grave and Jean-Yves Forel as directors to replace Antoine Gosset-Grainville and Olivier Klein, respectively, both of whom had resigned.

The current composition of the Board of Directors of CNP Assurances does not fully comply with the AFEP-MEDEF Code for listed companies which recommends that one-third of the Board should comprise independent members. The ratio for CNP Assurances is currently 22%, *i.e.*, four independent directors[(2)] out of 18.

In compliance with its internal rules, and based on the recommendation of the Remuneration and Nominations Committee, the Board of Directors has applied the definition set out in section 9 of the AFEP-MEDEF Code. However, in addition to the objective criteria set out in the code, the Board also considers directors' personal qualities and professional expertise in assessing its members' independence. In other words, their experience and specific knowledge of the Company's businesses as well as its economic, financial and market environment.

While this situation is mainly attributable to the provisions of the shareholders' agreement, it should also be noted that this same agreement affirms the signatories' intention to remain shareholders of the Company over the long term and to implement a common policy in terms of investment strategy (aside from financial investments) and other strategic decisions. This represents a key commitment to CNP Assurances' future growth.

The shareholders' agreement also provides for the appointment of non-voting directors to participate in Board meetings in a consultative role. They are appointed at the Annual General Meeting using procedures similar to those used to appoint the other directors, namely a review by the Board of recommendations submitted by the Remuneration and Nominations Committee.

Non-voting directors have access to the same information as other directors. They also have the same obligations to attend meetings, to exercise due professionalism and to respect confidentiality. Their experience and diverse backgrounds provide an invaluable contribution to deliberations at Board meetings.

Directors will now be appointed on a rotation basis in accordance with the resolutions of the General Meeting of 29 June 2012 which set the terms of the directors currently in office at two, four or five years, depending on their situation.

One final point should also be noted: the Annual General Meeting of 25 April 2013 increased the number of female directors on the Board to four, *i.e.*, 22% of all members. The Company is continuing to pursue its policy of gender equality in 2014: the General Meeting of 6 May 2014 will be asked to confirm the appointment of Odile Renaud-Basso and Rose-Marie Van Lerberghe, bringing the number of female directors to 33%.

2 Respective roles of the Chairman and the Chief Executive Officer

In July 2007, the Company chose to separate the role of Chairman of the Board of Directors from that of Chief Executive Officer to ensure a clear distinction between the strategic, decision-making and supervisory roles that belong to the Board's sphere of expertise, and the operating and executive functions that are the responsibility of the Executive Management.

The Annual General Meeting held on 29 June 2012 reaffirmed this separation of roles as well as the respective non-executive powers of the Chairman and the executive functions of the Chief Executive Officer.

The Chairman of the Board of Directors

The Chairman organises and oversees the work of the Board of Directors which he or she convenes at least four times per year, or more frequently if warranted by circumstances. The Chairman ensures that the governing bodies work smoothly in accordance with best practices and strictly refrains from participating in any Board deliberations that concern components of his or her remuneration.

The Chairman is regularly briefed by the Chief Executive Officer concerning any significant developments affecting the Company or its subsidiaries and may request any information required either by the Board or its committees.

(1) The main provisions of the shareholders' agreement together with the five addenda signed between September 1998 and July 2009 are disclosed in section 6.2.5 of this Registration Document

(2) Jean-Paul Faugère, Stéphane Pallez, Marcia Campbell and Rose-Marie Van Lerberghe

The Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in the Company's name in all circumstances subject to the restrictions on his or her powers and the financial authorisations laid down by the Board of Directors and set out in its internal rules which may be consulted at www.cnp-finance.fr. These restrictions concern in particular external growth operations (aside from the management of business In-Force) exceeding certain financial or strategic thresholds which have been stipulated by the Board.

Frédéric Lavenir actively participates in all Board meetings and keeps the Board abreast of the day-to-day management of the Company and all significant events affecting the Group. He helps devise and oversee Group strategy.

3 Duties of the Board of Directors

In accordance with Article L.225-35 of the French Commercial Code (*Code de commerce*) and its own internal rules, the Board of Directors of CNP Assurances determines the strategic priorities of the Company and ensures that they are implemented, handles all issues related to the efficient running of the Company's operations and settles all relevant matters. The Board also signs off on the annual budget and the Company and consolidated financial statements and monitors the quality of the information provided to the market concerning the Company's results or specific operations.

Preparation and organisation of the Board's work

The procedures involved in preparing and organising the work of the Board are set out in its internal rules.

The Chairman provides the directors with all documents and information required to enable them to carry out their functions.

All Board members receive notice of forthcoming meetings, the agenda and all relevant documentation by post and secure file transfer at least five days before the meeting is due to be held.

In addition to documents relating to the points to be discussed at the meeting, the directors are also sent the draft minutes of the previous meeting, a press pack and financial data on the Company.

Additional information may also be sent after the initial notice or given to the directors at the meeting if there are time constraints or concerns over confidentiality.

Works Council Representatives, non-voting directors and the Statutory Auditors also receive all of the documents sent to the directors as well as notice of all Board meetings.

Between any two Board meetings, directors may also be sent e-mails on important topics or press releases for national circulation.

The Secretary to the Board of Directors presents each newly-appointed director with a pack containing detailed information on the Company, its structure and businesses to help him or her carry out their functions. Directors may request additional training at any time.

The participants in Board meetings have a duty to exercise discretion, particularly with regard to information of a confidential nature that is presented as such by the Chairman of the Board of Directors.

Evaluating the performance of the Board of Directors and its committees

Due to the changes in the composition of the Company's governance bodies in the wake of the Annual General Meeting held on 29 June 2012, the Board decided to postpone the evaluation of its own performance until the second-half of 2013. Consequently, in compliance with its internal rules and the AFEP-MEDEF Code, the meeting held on 25 July 2013 discussed the Board's performance, based on a report prepared by an external firm following one-on-one meetings with each director.

The ensuing discussions revealed that a large majority of the directors deem governance within CNP Assurances to be generally satisfactory and compliant with general practices as well as with the AFEP-MEDEF Code. The process was also used to measure the effective contribution of each director to the work of the Board: the sheer diversity and complementary nature of the skills and professional experience of the various different directors – particularly in bancassurance and international business – provide an undeniable platform for good governance.

Even though the composition of the Board of Directors is structured by the shareholders' agreement that expires on 31 December 2015, as mentioned previously, the directors also stressed the small proportion of independent members comprising the Board as a whole. The same observation was made in respect of the Remuneration and Nominations Committee.

In brief, the Board of Directors pointed up the high quality of financial data provided, the constructive role of the Audit and Risk Committee and the quality of the opinions it issues, the efficiency of separating the positions of Chairman and Chief Executive Officer as well as the wealth of arguments and the constructive nature of the discussions which provide ideal decision-making conditions for the Board.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2013

In 2013, the Board of Directors met seven times. Each meeting lasted on average three hours. The discussions and decisions of the Board are formalised in the minutes which are prepared after each meeting. Active participation of the directors has been observed throughout the year, with an average attendance rate of approximately 86%, thus demonstrating the directors' involvement and commitment.

This commitment is also apparent in the holding of a minimum of 200 Company shares by each director[(1)]; the minimum is increased to 400 shares for the Chairman of the Board of Directors.

At each meeting, the Chief Executive Officer informs the Board about the day-to-day management and any significant events affecting the smooth running of the Company. The Board is regularly provided with a detailed analysis of the results of the Company and its subsidiaries, in particular, *via* the annual and interim financial statements and the presentation of quarterly performance indicators. Detailed reports on the progress of commercial, financial and operational issues used for the purpose of monitoring the Group's strategy and understanding its activities and its prospects complement the Board's information.

During the period, the Board approved the Group's strategic priorities presented to it by Executive Management. These included the partnership with La Banque Postale and BPCE/"open model" solutions in term creditor and personal risk insurance and high-end savings solutions/group risk products that target SMEs and micro-businesses and the local public sector in partnership with mutual insurers and social protection bodies/and strengthening the Group's presence in Brazil and Latin America.

Amidst persistent uncertainty in the financial markets, the Board also took a number of steps to consolidate the Company's equity:

- by continuing the policy of reducing exposure to sovereign debt issued by "peripheral" eurozone countries and to equity-based products
- by submitting a resolution to the General Meeting of 25 April 2013 offering shareholders the choice of either a cash or scrip dividend payment for the second year running. This operation resulted in a 6.70% increase in share capital and its success was a vote of confidence in the Company both by the market and its reference shareholders. Even though the scrip dividend was offered at no discount to the share price, all of the reference shareholders and almost half the free float opted to receive their dividend in shares.
  - In the area of risk management, the Board analysed a survey conducted by an external firm of the Group's key risk exposure together with a comparison of the situation of its main competitors.

    The Board also urged Executive Management to step up deployment of its standardised risk identification and measurement processes by availing of the option provided under Solvency II to adopt a partial internal model for calculating economic capital
  - In the international businesses, the Board noted the limited and contained impact of the Cypriot banking crisis on the consolidated accounts as well as the correlative actions deployed by Executive Management. The Group is present in Cyprus through its subsidiary, CNP Cyprus Insurance holdings.

    The Board also kept abreast of a number of potential acquisitions being studied by its subsidiary, Caixa Seguros Holding SA, to seize development opportunities in Brazil and other Latin American countries
  - In the final quarter of 2013, a lot of the Board's time was taken up with beginning negotiations with BPCE to renegotiate the distribution agreements between Caisses d'Epargne and CNP Assurances that are due to expire on 31 December 2015.

Some members stressed that certain items in the negotiation process – with the potential to materially impact the Group's value or business model – should be dealt with in a forum free from any conflicts of interest. For this reason, in its meeting of 6 November 2013, the Board decided to create an *ad hoc* Committee to deal with the key implications of changes in trade agreements.

This Committee is tasked with tracking key points put forward by Executive Management concerning the new commercial agreements currently being renegotiated between CNP Assurances and its two main French partners (La Banque Postale and BPCE/Caisses d'Epargne) due to the expiry of the current agreements on 31 December 2015, and with making recommendations when the Board has to take decisions in these matters.

The *ad hoc* Committee comprises Stéphane Pallez, Marcia Campbell, Rose-Marie Van Lerberghe, Virginie Chapron du Jeu, Olivier Mareuse, Ramon Fernandez, Jean-Paul Faugère and Frédéric Lavenir.

It meets as often as is necessary and nominates one of its members to report back to the Board on its deliberations. It will remain in existence for as long as it takes to carry out its mission. It is not intended to replace the Strategy Committee.

BOARD OF DIRECTORS COMMITTEES

In order to perform its management and control duties more effectively, the Board of Directors receives advice from its three special committees: the Audit and Risk Committee, the Remuneration and Nominations Committee and the Strategy Committee.

The duties and *modus operandi* of each of these committees are set out in the internal rules of the Board of Directors.

All of the members of the committees are directors and they are appointed by the Board which also appoints the Chairman of each Committee. Minutes are kept of each Committee meeting and a report is presented at the next Board meeting. The Secretary to the Board of Directors also acts as secretary to its committees.

5

(1) This internal rule applies to all natural persons, including the representatives of legal entities, with the exception of the State representative, whose status is incompatible with such a measure

1 The Audit and Risk Committee

The Audit and Risk Committee comprises six members, two of whom are deemed independent within the meaning of the AFEP-MEDEF Code: its Chair, Stéphane Pallez, and Marcia Campbell. Four other members complete this Committee.

As part of the process of overseeing the audit of the annual and consolidated financial statements of CNP Assurances, the Audit and Risk Committee is tasked with examining and submitting any recommendations to the Board concerning:

- the Company and consolidated financial statements, management report, Registration Document, interim financial statements, quarterly indicators and all of the related draft financial reports, and
- the relevance and consistency of the accounting policies applied.

The Committee focuses in particular on possible risks and uncertainties identified by the Statutory Auditors.

It also ensures that a system has been put in place to identify and analyse risks that could have a material impact on the accounting information and assets and liabilities of CNP Assurances. More specifically, the Committee is tasked with:

- tracking and analysing the risks identified by Executive Management over time and examining the Group's risk control charter
- ensuring that any weaknesses identified are remedied and that appropriate action plans are deployed in the event of recognised system failure.

Within the scope of the internal audit review process, the Committee interviews the Head of Internal Audit and presents its observations concerning the Group's internal audit charter and the internal audit programme.

The Audit and Risk Committee oversees the process of selecting the Statutory Auditor. It draws up a short-list and makes a recommendation to the Board concerning the candidates and the amount of the fees they charge.

As is the case with the Board of Directors of CNP Assurances, the proportion of independent members on the Committee (one-third) is below the proportion of two-thirds recommended by the AFEP-MEDEF Code. Again, it should be stressed that this situation reflects the Company's ownership structure. Moreover, a sixth member was recently appointed to the Committee to represent the Company's employee shareholders and as such does not qualify as independent under the code. However, this appointment is further testimony to the Group's determination to diversify the composition of this Committee.

The Audit and Risk Committee met seven times in 2013, each meeting lasting three hours on average. Member attendance was 86%.

The Committee examined the following main issues in 2013:

- interim financial statements and Embedded Value at 30 June 2013; 2013 quarterly indicators, impacts of different macro-economic scenarios on Group earnings; budgets and forecasts for 2014
- review of updated study of key risks related to the financial crisis
- Solvency II update and a review of the Group's appetite for risk
- review of guidelines for the Group's investment policy
- review of the Group's main international subsidiaries
- review of the reports by the Risk Management & Compliance department and the Internal Audit department together with their respective programmes for 2014
- review of IT and data security projects (off-budget) and projects related to underwriting, Group insurance and reinsurance risks.

The Committee interviewed the persons responsible for preparing the financial statements of the Company and the Group, and also met with the Statutory Auditors without any members of management being present.

2 Remuneration and Nominations Committee

The Remuneration and Nominations Committee is responsible for selecting and examining potential candidates for the positions of voting and non-voting directors, Chairman of the Board of Directors, Chief Executive Officer, and the members of the Board's special committees.

In accordance with the Board's internal rules, the Committee makes recommendations concerning the remuneration of the Chairman of the Board of Directors as well as the total individual remuneration to be attributed to the Chief Executive Officer. It decides on the amount of directors' fees to be attributed to the voting and non-voting directors based on pre-defined criteria such as attendance rate, duties and the functions of members of the special committees.

The Committee also reviews any planned employee rights issues or share grant plans.

At end-2013, the Remuneration and Nominations Committee was made up of the representative of Caisse des Dépôts, Odile Renaud-Basso, the Chairman of La Poste, Philippe Wahl, the Chairman of the Executive Board of BPCE, François Pérol, and two independent directors: Rose-Marie Van Lerberghe (who chairs the Committee) and the Chairman of the Board of Directors of CNP Assurances, Jean-Paul Faugère.

This gives a proportion of independent directors of 40% which is less than the 50% threshold recommended by the AFEP-MEDEF Code. As explained previously, this situation is a consequence of CNP Assurances' ownership structure.

The presence of the Chairman of the Board of Directors as a member of the Committee is deemed appropriate because, as a permanent point of contact for Executive Management, he is best able to inform Committee members about the Chief Executive Officer's management of the Company's business. In accordance with the Board's internal rules, the Chairman of the Board of Directors is expressly forbidden from attending Committee meetings that deliberate on his or her remuneration.

The Remuneration and Nominations Committee met twice in 2013 for approximately one hour, and member attendance was 100%.

Within the framework of its duties, it mainly examined the remuneration packages of the Chairman of the Board of Directors and Chief Executive Officer, and made recommendations in light of the guidelines applicable to corporate officers working for public sector companies, and therefore applicable to CNP Assurances.

It therefore recommended keeping the annual remuneration to be paid to Jean-Paul Faugère as Chairman of the Board of Directors of CNP Assurances at €250,000. The Committee also recommended that Mr. Faugère should not receive any amount in directors' fees for participating in meetings of the Board of Directors or its committees.

As regards the Chief Executive Officer, the Committee also recommended maintaining the amount of his annual remuneration, *i.e.*, a fixed portion of €400,000 and a variable portion of €50,000 tied to fixed and clearly-defined objectives. Finally, as in 2012, the Committee recommended that Mr. Lavenir should not hold an employment contract during his term of office and that he should not receive any amount in directors' fees for participating in meetings of the Board of Directors or CNP Assurances' special committees.

In accordance with the most recent recommendations of the AFEP-MEDEF Corporate Governance Code, the proposed remuneration packages of the Chairman of the Board of Directors and Chief Executive Officer for 2013 will be submitted for approval to the Annual General Meeting to be held on 6 May 2014.

Lastly, the Committee commissioned an external firm of consultants to help vet applications to fill the seat on the Board vacated by Henri Proglio. The Committee recommended Rose-Marie Van Lerberghe for the position and she was duly co-opted to the Board of Directors and appointed Chairman of the Remuneration and Nominations Committee at the Board meeting held on 25 September 2013.

3 The Strategy Committee

At end-2013, the Strategy Committee comprised Franck Silvent, Marc-André Feffer, Olivier Mareuse, Jean-Yves Forel, and two independent directors; Stéphane Pallez and the Chairman of the Board of Directors, Jean-Paul Faugère.

The Committee met in February 2013. All of its members were present in addition to the Chief Executive Officer of CNP Assurances. The meeting lasted two hours and dealt mainly with CNP Assurances' strategic development priorities and focuses going forward as described in the section dealing with the activities of the Board of Directors in 2013.

PARTICIPATING AND VOTING IN GENERAL MEETINGS OF SHAREHOLDERS

Every shareholder is entitled to participate in General Meetings under the conditions provided for by law. Information on participation and voting at the General Meeting may be found in Article 27 of the Company's Articles of Association and in the 2013 Registration Document. The same information is included in the convening notices published by the Company prior to each General Meeting.

INFORMATION REQUIRED BY ARTICLE L.225-100-3 OF THE FRENCH COMMERCIAL CODE

The information likely to have an impact in the event of a public offering (required by Article L.225-100-3 of the French Commercial Code) is disclosed in the Registration Document (see page 329 to 332).

5.1.2 Internal control and risk management procedures

The second part of this report describes the main elements of the risk management and internal control system of CNP Assurances and its consolidated subsidiaries (hereinafter "the Group"). It is not intended to describe in detail all the procedures and mechanisms for risk management and internal control undertaken within the Group.

REFERENCE FRAMEWORK

CNP Assurances has decided to rely on the French financial markets authority (*Autorité des marchés financiers* – AMF) reference framework in terms of risk management and internal control mechanisms. The format of this report follows the structure of that framework. First, the interaction between risk management and internal control within CNP Assurances is described, before detailing the components of the risk management system, followed by the internal control mechanism.

In addition to the guidelines of the AMF's reference framework, the activity pursued by CNP Assurances is subject to an extensive range of legislative and regulatory requirements, notably under the French Insurance Code (*Code des assurances*). Insurance companies in France are also supervised by France's financial services watchdog (*Autorité de contrôle prudentiel et de Résolution – ACPR*).

By 2016, the Group will be subject to the requirements of the European Solvency II directive, whose Pillar 2 covers governance, risk management and internal control. CNP Assurances is making sure that all of its processes will be compliant by the time Solvency II comes into force.

INTERACTION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

The main protagonists in risk management and internal control are, at the highest level in the Company, the Board of Directors, its Audit and Risk Committee, and Executive Management.

The internal control system is built around a reference framework comprising internal delegations of authority and fundamental principles as set out in documents such as the Internal Control Charter and the code of conduct. Controls are performed at several levels:

- first-tier controls which must be set up by operational or functional departments to manage the risks associated with their activities
- second-tier controls (risk oversight) which cover Solvency II key functions (risk management, compliance and actuarial functions) and the internal control system
- the third level of control is provided by the Internal Audit department.

These processes are summarised in a flow chart presented in the Risk Factors section of the Registration Document.

The Group's French and international subsidiaries also operate this approach to risk management and internal control as well as factoring in local regulatory constraints and processes deployed by the other joint venturers in partnership-based arrangements.

RISK MANAGEMENT SYSTEM

CNP Assurances conducts a lot of its insurance business through partnership arrangements with banking institutions. Making these partnerships work over the long term means constantly developing and expanding its product offering and enhancing both the quality of service offered to policyholders and the effectiveness of the Group's structure and business model. This is all part of CNP's corporate purpose, *i.e.*, protecting the interests of policyholders and employees, preserving the overall balance in its partnership agreements and creating value for all of its shareholders.

CNP Assurances Group is exposed to financial risk as well as insurance and operational risk from its bancassurance business. This report will present the main aspects of these risk management procedures but readers may also refer to the Risk Factors section of the Registration Document.

1 Objectives of the risk management system

The objectives of risk management are to create and maintain the Company's value, safeguard decision-making and other management processes, foster consistency between the Company's actions and its values and mobilise its employees around a common vision of the major risks.

2 Components of the system

a) Organisational framework

The risk management system is part of a comprehensive risk management framework overseen by the CEO that aims to factor capital adequacy requirements and risk management into the strategic decision-making process as far upstream as possible.

The Group Risk Committee oversees risk governance from a consolidated perspective with the help of a large number of smaller committees that deal with specific risks.

The process is headed up by the Risk and Solvency department which has been assigned the risk management function under Solvency II. It oversees risk management initiatives in different departments throughout the Group and reports back to the Group Risk Committee. In 2013, about 50 people worked directly in risk management in the Risk and Solvency department, the Risk Management & Compliance department, the Investment department and the Technical Affairs department. Their actions are relayed by risk correspondents working in the subsidiaries. In 2013, a seminar was organised for the first time to present the latest developments in risk management to the heads of risk management and other people closely involved with risk in the French and international subsidiaries. A general review of the organisation of risk management also took place and over the coming year it should result in consolidation of the Risk and Solvency department's pivotal coordination and analytical role as well as reaffirming the role of the Group Risk Committee.

The Risk and Solvency department is responsible for managing risk assessment at Group level, for developing the partial internal model for calculating economic capital and for providing information on risks. This gives it a key role in safeguarding the Company's value, assets and reputation.

It monitors the progress of all work being carried out in preparation for the introduction of Solvency II. In particular, it oversees the definition and implementation of the ORSA[1] assessment conducted by the Group with a view to enhancing the security of decision-making processes. It also submits recommendations on risk-related strategic objectives for approval by the Risk Committee and the Board of Directors. The Risk and Solvency department is gradually documenting these objectives for each risk in line with the Group's policies and capital adequacy requirements to be submitted by Executive Management for approval by the Audit and Risk Committee and the Board of Directors.

In 2013, CNP Assurances stepped up its efforts to develop a risk management framework and to model and document the level of risk in terms of Group strategic objectives. The resulting methodology and applications were rolled out to the entire Group. The work will continue in 2014 with centralisation of risk management procedures and standards and operational deployment of the mechanism to break out the overall annual solvency requirements between the risk budgets of the operational departments and subsidiaries. This allocation will formally document the link between actions and the Group's objectives and values.

b) Risk management process

Risk identification

The aim of identifying and assessing recurring risks is to provide oversight bodies with the elements needed to manage the risks inherent to each business activity and to define an overall risk management strategy at Group level.

A risk mapping exercise has identified three main categories of risk: financial risks, insurance risks (also known as underwriting risks) and operational risks. The main risks in each of these categories, the assessment methods and control mechanisms are set out below. As the risk map is updated over time, all potential risks should eventually be identified.

As regards the financial and accounting information, the main risks concern the quality of data, the fairness of the financial statements, their compliance with accounting standards and regulatory deadlines for publication. The Accounting and Tax department helps to identify these risks through careful monitoring of regulatory changes and the development of applications and processes.

Risk assessment and management

Risk assessment and monitoring are evaluated based on three main aspects:

- the remuneration paid to policyholders
- the evolution of the Group's own-funds portfolio
- the financial performance of the Group, reflected in its accounting result.

Risk assessment processes highlight financial, technical and operational risks and capital adequacy requirement calculations under Solvency II reflect the relationship between these different risks. Optimal allocation strategies between the different types of risk must be underpinned by a uniform approach to risk assessment that is currently being developed by the Group.

Quantitative risk assessment processes are being enhanced by a number of initiatives including the Long-Term Guarantees Assessment (LGTA) carried out by EIOPA[2], stress testing required by the ACPR and a selection of Solvency II prudential statements.

Financial risks

Like any insurer, the risks faced by the CNP Assurances Group can be broadly broken down into credit risks and risks relating to the performance and volatility of the financial markets. For purposes of clarity they are presented here by type of risk but they are also tracked at individual product-risk level as well as on an aggregate basis in order to assess any interaction between the different types of risk.

The Group-wide reorganisation currently in progress will recast the roles and responsibilities of the Risk and Investment departments in managing financial risks, particularly with regard to tracking limits and checking compliance with investment guidelines. The basic principle is a separation of functions and effectiveness in the allocation of existing resources.

(1) Own Risk and Solvency Assessment

(2) European Insurance and Occupational Pensions Authority

Credit risks

- Risks relating to the availability and cost of financing

CNP Assurances may turn to the market for short-, medium- or long-term financing, thereby exposing it to the risks of increasingly scarce liquidity and higher interest rates. In November 2013, the Company's credit rating was cut to A+ by Standards & Poor's with a stable outlook.

CNP Assurances has stress tested the conditions in which it could cover its minimum solvency margin using a number of different scenarios. The Group also uses alternative financing solutions such as transferring risk to optimise the hedging of its margin requirement.

- Risks related to exposure to issuers of debt instruments

These risks arise from widening spreads on debt instruments acquired by the Group or even default by the issuer and negatively impact investment yields, profit and solvency.

The Group has diversified its bond portfolio and implemented a comprehensive system for tracking credit risk and issuers in sectors experiencing difficulties. The CNP Assurances Credit Risk Committee meets regularly to set and monitor prudent exposure limits and the Investment department tracks counterparty exposure using external data, such as ratings published by specialised agencies, and an internal model. A monthly counterparty exposure report is submitted to the Credit Risk Committee.

The ongoing sovereign debt crisis has heightened uncertainty over the ability of sovereign issuers to service their debt (particularly Greece, Italy, Portugal, Spain and Ireland) and the Group is exposed to this risk through its investments. The deterioration in the economic outlook in these countries can also have a negative impact on the business of its local subsidiaries. Close attention is paid to these risks in the form of tighter monitoring of the economic performance of European countries and the Group is pursuing an active policy of reducing its long-term exposure to the sovereigns, banks and companies with the poorest credit ratings. The control mechanism, further reinforced in 2013, involves:

- analysing macroeconomic indicators for the countries concerned
- stress testing using scenarios validated by the Strategic Allocation Committee and updated on a regular basis
- splitting the Group's sovereign debt and banking sector risk exposure into exposure on proprietary trading and exposure on insurance business (where the Group's net exposure must factor in the impact on policyholder bonus policy and on assumptions concerning policyholder behaviour)
- factoring the difficulties currently being experienced by Cypriot, Italian and Spanish sovereign issuers into development prospects for the subsidiaries that do business in these countries.

In 2013, CNP Assurances reduced its exposure to sovereign debt issued by Southern European governments, especially its exposure to long-dated bonds. The Group also reacted quickly in the wake of the Cypriot crisis to reduce its exposure to sovereign debt as well as to the banking sector of this country.

- Credit risks specific to certain asset categories

CNP Assurances has for many years followed a conservative investment policy on structured credit investments and asset-backed securities. The limits for each category are regularly reviewed.

Risks relating to volatility in financial markets

- Asset/liability mismatch on traditional savings products

Mismatches between investments and liabilities generate a risk of shortfall between actual returns on assets and guaranteed or expected payments to policyholders. This risk arises notably due to significant, sharp changes in interest rates or a slump in the equity markets and the Group may have to draw on the policyholders' surplus reserve or reduce margins in order to continue paying policyholders a competitive return on their policy. To gauge its exposure, CNP Assurances uses software to simulate changes in assets and liabilities based on different market conditions, especially covering:

- the impacts on portfolio values and the solvency ratio (Solvency II) under different macroeconomic scenarios and analyses of sensitivity to key financial risk factors, especially a sharp increase or prolonged decline in interest rates
- various assumptions concerning strategic priorities (investment policy, profit-taking strategy, policyholder bonus policy, etc.) and policyholder behaviour (new contracts taken out, top-up premiums, surrenders, transfers, etc.).

- Interest rate risk

Life insurance companies have to monitor interest rate risk very closely. A sharp and sustained rise in interest rates after a long period of low rates could adversely affect margins and increase policy surrender rates. The Group must ensure it covers this risk through its asset allocation policy by limiting maturities for fixed rate securities or favouring variable rate securities. In recent years greater use has also been made of hedges through derivatives, caps and swaps. Furthermore the quality of the relationship with policyholders helps minimise policy surrender rates.

The Group must also manage the risk of a fall in interest rates or a sustained period of low interest rates by matching liabilities with a guaranteed rate of return to fixed-income investments with similar maturities and by reducing average yield guarantees. For example, customers are offered a minimum guaranteed yield that is reset on an annual basis instead of a yield guaranteed over the life of the policy or over its first few years.

- Risks relating to downturns and volatility in equity markets

Market trends have a direct effect on the performance of the share portfolios held by insurance companies. From the Group's perspective, a sharp downturn in equity markets would be made much worse by a concomitant rise in interest rates.

In 2013, CNP Assurances restructured its equity portfolio sector allocation after having reduced its overall equity market exposure in 2012 by selling off securities from own funds portfolios in order to get back to a target allocation.

Moreover, certain unit-linked policies issued by the Group offer minimum guarantees where the policyholders bear the investment risk but are protected against excessive falls in equity prices. CNP Assurances hedges this risk using options or reinsurance protection.

- Property and infrastructure risk exposure

Only a small portion of the Group's assets are invested in property, however based on medium-term forecasts of inflation and the advantages of holding this category of assets under Solvency II, the Group has undertaken a new programme of property investments since 2010. The Group also diversified its investment strategy in 2013 and began to acquire direct stakes in infrastructure projects through specialised funds.

- Currency risk exposure

CNP Assurances' currency risk exposure arises on:

- assets with US dollar and sterling exposure, and liabilities denominated in currencies other than the euro. This exposure is limited by the absence of insurance operations denominated in major foreign currencies as well as the fact that most portfolios are invested in euro-denominated securities. Some of these securities, particularly unlisted funds and investments, are hedged against currency risk.

  Thanks to the Palladio system which went live in 2013, assets denominated in foreign currencies and currency hedges on the books of French entities may now be tracked on a daily basis. In 2014, automatic tracking will be extended to indirect exposures as part of a project to provide enhanced transparency over investments in mutual funds
- borrowings denominated in foreign currencies: once they are classified as debt under IFRS, currency exposure on such borrowings may be hedged either by natural hedging, *i.e.*, by investing the corresponding funds in assets denominated in the same currency, or by contracting cross-currency swaps
- net investments in foreign operations, particularly in Brazil: the Board of CNP focused particularly closely on this risk during the year. It can potentially affect the historical cost of the investment or future contributions to Group earnings and this risk is partially hedged for the estimated amount of the Brazilian subsidiary's annual contribution to consolidated profit or loss.

In 2013, internal audit conducted a specific engagement that focused on currency risk management and most of its recommendations have already been taken on board by the operational departments concerned.

Insurance risks

The procedures implemented to price and assess insurance risks, determine the amount of related technical reserves and track the profitability of In-Force business, are documented under the procedures for managing insurance risks approved by the Executive Committee.

These risks are mostly addressed in a strategic decision-making framework and tracked by subsidiary and branch Technical Risks and Commitments Committees. The following subjects, amongst others, were dealt with during 2013: analysis of different portfolios, the impact of the national inter-professional agreement on Company-wide personal risk contracts, euro-croissance life insurance policies, the insurance risk part of the ORSA assessment, and underwriting guidelines for 2014. A summary of the work of the subsidiary committees was also discussed and a summary of the work of the Group Committee was presented to the Audit and Risk Committee.

In 2013, the key insurance risks were documented in analytical sheets and the risk mapping process was rounded out with a qualitative ex ante review. Moreover, the process of designing a partial internal model for calculating economic capital was used to heighten awareness of the related risks and how to manage them.

Embedded Value and the value of new business are calculated for CNP Assurances and each of its subsidiaries. These calculations are reviewed by a qualified independent actuary at each period-end and are disclosed in the annual and interim reports. Analyses conducted in 2013 were used to recast the methodology for determining certain assumptions used in Solvency II-compliant projections and improvements to existing indicators gave an enhanced understanding of sources of value creation.

The Group's reinsurance programmes round out our insurance risk management procedures. The programmes cover both outward and inward reinsurance written for provident institutions and subsidiaries. The Technical Affairs department is responsible for keeping the reinsurance risk map up to date. The documentation of underwriting and reinsurance policy for the subsidiaries enhanced the reliability of the risk maps for existing reinsurance treaties.

Operational risks

In 2013, the focus was on formally documenting the Group's operational risk profile, continuing to gather information on operational incidents and searching for new incident identification software to be deployed in 2014. Work was also carried out on developing a subcontracting risk management system as this has been highlighted as a key risk by the Group.

The practicality and effectiveness of the Business Contingency Plan (BCP) – organised from the Company Secretary's office – and the IT security plan were tested through emergency drills. The BCP involves mapping critical activities, assessing the resources needed to permit business to resume and organising a crisis management structure comprising several units with specific tasks. It had to be activated during the year to deal with actual incidents. Similar plans are gradually being deployed in all of the international subsidiaries. In 2014, critical applications will be highlighted and incorporated into an IT back-up plan.

Legal and money-laundering risks
The Group is faced with multiple and complex sets of legislation and regulations:

- the Underwriting and Insurance Law department assists the various different departments involved over an insurance policy's life cycle
- the Legal and Corporate department – which is part of the Company Secretary's office – manages the risks related to the corporate life of the Group's French entities and contracts outside of the core insurance business
- the Data Protection Officer – who is also part of the Company Secretary's office – keeps tabs on the Company's compliance with legal obligations and handles policyholder queries.

Measures to combat money laundering and verify the legality of the financial flows of CNP Assurances, adapted to the provisions of the Third EU directive to combat money laundering of 2011 have now been deployed in all of the Group's subsidiaries. In the international subsidiaries they are applied alongside local regulations. In 2014, CNP Assurances will bring its anti-money laundering arsenal into line with the recommendations of the ACPR: employee training modules will be brought up to date and the Group will liaise with its partners to strengthen existing know-your-customer procedures. Checks will focus on the main risks identified over the past few years.

The Group has already made concerted efforts to trace the beneficiaries of unclaimed settlements, starting with the largest pay outs and these procedures were further reinforced in 2013. Once the beneficiaries have been identified, pay outs are subject to the same administrative requirements as for other policies, *i.e.*, supporting documents, checks, tax returns, etc.

Risk of fraud
Combating the risk of fraud is an integral part of the risk management mechanism and is covered by second-tier controls at operational department level. The work already carried out involves assessing the control environment, defining sensitive areas and identifying incompatible functions and devising scenarios. It also involves fostering awareness of the related issues among employees and close tracking of attempted and actual cases of fraud.

a) Ongoing steering of the risk management system

The objective of the "Enterprise Risk Management" (ERM)[1] project is to improve the organisation of the existing risk management system, to rally employees around a common approach to key risks and to supplement the risk management process in some areas. It is part of the drive to comply with the future requirements of Solvency II, Pillar 2 and aims to cover all risks throughout the Group by leveraging existing risk maps. The application currently being deployed will be used to define a uniform vision of financial, insurance and operational risks and to track actual versus budget risk expenditure on a regular basis.

The Company also performs simulations of the potential consequences of different scenarios on the Company's financial strength and flexibility. These forecasts form the basis of action plans drawn up to counter such occurrences and the findings are presented to the Audit and Risk Committee and the Board of Directors. As part of its ORSA assessment, CNP Assurances stress tests the solvency ratio in relation to the key insurance, financial and operational risks.

b) Financial and accounting communication and information

With help from other departments, the Analysts and Shareholders Relations unit produces the financial information which is circulated to the market – analysts and investors as well as private shareholders. Through their contributions and reviews the departments concerned help this unit to ensure that risks of material error or the release of erroneous information are avoided, that communication is timely and that there are no breaches of confidentiality or infringements of equality between shareholders.

INTERNAL CONTROL SYSTEM

1 Objective

The internal control system is designed to ensure compliance with laws and regulations, the application of instructions and guidelines set by the Executive Management, the proper functioning of the Company's internal processes and compliance with its strategic and efficiency-related objectives, and the reliability of financial information.

2 Components of internal control

a) Organisational framework

Coordination of the internal control function and compliance under Solvency II has been entrusted to the Risk and Solvency department. Within this department, the internal control unit is tasked with identifying and inspecting the operational control systems deemed significant. Approximately 20 people work in the unit (assisted by a dedicated team of IT specialists for all IT-related risks) and another six people work on monitoring compliance with laws and regulations. Assessments of control processes and action plans are presented to the Executive Committee.

The scope of internal control assessment covers all the processes on which a financial crisis can have an impact, namely 27 processes, including processes to safeguard the integrity of financial and management information. It now covers 2,419 controls, 1,302 of which are considered key controls in managing risks which are critical or high, or several moderate risks combined. Several departments have begun streamlining the number of controls set up initially by focusing on the effectiveness of controls and their value in terms of feedback.

(1) Enterprise Risk Management

b) Process-linked controls

The internal control system is structured by linking controls to the business processes and cross-departmental processes.

Controls geared to the challenges represented by core business processes

Product development and distribution

The life insurance business involves operational, legal and reputational risks. Risks emerge as soon as a product is developed and the related contractual documents are drafted, but they also concern the way that the product is presented to the public (*i.e.*, in terms of the advice and information given to prospective policyholders). Risks can also arise in response to a new legal precedent or a change in regulations.

In response to these challenges, CNP Assurances has established procedures for keeping tabs on changes in regulation and legal precedent, and adapting policy terms and conditions and management practices in consequence. The Underwriting and Insurance Law department was created to anticipate and manage the risks arising out of continually changing regulations – that can be complicated and difficult to interpret – as well as updates to case law. It has analysed in particular the consequences of the national inter-professional agreement that extends the principle of portability of employee pension rights and generalises mandatory top-up health and personal risk insurance coverage. More and more administrative transactions may now be carried out on a dedicated internet site and the Group is careful to strike a balance between the flexibility provided by these new applications – and sought by policyholders – and containing the legal risk arising from documenting advice and commitments.

Conscious of the risk of loss of identity of an insurance policy, the Company pays special attention to civil status and tax treatment. Any loosening of the legal guidelines applicable to insurance policies could be a major source of confusion.

CNP Assurances seeks to continually improve the legal soundness as well as the clarity of all customer documentation, be it contractual or promotional. This approach includes a systematic validation by the Group's Legal and Compliance departments of new product services as well as monitoring of claims against existing products. A new monitoring system was deployed in early 2013 in order to comply with the recommendations of the ACPR in this area.

The agreements governing the ties between CNP Assurances and its partners define the roles and responsibilities of each party, especially in the area of information and advice. They represent a key component in our control environment.

Policy administration

The administration of insurance policies is the bedrock of the Group's business model. Hence, this activity calls for special care and attention. Procedures in this area must therefore help to smooth the workings of internal processes and guarantee quality customer service. These operations are also key to achieving the Group's strategic and efficiency-related objectives. As part of the reorganisation, cost centres will be attached to business units based on their main business to boost cooperation between different teams and pooling of best practices, while leveraging the support of central teams to maintain the consistency of shared processes and controls.

In individual insurance, the main policy administration risks arise from the wide-ranging products offered and the massive volumes of transactions processed. Risk management relies on a "quality approach" drawn up in tandem with distributors for the purpose of optimising administrative processes such as admission to insurance schemes, payment of claims and benefits, and policyholder information. Handling operations efficiently is at the heart of CNP Assurances' partnership approach with its distributors.

In addition to monitoring by regular indicators, controls in this area include:

- the signature of service agreements with the partner networks
- performance controls on the administrative side based on shared procedures and systems, together with quality and efficiency standards
- compliance checks on validations performed when making secure payments
- monitoring the quality of service, policy administration, investment performance, information systems and new products *via* special committees.

In 2013, all departments directly involved in policy administration deployed projects to enhance the quality – and the perceived quality – of services provided to policyholders and the Group's partners. Most of these projects involved working more closely and in a more integrated manner with the partners. The processes and systems performance project, for example, will mean improving response times and enhancing the consistency and security of the service provided. The project to enhance exchanges with policyholders and management processes will focus on dematerialisation of documents and greater use of e-mail as well as deployment of a new management system. It aims to boost the quality of the service provided together with operational efficiency and security at optimal cost.

Annual customer statements provide an excellent vector for communicating with policyholders and the fact that their content is constantly evolving makes them an even more effective resource. Certification of this process, which was renewed for another three years in 2012, enhances the security of the service. More generally, the Group has drawn up a multi-annual programme for certification of administrative transactions. In 2013, this process was consolidated with renewed certification of two processes for another three years (online customer service and CNP Trésor network management) and two newly-certified processes (policyholder payments and processing in all networks).

Group policies cover essentially the same types of guarantees as individual policies and the inherent administrative risks are therefore the same. However, Group policies also give rise to specific risks due to the delegation of decision-making given to CNP Assurances' partners.

Mechanisms have been set up to manage delegation-linked risks, including:

- defining their responsibilities and level of service commitment through delegations of authority
- securing service channels
- indicators for the purpose of monitoring business and technical balance developments and analysis by risk and by referral agent
- providing training to raise awareness among the partners of the Group's aims and objectives
- multi-annual audits designed around risk, followed up with improvement action plans.

These processes are reviewed on a regular basis in light of regulatory developments, contractual modifications and the experiences of our partners.

CNP Assurances has also deployed internal procedures designed to ensure quality service, control claims processing and secure financial flows. ISO 9001 certification for Term Creditor Insurance was renewed in 2012, before being subject to a follow-up audit in 2013 which it came through in flying colours.

Investment management

The control system for managing investment portfolios is based on the following:

- guidelines adopted annually by the Strategic Allocation Committee and updated as necessary during the year
- breaking down these guidelines into investment strategies based on asset/liability studies and the objectives of policyholder dividend policies
- monitoring of compliance with instructions given to investment brokers and investment limits
- strict control of positions *via* an information system on securities which facilitates the control of financial flows as well as monitoring equity and IFRS income exposure to market fluctuations
- verification of compliance with individual portfolio asset allocations and the exposure limits by issuer or counterparty set by the CNP Assurances Credit Risk Committee
- transactions using financial futures must comply with the risk-hedging strategies approved annually by the Board of Directors and managed and monitored by a dedicated unit.

Great strides were made by the Palladio system during the year, enabling financial information to be produced under a number of different accounting standards. This system streamlines and automates investment operations and provides more comprehensive and more frequent controls of financial positions and projections prepared according to different accounting standards (French Gaap, IFRS, Solvency II).

Finally, it should be noted that the Group's investment policy must be presented to the Audit and Risk Committee and approved by the Board of Directors.

Control of cross-departmental functions

Management accounting and oversight

Management accounting and oversight activities are structured around four aspects: producing indicators, analysing performance, strategic planning, preparing and monitoring budgets. The Planning and Performance department ensures that these processes are reliable and helps to improve the quality of the information communicated internally and used to underpin decision-making.

The information submitted to Executive Management and to the Board of Directors comprises regular dashboards that present key indicators and comparative trends both for the Group and the market. They are used as a starting point for more in-depth analyses of business performances in each Group entity. These performance reviews continued in 2013, and included changing business trends in each entity, their business model and sources of value creation, with a special focus on risk-based management. Earnings, value and capital-related indicators were enhanced, particularly in relation to the ORSA assessment and the value of new business. Management and accounting indicators have been aligned and are now part of shared performance indicators. Faster reporting and enhanced reliability of financial information is also a priority. Employee benefits expense – which accounts for half of total administrative costs – have been tracked closely both in terms of total payroll and headcount. In 2014, the focus will be on adapting and enhancing dashboards in phase with the reorganisation of the business units into which all of the entities will be incorporated. The Planning and Performance department will continue the work of optimising cost allocation for reporting purposes and disseminating management accounting practices throughout the Group.

Planning involves developing, through detailed projections, the medium-term strategic priorities proposed by the Executive Committee and approved by the Board. For example, for a number of years, the Planning and Performance department has been coordinating simulation work on the Group's capabilities to cope with various stress scenarios.

The Planning and Performance department coordinates budget preparation and control. In this context, it ensures that the Eficio cost control programme is working effectively – initial targets for the 2010-2014 period have been exceeded. Outstanding Eficio projects are currently being incorporated into new strategically important projects.

Monitoring international operations

The International Operations department oversees the decisions taken by the governing bodies of the international subsidiaries and handles relations with the shareholders of our partners.

The control environment of these entities is based on the regulations and governance principles applicable in each host country and on the Group's majority representation on the Boards of Directors or Supervisory Boards of the foreign subsidiaries.

In 2013, the International Operations department helped set up a crisis management unit that leveraged expertise throughout the Group and deployed a global risk management strategy to contain the media, financial, accounting, labour-related and legal risks of the Cypriot crisis. It analysed the impacts of transferring the activities of its partner to another bank – Bank of Cyprus – which already marketed insurance products. The ongoing initiatives to combat money-laundering in this country were also stepped up.

In 2014, the international partnership function will step up its efforts to prepare and monitor implementation of decisions taken by the Boards of the international subsidiaries to support the Group's strategic priorities and interests. Moreover, as part of the reorganisation into business units, each central function will be tasked with rolling the procedures and standards specific to their own environment out to the international subsidiaries.

Human Resources management

The quality and sustainability of the Group's development require varied sets of skills, adapted to its business model requirements and to the transformations taking place in the Group itself. The Human Resources department, in conjunction with the Executive Committee, ensures that all the risks in this area are controlled, in order to meet the following objectives:

- compliance with labour regulations and best practices and maintaining quality dialogue with employees. In 2013 agreements were signed relating to profit-sharing and an exceptional payout under the statutory/discretionary employee profit-sharing schemes. Negotiations began on an intergenerational action plan and the way forward for employee pension plans. The Works Council has been regularly consulted in relation to the ongoing reorganisation of the Group
- a committed social responsibility policy, in line with the Group's values and recognised by the Diversity Label, including clear policies to combat all forms of discrimination and promote diversity
- consistency with the needs of the business focusing on tighter cost control. In 2013, talks began on manpower and skills planning to be accompanied by sustained investment in employee training
- active participation in risk management and internal control mechanisms by devising training modules that forge a common approach to key risks and facilitate exchanges with management around these themes
- involvement of the hierarchical structure in the people issues within the Company and in the prevention of psychosocial risks.

Programme and information systems management

Information systems play a crucial role in all of the Group's operations. The role of the Programmes, Organisation and Systems department (POSD) is to optimise the information systems' contribution to the Group's strategy, to ensure the security and continuity of operations and to guarantee the quality of service and computer applications. It strives to develop core competencies in-house and to exercise careful control over outsourcing.

The control systems in place provide reasonable assurance concerning the reliability of applications, the quality of data and the protection of sensitive data. The POSD focuses primarily on changes in behaviour related to the boom in new technologies and the development of operations that can be performed on smartphones, paperless operations and the analysis of big data, IT networks and cloud computing as well as the use of social networks. It promotes innovation on the "front line" as well as striving to optimise costs and quality. However, as systems become more open, the POSD is also increasingly concerned with securing system operations, protecting data integrity and managing IT security. A programme to improve IT system security is currently in progress covering the period 2012-2014. It covers quantification of the most sensitive data, de-identification of individual data in non-production environments and the production and implementation of access controls.

Best IT security practices were circulated in 2013 and the IT back-up plan is tested for effectiveness on a regular basis. A department is also tasked with continually improving project management internal control through regular operations designed to keep risks up to date and to rationalise controls. In 2014, the emphasis will be on circulating new security benchmarks, keeping employees aware of IT security issues and boosting mechanisms to prevent cyber-attacks.

In addition, POSD is managing the Group's Finance programme to adapt to the new accounting and regulatory standards. Within the programme there are three computer system projects which have a major impact on internal control: replacing the accounting application in France, the redesign of the Group asset management application and the development of the modelling and simulation tool. Considerable strides were made in 2013 and work will continue apace in 2014. The liability accounting system will go live, the asset management application will begin to feed directly into the accounting system and various applications will be taken down. This work is rounded out by projects focusing on data quality (see below) and reorganising the processes used to produce financial and prudential statements. A programme has also been launched to significantly improve the insurance platform based around the four strategic imperatives of business development, service quality, compliance and efficiency.

POSD has adopted a documented approach to improve the project management process. A special committee validates POSD's input and attempts to reconcile the proposed solution to the needs of all stakeholders in terms of preferred architecture, security, production, risk management and investments.

Data quality

A data quality project is currently in progress. It is being organised directly by the CEO's office and focuses on enhanced accuracy and control of data used, especially for tracking risks and preparing financial and prudential statements. The project will help the Group meet the requirements of Solvency II and notably the use of a partial internal model for calculating economic capital.

It covers the following aspects: identifying main data quality deficiencies, preparing a data dictionary and quality guidelines, setting up a centralized data warehouse, designating data owners, traceability and re-urbanisation of information systems, automated transmission of partner data flows and quality control at source. In 2013, automated transmission of partner data flows for Group insurance, personal risk and term creditor insurance was put on an operational footing, thus enhancing the quality of incoming data.

Control over outsourcing

The Subcontracting-related Risk Committee is in charge of managing these types of risks and it is coordinated by the Risk Management & Compliance department in liaison with the Company Secretary's office (Legal and Corporate department and Purchasing department). In 2013, the Committee looked at indicators used to track the different risks and the related action plans and the Group's sub-contracting policy will be finalised in 2014.

3 Steering the internal control system and regular review of its workings

CNP Assurances has chosen to set up a system of internal control self-assessments based around the five components of the common risk management framework. Controls covering a moderate risk are tested once every two years while those covering a high risk are tested annually. Controls covering four moderate risks are also tested annually using self-assessments. This procedure, which involves all our staff, provides an assessment of the reliability of our controls. The line managers' direct superiors validate the assessments and, whenever necessary, suggest improvements.

Key controls that are deemed to be insufficient systematically give rise to short-term action plans and specific monitoring procedures. Controls that are deemed to be satisfactory are tested by the internal control unit based on a random sample representing at least 10% of controls in order to validate the reliability of the self-assessments. 180 tests performed in 2013 for the purpose of certifying the self-assessment process mostly focused on key controls and results were satisfactory for the bulk of the processes tested. However reduced effectiveness was identified in two processes that had been recently recast. Furthermore, specific tests are used to check the suitability of self-assessments by gauging their reliability and the level of risk coverage. Findings from these assessments are then shared with the line managers and relevant members of the Executive Committee. Action plans are put in place to address the identified weaknesses. In 2014, the focus will be on cross-departmental controls on policyholder protection in line with the recommendations of the ACPR, and on data quality controls and ensuring continuity in existing controls in the new organisation.

4 Procedures contributing to the preparation of financial and accounting information

a) Assessment of underwriting results

The Technical Affairs department has been entrusted with the actuarial function required under Solvency II. Its activities include *inter alia* assessing the Group's underwriting indicators from their different angles (value creation, technical reserves, capital requirements for insurance risks) and forecasting underwriting results.

This department also has a separate Group Technical Standards and Synthesis department which establishes the technical standards regarding the technical reserves and the MCEV®[1] and prepares the syntheses and analysis reports required by the Technical Affairs department. It has also pursued the Group's work on the modelling tool for calculating underwriting commitments in the new environment related to the implementation of Solvency II. The technical reserves report prepared in anticipation of future regulatory requirements provides an overview of the Group's commitments.

b) Control of management tools and process development

The developments in tools and processes form part of the Finance programme described above. This covers key challenges such as reducing reporting deadlines and integrating new standards. It will generate automatic reconciliations of financial information when prepared under current and future standards (IFRS, Solvency II, MCEV®, etc.). There were major changes in 2013 to the Group's consolidation application and processes, the general accounting system and the subsidiary accounting system used for investments. However a secure transition was ensured by the Group's organisation structure.

c) Accounting and preparation of financial statements

Controls over the accounts closing process include:

- a well-documented accounts closing process and governance procedures based around committees meeting on a regular basis (every week during closing and every two weeks between two closings) for the purpose of organising the closings, tracking progress and devising remedial actions in the event of problems
- first-tier controls performed by the teams in charge of preparing the financial statements, rounded out by detailed notes to the accounts (*e.g.*, review of results by business)
- second-tier controls performed by the team in charge of analyses and controls in the Group Accounting department. These controls include period-on-period analytical reviews and reconciliations of actual to forecast figures, and were stepped up in 2013 with the creation of a unit to review financial statements

(1) Market Consistent Embedded Value

- close involvement of the Accounting and Tax department in internal control campaigns.

In the case of consolidated financial statements, these controls are rounded out by instructions sent to the subsidiaries before each accounts closing, checks on the consolidation packages received (automatic controls and checks performed by the Group Accounting department) and frequent exchanges between the accounting teams and local Auditors.

Steps taken in recent years to improve these control processes aim to adapt them to the key risks identified at each accounts closing.

d) Identification of publication requirements

Three departments, each with its own specific skills, are involved in identifying and producing information for the markets: the Analyst and Shareholder Relations unit, the Accounting and Tax department, and the Legal and Corporate department. In 2013, responsibility for financial reporting regulatory compliance was entrusted to a person from the Legal and Corporate department.

INTERNAL AUDIT

The final level of control is provided by the Internal Audit department. This department assesses the relevance and durability of the Group's general control system. 30 people work for the Internal Audit department.

The annual audit plan is designed to cover all the significant risks within a five-year period, or more often if necessary. It is drawn up on the basis of the findings of the Risk Management & Compliance department based on the internal control assessment and the interviews conducted with the bodies in charge of risk management and the other key functions of Solvency II (risk management and the actuarial function) and the Statutory Auditors. The audit plan should reflect regulatory changes and the recommendations of the ACPR as well as requests from the Group's partners concerning joint processes and any requests for assistance from the international subsidiaries. The plan is submitted to the Executive Committee and validated by the Audit and Risk Committee. Internal Audit can also be called on to conduct engagements not initially included in the plan, in response to an emergency situation on a specific subject.

In 2013, Internal Audit performed 17 engagements covering the following areas: four in strategy and governance; three in regulations and compliance; three in technical issues, finance and accounting; and seven in operations and IT systems. It also conducted a one-off mission concerning the Group's business in Cyprus. It also conducted a preliminary review of the Group's internal model mainly for the purpose of reviewing compliance with documentation requirements based on historical data, identifying potential sticking points and preparing the validation review. Certification of the Group's internal audit function was renewed by IFACI an 2013.

On the basis of the engagements targeted, the department assesses the format and effectiveness of the internal control and risk management processes. It makes recommendations to improve the quality of its methodology and makes sure that it is applied accordingly. The assessment is rounded out by regular audits of key governance functions within the meaning of Solvency II. These kicked off in 2013 with an audit of the Technical Affairs department and audits to other key functions are scheduled for 2014.

CONCLUSION

CNP Assurances' priority is to constantly improve the quality of service provided to policyholders as well as the overall quality of internal control and risk management in liaison with its network of partners. The reorganisation into business units planned for 2014 will give a clearer overview and provide closer oversight of each business that sustains the Group business model. The Group is striving to capitalise on the strengths of the old system and leverage the new organisation and greater accountability in the business units to drive risk management and control forward. Policyholders should reap the benefits in terms of better quality service and faster response times. This improvement drive covers the risks inherent to bancassurance as well as those related more specifically to the current crisis. The Group plans to adapt its risk assessment and control processes to changes in its business environment and new risks identified.

As with any risk management and internal control system, CNP Assurances' system cannot provide absolute assurance against possible weaknesses. Nevertheless, the Group considers that it is well adapted to its business model and that it provides reasonable assurance that the process will enable the Company to fulfil these objectives in a satisfactory manner.

STATUTORY AUDITORS' COMMENTS

The Statutory Auditors have not informed the Company of any material internal control weaknesses identified during their audit.

5.2 GOVERNANCE STRUCTURE

CNP Assurances' governance structure, the organisation of its governing bodies and their skills, are largely governed by the Company's Articles of Association and the internal rules of the Board of Directors. The first section of the Chairman's report, which is appended to the management report, is largely devoted to describing CNP Assurances' governance structure and the practices of its management and control bodies.

Besides the legal and regulatory standards that apply due to its status as a listed insurance company, CNP Assurances strives to apply the recommendations outlined in the AFEP-MEDEF Corporate Governance Code adopted by the AMF. Any discrepancies with this code and the reasons therefor are set out in the Chairman's report in accordance with the "comply or explain" principle laid down in Article L.225-37 of the French Commercial Code (*Code de commerce*).

5.2.1 Breakdown of skills and responsibilities

Under the one-tier board system adopted by CNP Assurances the powers are divided between the Board of Directors, responsible for overseeing management and setting the strategic priorities, and Executive Management, represented by an executive body that ensures the Company's day-to-day management.

The Board of Directors is responsible for managing the Company. Accordingly, it develops strategy, determines overall business policies, signs off on CNP Assurances' annual financial statements and forecast budget and may handle all issues related to the efficient running of the Company.

The Chief Executive Officer proposes the strategy of the Company and the Group to the Board, and then implements it. More than just a supervisory body, the Board is a genuine partner to Executive Management, with which it exchanges views on the actual implementation of these strategic priorities.

In this regard, the Board of Directors has conferred upon the Chief Executive Officer all the necessary powers to run the Company, leaving him free to act in the Company's interests within the scope of the Company's corporate purpose and the annual budget as determined by the Board of Directors. The Board of Directors also frequently delegates all or part of its powers to the Chief Executive Officer for the performance of its own decisions and those of the General Meeting.

However, the Board of Directors must ensure that the Chief Executive Officer performs his activities within a decision-making framework enabling the sustainable performance of the Company and the Group.

Therefore, before any management decision is made, certain strategic transactions must be submitted for prior review to the Board of Directors. The internal rules provide that the Chief Executive Officer may only make certain important decisions subject to authorisation by the Board. These limitations of powers are detailed below (see section 5.2.4.).

5.2.2 Separation of the positions of Chairman and Chief Executive Officer

In 2007, CNP Assurances chose to separate the role of Chairman of the Board of Directors from that of Chief Executive Officer in accordance with one of the recommendations of the AFEP-MEDEF Code, which distinguishes the strategic, decision-making and supervisory roles from the operating and executive functions.

In accordance with the converging recommendations of the AFEP-MEDEF Code and the AMF, which stipulates that companies having opted for such separation must describe the Chairman's duties in detail, the internal rules of the Board give a detailed account of the duties of the Chairman, which do not exclusively relate to the operation and functioning of the Board. Particular mention is given to the duties entrusted to the Chairman for the purposes of representing the Company in its corporate relations, notably with its major partners or public authorities, at national or international level.

The Board's decision-making methods implement structured and documented procedures.

The Deputy Chief Executive Officers and the operational or functional managers of the Company's key functions are regularly invited to attend Board meetings to enable the Board to assess the risks, responsibilities and challenges associated with such roles.

The Chairman ensures that the Board members respect the roles and prerogatives of management. He is also committed to ensuring that the directors remain vigilant as regards the impact of the Board's decisions on the Company's medium- to long-term growth.

To ensure Board continuity, while encouraging the transmission of knowledge and experience to new directors, in June 2012 the Company amended its Articles of Association to allow directors to be reappointed on a rotation basis with a view to gradually renewing the entire Board every five years. This period is to be gradually reduced to four years after the General Meeting of 6 May 2014.

5.2.3 Executive Management procedures

The Chief Executive Officer set up an Executive Committee to carry out the Group's operational management and implement the strategy decided by the Board of Directors. As of 31 December 2013, the Executive Committee comprises the Company's two Deputy Chief Executive Officers and ten other senior executives, including five women.

The Committee meets regularly and, as well as acting in a strategic planning role, it coordinates and shares Group-level initiatives and monitors cross-functional projects. It combines a very broad range of managerial and operational skills within an internal structure.

The Executive Committee also oversees the consistency of action plans implemented by the operating units and subsidiaries, and makes suggestions to the Chief Executive Officer concerning any necessary trade-offs between conflicting priorities. It monitors the Group's results and financial ratios and reviews the action plans to be implemented by the Group. It focuses more particularly on ensuring the efficiency of internal control, internal audit and risk management systems, which are considered to be key drivers of good corporate governance.

5.2.4 Limitations on the powers of the Chief Executive Officer

The following decisions are subject to the prior approval of the Board of Directors:

- the issue of guarantees to secure the Company's commitments in excess of €100 million per commitment
- business acquisitions and disposals for amounts in excess of €50 million per transaction, whether they are carried out by CNP Assurances or by one of its direct or indirect subsidiaries; this threshold takes into account the price, the net debt of the target, any purchase or subscription promise provided by the Company and any off-balance sheet commitment; except for disposals of assets as part of the portfolio management process
- business acquisitions and disposals for any amounts that are not part of the strategy decided by the Board of Directors. These provisions do not apply to transactions carried out on an experimental basis.

On 19 February 2014, the Board of Directors also renewed the Chief Executive Officer's authorisations to:

- issue sureties, bonds and other guarantees in the Company's name for up to €100 million annually, or the equivalent in any foreign currency, covering the commitments of subsidiaries and other third parties in accordance with Article L.225-35, paragraph 4 of the French Commercial Code
- issue, on one or several occasions, bonds or similar securities for a maximum of €1 billion placed in France or on an international market. The securities issued under this authorisation may be dated or undated and subordinated or unsubordinated, and may pay interest at a fixed or variable rate (or any other form of remuneration)

- the Board has also authorised the Chief Executive Officer to trade in the Company's shares, pursuant to the powers of delegation granted by the Annual General Meeting. The authorisation expires at the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2014, and may not exceed a total of 18 months.

The comprehensive text on the limitations of powers and financial authorisations is available at www.cnp-finances.fr appended to the internal rules of the Board of Directors and its specialised committees.

5.3 COMPOSITION OF THE BOARD OF DIRECTORS

FUNCTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND LIST OF TERMS OF OFFICE

JEAN-PAUL FAUGÈRE

Born 12 December 1956. Nationality: French.

Graduate of *École polytechnique, Institut d'études politiques de Paris* and *École nationale d'administration.*

► BUSINESS ADDRESS:
CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

Jean-Paul Faugère has been the Chairman of the Board of Directors of CNP Assurances since 29 June 2012.

Jean-Paul Faugère was head of the Prime Minister's office from 2007 to 2012, having previously been Head of François Fillon's office (when Mr Fillon was Minister of Social Affairs, Employment and Solidarity and then Minister of National Education, Higher Education and Research) (2002–2005) and prefect for the Alsace-Bas Rhin region (2005-2007).

Prior to this, Jean-Paul Faugère held the following positions and directorships:

- Insurance commissioner and comptroller (1980-1981)
- Auditor at the *Conseil d'État* (French supreme administrative court) (1982)
- *Maître des requêtes* (Counsel) at the *Conseil d'État* (1986)
- Deputy Secretary General of the *Conseil d'État* (1986-1987)
- Technical advisor to the Office of the Ministry of Infrastructure, Housing, Territorial Development and Transport (1987-1988)
- Government representative on the Special Litigation Committee (*Assemblée du contentieux*) of the *Conseil d'État* (1988-1990)
- Advisor to the General Director (1990) and then Finance Director and Secretary General (1991-1994) of the French Atomic Energy Commission (CEA)
- Director of Civil Liberties and Legal Affairs at the Ministry of the Interior and Territorial Development (1994-1997)
- Prefect for Loir and Cher (1997-2001), for Vendée (2001-2001)
- And state councillor (1998)

Jean-Paul Faugère was elected to the Board of Directors by the General Meeting of 29 June 2012 for a term of five years (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*). He was appointed Chairman by the Board on the same day.

He is also a member of the Remuneration and Nominations Committee and Chairman of the Strategy Committee.

CNP Assurances shares held as of 31 December 2013: 420.

Directorships and functions

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *director*

Other directorships and functions

- Icade (SA), *director and member of the Strategy and Investment Committee (appointed with effect from December 2012)*

FRÉDÉRIC LAVENIR

Born 11 June 1960. Nationality: French.

Graduate of *HEC* and *École nationale d'administration.*

▸ BUSINESS ADDRESS:

CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

Frédéric Lavenir has been Chief Executive Officer of CNP Assurances since 26 September 2012.

Frédéric Lavenir began his career at the French Inspectorate of Finance in 1986. In 1991, he joined the French Treasury where, in 1992, he was appointed Director of the Insurance Company Office. In 1995, he was appointed Secretary General of the Inter-Ministerial Committee for Industrial Restructuring (CIRI).

He served as Deputy Director of the Office of the Ministry of the Economy, Finance and Industry from 1997 to 2000.

He joined BNP Paribas in 2001, initially as Chief Executive Officer and then as Chairman and Chief Executive Officer of BNP Paribas Lease Group, the business model of which is based on a partnership with distribution networks. From 2007 to end-September 2012 he was Head of Human Resources and a member of the Executive Committee of BNP Paribas group.

Frédéric Lavenir was elected to the Board of Directors by the General Meeting of 25 April 2013, for a term of four years (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*).

CNP Assurances shares held as of 31 December 2013: 2,000.

Directorships and functions(1)

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *director*

Other directorships and functions

- Caisse des Dépôts, *member of the General Management Committee of the Group*
- Deputy Chairman of French not-for-profit micro-finance association ADIE since 1996

JEAN-PIERRE JOUYET

Born 13 February 1954. Nationality: French.

Graduate of *École nationale d'administration*, post-graduate degree in public law.

▸ BUSINESS ADDRESS:

Caisse des Dépôts, 56 rue de Lille, 75007 Paris, France.

Jean-Pierre Jouyet has been a representative of Caisse des Dépôts on the Board of Directors of CNP Assurances since 18 December 2013.

Caisse des Dépôts was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

CNP Assurances shares held as of 31 March 2014: 200.

Directorships and functions

- Caisse des Dépôts, *Chief Executive Officer*
- BPI Groupe (Banque Publique d'Investissement Groupe) (SA), *Chairman of the Board of Directors*
- Fonds de réserve des retraites (FRR) (public institution), *Chairman of the Executive Board*
- La Poste (SA), *representative of Caisse des Dépôts, director and member of the Remuneration and Nominations Committee*

Directorships and functions held in the period 2008 to 2012

- AMF, *Chairman (term expired July 2012)*
- SNI (SA), *Chairman of the Supervisory Board (term expired December 2012)*

(1) All directorships and functions relate to non-listed companies

VIRGINIE CHAPRON DU JEU

Born 13 October 1961. Nationality: French.

Graduate of *Institut d'études politiques de Paris*, postgraduate degree in foreign trade from Paris IX-Dauphine University, Master's degree in financial management/management control from Paris IX-Dauphine University.

▸ BUSINESS ADDRESS:
Caisse des Dépôts, 12, avenue Pierre-Mendès-France, 75914 Paris Cedex 13, France.

Virginie Chapron du Jeu was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*).

Member of the Company's Audit and Risk Committee between 29 June 2012 and 25 April 2013.

CNP Assurances shares held as of 31 December 2013: 200.

Directorships and functions

- Caisse des Dépôts, *Head of investments and accounting in the Pension and Solidarity department since end-February 2013*
- AEW Europe (SA), *representative of Caisse des Dépôts*, *director*
- CDC Placement (SA), *director*

Directorships and functions held in the period 2008 to 2012

- Caisse des Dépôts, *Project Executive reporting to the Deputy CEO of Caisse des Dépôts (October 2011 to February 2013)*

ANNE-SOPHIE GRAVE

Born 6 February 1960. Nationality: French.

Graduate of *École nationale supérieure des mines de Paris (Mines Paris Tech).*

▸ BUSINESS ADDRESS:
Caisse des Dépôts, 12, avenue Pierre-Mendès-France, 75914 Paris Cedex 13, France.

After serving as representative of Caisse des Dépôts from 23 March 2012, Anne-Sophie Grave was co-opted as Director of CNP Assurances by the Board of Directors on 13 November 2012, to replace Antoine Gosset-Grainville.

The General Meeting of 25 April 2013 ratified her appointment for the remainder of her predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

Member of the Strategy Committee from 23 March 2012 to 25 September 2013.

CNP Assurances shares held as of 31 December 2013: 228.

Directorships and functions

- Caisse des Dépôts, *Pensions and Solidarity Director and member of the Executive Committees of Caisse des Dépôts* and of the Group
- AEW Europe (SA), *director* (*term expired October 2013*)
- Efidis (SA), *member of the Supervisory Board*
- *GIC (Groupement Interprofessionnel pour la Construction) (non-profit association), President*
- Informatique CDC (GIE), *director*
- Oscia (SA), *Chairman of the Board of Directors*
- SCET, *director* (*term expired October 2013*)
- SNI (SA), *member of the Supervisory Board*

Directorships and functions held in the period 2008 to 2012

- Efidis (SA), *Chairman of the Executive Board (term expired March 2011)*
- Sageco (SA), *Chairman of the Board of Directors (term expired June 2010)*
- Domefi (SA), *Chief Executive Officer (term expired March 2011)*
- Valestis (SA), *Chairman of the Board of Directors (term expired May 2011)*

OLIVIER MAREUSE

Born 24 October 1963. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

▸ BUSINESS ADDRESS:

Caisse des Dépôts, 56 rue de Lille, 75007 Paris, France.

After serving as representative of Caisse des Dépôts from 25 April 2013 in replacement of Antoine Gosset-Grainville, Olivier Mareuse was co-opted as Director of CNP Assurances by the Board of Directors on 18 December 2013, to replace André Laurent Michelson, who had resigned.

The ratification of Oliver Mareuse's appointment for the remainder of his predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*) is the subject of a draft resolution.

The shareholders are asked to appoint Olivier Mareuse as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

Olivier Mareuse was a member of the Remuneration and Nominations Committee and the Board of Directors of CNP Assurances from 25 April 2013 to 25 September 2013. He has been a member of the Audit and Risk Committee and the Strategy Committee since 25 April 2013.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

- CNP Assurances financial institutions (1988-1989)
- Technical and Financial Director of the Group Insurance division of CNP Assurances (1989-1990)
- Advisor to the Chief Executive Officer of CNP Assurances (1991-1993)
- Director of Strategy, Management Control and Shareholder Relations, responsible for the IPO of CNP Assurances (1993-1998)
- Chief Investment Officer, CNP Assurances (1998-2010)
- Deputy Finance Director of Groupe Caisse des Dépôts (October to December 2010)
- Caisse des Dépôts Group Finance Director since 15 December 2010, member of the Executive Committees of Caisse des Dépôts and of the Group

Directorships and functions

- Caisse des Dépôts, *Director of Finance of the group, member of the Executive Committees of Caisse des Dépôts and of the Group*
- AEW Europe (SA), *director*
- AF2i (French institutional investors association), *director*
- Bpifrance Investissement (SAS), *director (term expired July 2013)*
- CDC Entreprises (SAS), *director (term expired July 2013)*
- CDC Infrastructure (SA), *director*
- Icade (SA), *director, member of the Audit, Sustainable Development and Risk Committee*
- Qualium Investissement (SA), *representative of Caisse des dépôts et consignations*, *director*
- Société Forestière de la Caisse des Dépôts et consignations (SA), *director*
- Veolia Environnement (SA), *representative of Caisse des Dépôts*, *director*

Directorships and functions held in the period 2008 to 2012

- Dexia (SA), *director (term expired December 2012)*
- FSI (Fonds Stratégique d'Investissement), *representative of Caisse des Dépôts, director (term expired September 2012)*

ODILE RENAUD-BASSO

Born 2 June 1965. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

► **BUSINESS ADDRESS:**
Caisse des Dépôts, 56 rue de Lille, 75007 Paris, France.

Odile Renaud-Basso was co-opted as Director of CNP Assurances by the Board of Directors on 25 September 2013, to replace Michel Bouvard, who had resigned.

The ratification of Odile Renaud-Basso's appointment for the remainder of her predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*) is the subject of a draft resolution.

She is also a member of the Remuneration and Nominations Committee of CNP Assurances.

CNP Assurances shares held as of 31 March 2014: 200.

Career history

Odile Renaud-Basso started her career as an auditor in the French state audit office (*Cour des Comptes*) in 1990 before becoming Deputy Head of the CFA Franc zone in the Treasury department in 1994. In 1996 she then served as Secretary General of Club de Paris where she acted as Director in Charge of Debt and Credit Insurance in the Treasury department.

In 1999 she was appointed Head of Finance for SMEs, Secretary General of the Interdepartmental Committee on Industrial Restructuring in the Treasury department, before being appointed Deputy Director in charge of European and multilateral affairs in the Treasury department in 2001.

Before she was appointed Head of International Affairs in the Treasury department in 2004, Odile Renaud-Basso held the position of Head of the Economy and Finance department in 2003.

In 2005 she was appointed Director of the European Commission.

In 2010 she became Deputy Head of the Cabinet of the President of the European Council before going on to hold the position of Deputy Director of the Office of the Prime Minister in 2012.

Directorships and functions

- Caisse des Dépôts, *Deputy Chief Executive Officer and Director of the Savings Funds, member of the Executive Committees of Caisse des Dépôts and of the Group (since September 2013)*
- La Poste (SA), *director, member of the Remuneration and Nominations Committee, Audit Committee, Strategy and Investment Committee, and Quality and Development Committee*
- SNI (SA), *member of the Supervisory Board*

FRANCK SILVENT

Born 1 August 1972. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

▸ BUSINESS ADDRESS:

Caisse des Dépôts, 56 rue de Lille, 75006 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 25 April 2007, and as director since 10 July 2007, Franck Silvent's term of office was renewed for two years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*).

The shareholders are asked to appoint Franck Silvent as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

Franck Silvent is a member of the Strategy Committee of CNP Assurances.

CNP Assurances shares held as of 31 December 2013: 226.

Career history

- Finance Inspector – Ministry of the Economy and Finance (1998-2002)
- Deputy Director of Strategy, Finance, Management Control and Accounting at Caisse des Dépôts (2002-2005)
- Finance, Strategy and Development Director and Board member at Compagnie des Alpes (2005-2009)
- Deputy Delegate Director of Compagnie des Alpes (2009-2012)
- Group Strategy, Sustainable Development and Studies Director of Groupe Caisse des Dépôts, member of the Executive Committees of Caisse des Dépôts and of the Group (January 2013)

Directorships and functions

- Caisse des Dépôts, *Director of the Finance, Strategy and Investments division of Groupe Caisse des Dépôts, member of the Executive Committees of Caisse des Dépôts and of the Group (since October 2013)*
- BPIFrance Investissement (SAS), *director*
- BPIFrance Participations (SA), *director*
- BPI Groupe (Banque Publique d'Investissement Groupe) (SA), *representative of Caisse des Dépôts, director*
- Icade (SA), *director, Chairman of the Remuneration and Nominations Committee*
- La Poste (SA), *director, member of the Strategy and Investment Committee and the Quality and Development Committee*
- Lafuma (SA), *director (term expired November 2013)*
- Santoline (SAS), *member of the Supervisory Board. Member of the Audit and Strategy Committee (term expired November 2013)*
- Société du Parc du Futuroscope (SA), *member of the Supervisory Board (term expired January 2013)*
- Transdev Group (SA), *director*

Directorships and functions held in the period 2008 to 2012

- Belpark BV (Belgium), *representative of Compagnie des Alpes, director (term expired January 2009)*
- CDA Brands (SAS), *Chairman, (term expired January 2009)*
- Centrale Investissement et Loisir (CIEL) (SAS), *Chairman (term expired February 2011)*
- Compagnie des Alpes (SA), *Deputy Managing Director (term expired December 2012)*
- Compagnie des Alpes-Domaines Skiables (CDA-DS) (SAS), *Chairman of the Supervisory Board (term expired July 2008)*
- Compagnie des Alpes – Financement (CDA-FI) (SNC), *representative of Compagnie des Alpes, legal manager (term expired July 2012)*
- Compagnie Immobilière des 2 Savoie (CI2S) (SAS), *Chairman (term expired December 2012)*
- Compagnie Financière (COFILO) (SAS), *Chairman (term expired January 2009)*
- Domaine Skiable de Flaine (DSF) (SA), *member of the Supervisory Board (term expired October 2009)*
- Domaine Skiable du Giffre (SA), *member of the Supervisory Board (term expired October 2009)*
- Grévin et Compagnie (SA), *representative of Compagnie des Alpes, director (term expired December 2012)*
- Looping Holding (SAS), *member of the Supervisory Board (term expired December 2012)*
- Musée Grévin (SA), *representative of Compagnie des Alpes, director (term expired December 2012)*
- Premier Financial Services (PFS) (Belgium), *director (term expired January 2009)*
- Safari Africain de Port Saint Père (SA), *representative of Compagnie des Alpes, director (term expired January 2009)*
- SwissAlp, *director (term expired 2011)*
- Valbus (SAS), *representative of Compagnie des Alpes-Domaines Skiables, director (term expired September 2012)*

FRANÇOIS PÉROL

Born 6 November 1963. Nationality: French.

Graduate of *HEC, Institut d'études politiques de Paris* and *École nationale d'administration.*

▸ **BUSINESS ADDRESS:**

BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

François Pérol was elected to the Board of Directors by the General Meeting of 21 April 2009 (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*).

The shareholders are asked to appoint François Pérol as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

He is also a member of the Remuneration and Nominations Committee of CNP Assurances.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

François Pérol began his career at the French Inspectorate of Finance in 1990. In 1994 he was appointed Deputy Secretary General of the Interministerial Committee for Industrial Restructuring (CIRI). In 1996, he was appointed Director of the Financial Markets Office at the French Treasury.

From 1999 to 2001 he was Secretary General of the Club de Paris, responsible for international debt negotiations. He was Deputy Director of Business Financing and Development at the French Treasury in 2001, before being appointed Deputy Director of the Office of Francis Mer, Minister of the Economy, Finance and Industry in 2002, and Deputy Director of the Office of Nicolas Sarkozy, Minister of State and Minister of the Economy, Finance and Industry in 2004. In 2005, he was appointed managing partner of Rothschild & Cie.

In May 2007, he was appointed Deputy Secretary-General to the office of the French President.

From 2 March to 1 August 2009 François Pérol held the role of Chairman of the Executive Board of Caisse Nationale des Caisses d'Epargne and Chief Executive Officer of Banque Fédérale des Banques Populaires.

Since 1 August 2009 François Pérol has been Chairman of the Executive Board of BPCE.

Directorships and functions

- BPCE (SA), *Chairman of the Executive Board*
- Fédération Bancaire Française (federation) *(FBF), Vice-Chairman*
- Banque Centrale Populaire (Morocco), *representative of BPCE Morocco, director*
- CE Holding Promotion (SAS), *Chairman and director*
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors*
- Groupement Européen des Caisses d'Epargne (ESBG), *Chairman*
- Musée d'Orsay (public institution), *director*
- Natixis (SA), *Chairman of the Board of Directors*
- SCI Ponant Plus, *representative of BPCE, legal manager*
- Sopassure (SA), *director*

Directorships and functions held in the period 2008 to 2012

- French Presidency, Deputy Secretary-General (2007-2008)
- Banque Fédérale des Banques Populaires (BFBP), *Chief Executive Officer (term expired 31 July 2009)*
- Banques Populaires Participations (SA), *Chief Executive Officer (term expired 5 August 2010)*
- BPCE International et Outre-Mer (BPCE IOM) (SA), *Chairman of the Board of Directors (term expired 5 December 2012)*
- Caisse d'Epargne Participations (SA), *Chief Executive Officer (term expired 5 August 2010)*
- Caisse Nationale des Caisses d'Epargne (CNCE) (SA), *Chairman of the Executive Board (term expired 31 July 2009)*
- Crédit Immobilier et Hôtelier (CIH) (Morocco), *Vice-Chairman of the Board of Directors (term expired 2012)*
- Fédération Bancaire Française (Federation) (FBF), *Chairman (term expired 1 September 2011)*
- Foncia Groupe (SA), *Chairman of the Supervisory Board (term expired 28 July 2011)*
- Fondation des Caisses d'Epargne pour la Solidarité, *Chairman of the Board of Directors (term expired 9 March 2011)*
- SNC Bankéo, *representative of BPCE, legal manager (term expired 22 November 2012)*

PHILIPPE WAHL

Born 11 March 1956. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, postgraduate degree in economics.

▸ **BUSINESS ADDRESS:**

La Banque Postale, 115 rue de Sèvres, 75275 Paris Cedex 06, France.

After serving as director since 22 February 2011, Philippe Wahl's term of office was renewed for two years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*).

The shareholders are asked to appoint Philippe Wahl as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

He was a member of the Audit and Risk Committee of CNP Assurances from 22 February 2011 to 6 November 2013 and has been a member of the Remuneration and Nominations Committee since 6 November 2013.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

Philippe Wahl began his career in 1984 as auditor and *maître des requêtes* (Counsel) at the *Conseil d'État*.

In 1986 he was advisor to the President of the French Securities and Stock Exchange Commission (COB), and in 1989 he joined the office of Prime Minister Michel Rocard as technical advisor responsible for economic, financial and tax affairs.

In 1991, he was advisor to the Chairman of Compagnie Bancaire, before being appointed member of the Steering Committee in 1992 and Deputy Chief Executive Officer in 1994. In 1997, he took responsibility for specialised financial services at Paribas and became a member of the Executive Committee.

In 1999, Philippe Wahl was appointed Chief Executive Officer of Caisse Nationale des Caisses d'Epargne (CNCE). Accordingly, he became Chairman of Sopassure, Chairman of the Board of Directors of Ecureuil assurances IARD and member of the Supervisory Board of CDC Ixis and CNP Assurances.

He was appointed Chief Executive Officer of the Havas group in 2005, and became Vice-Chairman of the Bolloré group in 2006.

In January 2007, Philippe Wahl joined the Royal Bank of Scotland (RBS) as Chief Executive Officer France. In March 2008, he was appointed Board advisor global banking and Markets, RBS London. In December 2008, he became Chief Executive Officer of RBS for France, Belgium and Luxembourg.

He joined Groupe La Poste in January 2011, and became Chairman of the Executive Board of La Banque Postale and Deputy Chief Executive Officer of La Poste prior to being appointed Chairman and Chief Executive Officer.

Directorships and functions

- La Poste (SA), *Chairman and Chief Executive Officer (since 26 September 2013), director (since 1 August 2013)*
- Association Française des Banques (non-profit organisation), *Vice-Chairman (term expired 10 December 2013)*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager (term expired 15 October 2013)*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager (term expired 15 October 2013)*
- Fédération Bancaire Française (Federation) (FBF), *member of the Executive Committee (term expired 10 December 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 19 December 2013)*
- Géopost (SA), *representative of La Poste, director (since 26 September 2013)*
- Institut Montaigne, *member of the Steering Committee*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Vice-Chairman of the Board of Directors (term expired 13 November 2013)*
- La Banque Postale (SA), *Chairman of the Supervisory Board and member of the Remuneration and Nominations Committee (since 15 October 2013), previously Chairman of the Executive Board (term expired 15 October 2013)*
- La Banque Postale Asset Management (SA), *Chairman of the Supervisory Board (term expired 5 April 2013), Chairman of the Remuneration Committee (term expired 17 October 2013), member of the Supervisory Board (term expired 17 October 2013)*
- La Banque Postale Assurance Santé (SA), *Chairman of the Board of Directors (term expired 21 November 2013)*
- La Banque Postale Assurances Iard (SA), *Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee (term expired 11 December 2013)*
- La Banque Postale Financement (SA), *member of the Supervisory Board (term ended 19 July 2013)*
- La Banque Postale Gestion Privée (SA), *Chairman of the Supervisory Board (term expired 16 July 2013)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors (term expired 6 December 2013), member, then Chairman of the Remuneration and Nominations Committee (term expired 6 December 2013)*
- Paris Europlace (non-profit organisation), *director*
- Poste Immo (SA), *representative of La Poste, director (since 3 October 2013)*
- SF2 (SA), *Chief Executive Officer and Chairman of the Board (term expired 4 December 2013)*
- Société de Financement Local (SA), *director, member of the Audit Committee (term expired 15 December 2013)*
- Sofipost (SA), *representative of La Poste, director (since 3 October 2013)*
- Sopassure (SA), *director (since 17 February 2012), then Chairman and Chief Executive Officer (term expired 26 February 2013)*

Directorships and functions held in the period 2008 to 2012

- La Banque Postale Financement (SA), *Chairman of the Supervisory Board (term expired 2011)*
- La Banque Postale Prévoyance (SA), *member of the Finance Committee (term expired 23 March 2012)*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Chairman of the Board of Directors, Chief Operating Officer, (term expired 2012)*
- Royal Bank of Scotland PLC, *Chief Executive Officer (term expired 2011)*
- Sopassure (SA), *representative of SF2, director (term expired 2012)*
- Société Financière de Paiements (SAS), *Vice-Chairman of the Supervisory Board (term expired 15 May 2012)*
- The Royal Bank of Scotland NV, *Chief Executive Officer (term expired 2011)*
- Xange Private Equity (SA), *Chairman of the Supervisory Board (term expired 2011)*

MARC-ANDRÉ FEFFER

Born 22 December 1949. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

► BUSINESS ADDRESS:

La Poste, 44 boulevard Vaugirard, 75015 Paris, France.

After representing Sopassure on the Supervisory Board of CNP Assurances since 9 March 2004, Marc-André Feffer has been Sopassure's permanent representative on the Board of Directors since 10 July 2007.

Marc-André Feffer is a member of the Strategy Committee of CNP Assurances.

Sopassure was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*).

CNP Assurances shares held as of 31 December 2013: 400.

Directorships and functions

- La Poste (SA), *Deputy Managing Director responsible for strategy and development, legal and international affairs and regulation*
- La Banque Postale (SA), *Vice-Chairman of the Supervisory Board and Chairman of the Strategy Committee*
- Geopost (SA), *director*
- Poste Immo (SA), *Chairman of the Board of Directors*
- Sofipost (SA), *non-voting director*
- Sopassure (SA), *director*
- Véhiposte (SAS), *member of the Supervisory Board*
- Xange Capital (SA), *Chairman of the Supervisory Board*

Directorships and functions held in the period 2008 to 2012

- GeoPost Intercontinental (SAS), *member of the Supervisory Board (term expired 2011)*
- Hypios (SAS), *director (term expired June 2011)*
- Sopassure (SA), *Chairman and Chief Executive Officer (term expired 28 March 2011)*
- Xelian (SA), *non-voting director (term expired 2011)*

JEAN-YVES FOREL

Born 17 May 1961. Nationality: French.

Graduate of *Institut d'études politiques de Grenoble*, Degree in Economics.

BUSINESS ADDRESS:

BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

The Board of Directors co-opted Jean-Yves Forel as a Director of CNP Assurances on 11 December 2012, to fill the seat left vacant by Olivier Klein upon his resignation in November 2012.

The General Meeting of 25 April 2013 ratified his appointment for the remainder of his predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*).

The shareholders are asked to appoint Jean-Yves Forel as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

Jean-Yves Forel is also a member of the Audit and Risk Committee and the Strategy Committee of CNP Assurances.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

Jean-Yves Forel began his professional career in 1983, at Banque Populaire des Alpes.

In 1992, after working in high-street banking, he was appointed Director of Operations, and, in 1995, General Director.

In 1997, he joined Banque Populaire Atlantique as General Director and was responsible for business development and the business subsidiaries.

In 2000, he was appointed head of business development at Banque Fédérale des Banques Populaires and became a member of the General Management Committee in 2001.

In 2003, he moved to Natexis Banques Populaires where he was appointed member of the General Management Committee and Director of the Banking, Financial and Technological Services Line. In 2005, he was appointed Director of the Specialised Financial Services division.

In November 2006, he became member of the General Management Committee and Director of the Specialised Financial Services division of Natixis, the BPCE Group's finance, investment, asset management and services bank.

On 21 November 2012, the Supervisory Board of BPCE appointed Jean-Yves Forel, the Chief Executive Officer, as BPCE Executive Board member in charge of the commercial banking and insurance division.

Directorships and functions

- BPCE (SA), *member of the Executive Board (commercial banking and insurance) (since 1 December 2012)*
- Algiers Business Centers (Algeria), *director (term expired 11 June 2013)*
- Association Française des Sociétés Financières (ASF), *Vice-Chairman of the Board of Directors (term expired 15 January 2013)*
- Banque Palatine (SA), *Chairman of the Supervisory Board (since 28 November 2012)*
- BPCE International et Outre-Mer (SA), *Chairman of the Board of Directors (since 5 December 2012)*
- Conecs (SAS), *director (term expired 12 June 2013)*
- Crédit Foncier de France, *director (since 11 December 2012)*
- Ecureuil Vie Développement (SAS), *representative of BPCE, director (since 14 December 2012)*
- Média Consulting & Investment (SA), *director*
- Natixis Algérie (Algeria), *Chairman of the Board of Directors*
- Natixis Coficiné (SA), *director*
- Partecis (SAS), *director*
- Sopassure (SA), *Chairman of the Board of Directors and Chief Executive Officer*

Directorships and functions held in the period 2008 to 2012

- Albian-IT (SA), *director (term expired 7 December 2012)*
- Cacéis (SA), *director (term expired 31 December 2012)*
- Compagnie Européenne de Garanties et Cautions (SA), *Chairman of the Board of Directors (term expired 29 November 2012)*
- Natixis Altaïr Shared Services (SA), *representative of Natixis, director (term expired 31 December 2012)*
- Natixis Consumer Finance IT (SAS), *Chairman (term expired 30 November 2012)*
- Natixis Consumer Finance (SAS), *Chairman of the Board of Directors (term expired 28 November 2012)*
- Natixis Factor (SA), *Chairman of the Board of Directors (term expired 4 December 2012)*
- Natixis Financement (SA), *Chairman of the Board of Directors (term expired 28 November 2012)*
- Natixis Interépargne, *Chairman of the Board of Directors (term expired 18 December 2012)*
- Natixis Lease, *Chairman of the Board of Directors (term expired 11 December 2012)*
- Natixis Paiements, *Chairman of the Board of Directors (term expired 18 December 2012)*
- Nova Crédit (SA), *Chairman of the Board of Directors (term expired 30 November 2012)*
- SICOVAM Holding (SA), *representative of Natixis, director (term expired 31 December 2012)*
- Sopassure (SA), *director (since 6 December 2012)*
- Titres Cadeaux (SAS), *Vice-Chairman of the Board of Directors (term expired 21 December 2012)*

RÉMY WEBER

Born 18 November 1957. Nationality: French.

Graduate of *Institut d'études politiques d'Aix en Provence* and *HEC.*

▸ BUSINESS ADDRESS:

La Banque Postale, 115 rue de Sèvres, 75275 Paris Cedex 06, France.

Rémy Weber was co-opted as Director of CNP Assurances by the Board of Directors on 6 September 2013, to replace Jean-Paul Bailly, who had resigned.

The ratification of Remy Weber's appointment for the remainder of his predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*) is the subject of a draft resolution.

The shareholders are asked to appoint Rémy Weber as director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

Rémy Weber is also a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

Rémy Weber began his career at the Large Business Division (*direction des grandes entreprises*) of Banque Française du Commerce Éxtérieur (BFCE), before becoming an advisor at the International Affairs department of the French Treasury.

He was then made head of the department responsible for drafting and monitoring credit insurance policies, operating funding procedures and hedging (Coface), before joining Financière BFCE in 1990 as Deputy Head of investments and M&A.

In 1993, Rémy Weber joined the Crédit Mutuel-CIC group. After holding several management positions, he became Chairman and Chief Executive Office of CIC Lyonnaise de Banque, member of the Executive Board of CIC group from 2002 to 2010 and then member of the Executive Committee of CIC group.

Since 15 October 2013, Rémy Weber has been Chairman of the Executive Board of La Banque Postale, Deputy Chief Executive and Director of Financial Services at La Poste.

Directorships and functions

- La Banque Postale (SA), *Chairman of the Executive Board (since 15 October 2013)*
- ACM Iard SA (SA), *representative of Groupe des Assurances du Crédit Mutuel, director (term expired October 2013)*
- Association Française des Banques (non-profit organisation), *Vice-Chairman (since 10 December 2013)*
- CIC Lyonnaise de Banque (SA), *Chairman and Chief Executive Officer (term expired October 2013)*
- CM-CIC Asset Management (SA), *permanent representative of CIC Banque Lyonnaise, member of the Supervisory Board (term expired October 2013)*
- CM-CIC FACTOR (SA), *representative of CIC Lyonnaise de Banque, director (term expired: October 2013)*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager (since 15 October 2013)*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager (since 15 October 2013)*
- DANOFOS (SAS), *representative of CIC Lyonnaise de Banque, Chairman of the Executive Committee (term expired October 2013)*
- DESCOURS et CABAUD (SA), *representative of CM-CIC Investissement, director (term expired October 2013)*
- EURO Information (SAS), *member of the Management Committee (term expired October 2013)*
- EURO P3C (SA), *director (term expired October 2013)*
- Fédération Bancaire Française (federation), *representative of the Association Française des Banques, member of the Executive Committee (since 10 December 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (since 19 December 2013).*
- Gesteurop (SAS), *Chairman (term expired October 2013)*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *director (since 13 November 2013), Vice-President of the Board of Directors (since 22 October 2013)*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board (since 17 October 2013), Chairman of the Remuneration Committee (since 17 October 2013)*
- La Banque Postale Assurances Iard (SA), *director (since 28 November 2013), Chairman of the Board of Directors (since 11 December 2013)*
- La Banque Postale Assurances Santé (SA), *Chairman of the Board of Directors (since 21 November 2013)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee (since 6 December 2013)*
- La Poste (SA), *Executive Vice-President, Director of Financial Services*
- SF2 (SA), *Chief Executive Officer and Chairman of the Board (since 4 December 2013)*
- SFIL (SA) *director, member of the Audit Committee (since 5 December 2013)*
- SOFEMO (SA), *permanent representative of CIC, director (term expired October 2013)*
- Sopassure (SA), *director (since 28 October 2013)*
- UVP (mutual insurer), *representative of CIC Lyonnaise de Banque, director (term expired October 2013)*

Directorships and functions held in the period 2008 to 2012

- CIC (SA), *member of the Executive Board (term expired 2011)*
- CIC Production (GIE), *member of the Supervisory Board (term expired 2010)*
- CIC Banque Pasche (Switzerland), *Vice-Chairman (term expired 2010)*
- CIC Banque de Vizille (SAS), *Chairman of the Supervisory Board (term expired 2011)*
- FACTOCIC (SA), *representative of Gesteurop, director (term expired 2009)*

RAMON FERNANDEZ

Born 25 June 1967. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

BUSINESS ADDRESS:
Ministère de l'économie et des finances – Direction générale du Trésor, 139 rue de Bercy, 75572 Paris Cedex 12, France.

Ramon Fernandez was appointed as the French State's representative on the Board of Directors of CNP Assurances by ministerial order of 30 April 2009 and 29 June 2012.

The French State was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

Directorships and functions

- French Treasury, *Chief Executive Officer*
- International Technical Cooperation Agency, *director*
- French Treasury Agency, *Chairman*
- Agence nationale des services à la personne, *member of the Board of Directors*
- AGIRA association for insurance risk information management, *French State's representative*
- Accounting standards authority (*Autorité des Normes Comptables – ANC*), *French State's representative*
- Prudential supervision and resolution authority (*Autorité de Contrôle prudentiel et de résolution – ACPR*), *French State's representative, without voting rights*
- African Development Bank, *governor on behalf of the French State*
- European Bank for Reconstruction and Development, *deputy governor on behalf of the French State*
- International Bank for Reconstruction and Development, *deputy governor on behalf of the French State*
- World Bank, *deputy governor on behalf of the French State*
- CADES, French fund for the redemption of social debt, *French State's representative*, *member of the Supervisory Committee*
- Caisse de la dette publique (French public debt commission), *Chairman*
- Caisse des Dépôts, *member of the Supervisory Board*
- Club de Paris, *Chairman*
- Consultative Committee on Financial Legislation and Regulation (*Comité consultatif sur la législation et la réglementation financière – CCLRF*), *Chairman*
- Consultative Committee on the development of crop insurance (*Comité consultatif du suivi du développement des assurances des récoltes*)
- Usury Committee (*Comité de l'usure*), *member*
- CIDOL Interministerial Housing Development Committee, *member of the Management Board*
- Sanctions Commission of the AMF, *French State's representative, representing the State with respect to the AMF, in all its configurations, without voting rights*
- AERAS monitoring commission
- HLM Social Housing Board, *member*
- French universal healthcare financing fund (*Fonds de Financement de la Protection Complémentaire de la Couverture Universelle du Risque Maladie – CMU*), member of the Board of Directors
- Fund to cover damage arising as a result of healthcare or diagnostic acts by health professionals (*Fonds de Garantie des dommages consécutifs à des actes de prévention de diagnostic ou de soins dispensés par des professionnels de santé*), member of the Management Board
- FIVA compensation fund for asbestos victims, *member of the Board of Directors*
- GDF Suez (SA), *French State's representative, director, member of the Nominations Committee*
- African Development Bank, *governor on behalf of the French State*
- Inter-ministerial Road Safety Observatory (*Groupe Interministériel Permanent de la Sécurité Routière – GIPSR*)
- The Statutory Auditors' Oversight Board (*Haut Conseil du Commissariat aux Comptes – H3C*), *member*
- The French Council for Health Insurance Planning (*Haut Conseil pour l'avenir de l'assurance maladie*), *member*
- The French Council for Family Policy (*Haut Conseil de la famille*)
- The French Council for the financing of social welfare (*Haut Conseil du financement de la protection sociale*), *member*
- IEOM central bank (*Institut d'émission d'Outre-mer*), *member of the Supervisory Board*

- European Stability Mechanism (ESM), *member of the Board of Directors*
- Millos social housing inspectorate, *member of the Steering Committee*
- National Observatory for poverty and social exclusion (*Observatoire national de la pauvreté et de l'exclusion sociale*), *member*
- National office for the compensation of medical accidents (*Office National d'Indemnisation des Accidents Médicaux – ONIAM*), *member of the Board of Directors and of the Advisory Board*
- French registry of insurance, banking and finance intermediaries (ORIAS), *French State's representative, member of the Registration Commission, Board of Directors, and General Meeting*
- RMN – Grand Palais, *member of the Board of Directors*
- SFEF French government agency, *director*

Directorships and functions held in the period 2008 to 2012

- Central Bank of West African States, *director*
- BPCE (SA), *French State's representative, member of the Supervisory Board, member of the Remuneration and Nominations Committee*
- Caisse des Dépôts, *member of the Accounts Review and Risk Committee, the Nominations Committee and the Savings Funds Committee*
- Conseil d'analyse économique (think tank), *member*

PHILIPPE BAUMLIN

Born 16 June 1957. Nationality: French.

► BUSINESS ADDRESS:
CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

Regional Delegate of CNP Assurances (Midi-Pyrénées region).

After serving on the Supervisory Board of CNP Assurances since 8 June 2004, and as director since 10 July 2007, Philippe Baumlin's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

He is also a member of the Audit and Risk Committee of CNP Assurances.

Due to his position as Chairman of the Supervisory Board of FCPE Actions CNP, Philippe Baumlin was appointed as director representing employee shareholders.

CNP Assurances shares held as of 31 December 2013: 1,511.

Directorships and functions

- FCPE Actions CNP, *Chairman of the Supervisory Board*
- AG2R Retraite AGIRC, *director (elected on 6 December 2012 for a term of 6 years)*
- PRIMA SA (member company of GIE AG2R), *director, Chairman of the Board of Directors* (since 21 November 2013)

Directorships and functions held in the period 2008 to 2012

- Norpierre 2 (SCPI), *member of the Supervisory Board* (*term expired in 2007, when the SCPI was wound up*)
- Union Générale de Retraite des Cadres (UGRC), *director (term expired 5 December 2012)*

MARCIA CAMPBELL

Born 30 March 1959. Nationality: British.

Degree in French, Business and History of Art from the University of Edinburgh. MBA from the Open University.

▸ BUSINESS ADDRESS:
CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

After serving as director since 22 February 2011, Marcia Campbell's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

She is also a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2013: 750.

Directorships and functions

- Sainsbury's Bank, *director, Chairman of the Transmission Committee, member of the Audit Committee*
- Scottish Government, *Chairman of the Advisory Committee for environmental strategy*
- Murray International Trust Plc, *director and member of the Audit Committee*

Directorships and functions held in the period 2008 to 2012

- Financial Services Skills Council, *director (2002 to 2008)*
- HDFC Standard Life, *director and member of the Audit and Remuneration Committee (2006 to 2010)*
- Heng An Standard Life, *director and Chairman of the Audit Committee (2006 to 2010)*
- Ignis Asset management (subsidiary of Phoenix Group plc), *Director of Operations (2010 to March 2012)*
- Queen Margaret's University, *director (2002 to 2008)*
- Scottish Business in the Community (charitable institution), *director (2006 to 2012)*
- Standard Barnardos Scotland (charitable institution), *member of the Board (term expired 2011)*
- Standard Life Asia, *director and member of the Audit Committee (2006 to 2010)*
- Standard Life Ethical Fund, *Chairman of the Committee supervising ethical funds investments (2002 to 2010)*
- Standard Life Plc, *Director of Operations (2004 to 2010) and Chairman and Chief Executive Officer of Asia-Pacific (2006 to 2010)*

STÉPHANE PALLEZ

Born 23 August 1959. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

▸ BUSINESS ADDRESS:
Caisse centrale de réassurance, 31 rue de Courcelles, 75008 Paris, France.

After serving as director since 5 April 2011, Stéphane Pallez's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

Stéphane Pallez is also Chairman of the Audit and Risk Committee and a member of the Strategy Committee of CNP Assurances.

CNP Assurances shares held as of 31 December 2013: 200.

Directorships and functions

- Caisse centrale de réassurance (SA), *Chairman and Chief Executive Officer*
- Crédit Agricole CIB (SA) (formerly Calyon), *director (term expired 10 October 2013)*
- Eurazeo (SA), *member of the Supervisory Board and the Audit Committee*
- GDF-Suez (SA), *representative of the French State, director*

Directorships and functions held in the period 2008 to 2012

- France Télécom Orange, *Deputy Chief Financial Officer at France Télécom Orange, responsible for financing and treasury strategy, cash management, tax, audit, risk management, internal control, fraud prevention, and financial reporting. Member of the Group's Investment Committee and Risk Committee, Chairman of the Treasury and Financing Committee, the Tax Committee and the Disclosure Committee (April 2004 to April 2011)*

ROSE-MARIE VAN LERBERGHE

Born on 7 February 1947. Nationality: French.

Graduate of *Institut d'études politiques de Paris, École nationale d'administration, Insead,* and *École normale supérieure.* History graduate and philosophy professor.

▸ **BUSINESS ADDRESS:**

Institut Pasteur, 25-28 rue du Docteur Roux 75015 Paris, France.

Rose-Marie Van Lerberghe was co-opted as Director of CNP Assurances by the Board of Directors on 25 September 2013, to replace Henri Proglio, who had resigned.

The ratification of Rose-Marie Van Lerberghe's appointment for the remainder of her predecessor's term of office (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*) is the subject of a draft resolution.

Rose-Marie Van Lerberghe is also Chairman of the Remuneration and Nominations Committee.

CNP Assurances shares held: 200.

Career history

Rose-Marie Van Lerberghe has notably worked as Inspector General of Social Affairs and Deputy Director of Defence and Promotion in the Employment department of the French Ministry of Labour. She then worked with the Danone group for 10 years, notably as Head of Human Resources, before becoming delegate general for employment and vocational training at the French Ministry of Labour. She was then appointed Director General for the public hospitals of Paris (*Assistance Publique – Hôpitaux de Paris*). In 2006, she took up the position of Chairman of the Executive Board of the Korian group.

Directorships and functions

- Institut Pasteur (Foundation), *Chairman of the Board of Directors*
- Air France (SA), *director*
- Bouygues (SA), *director*
- Casino (SA), *director*
- Supreme Judicial Council (*Conseil Supérieur de la Magistrature*), *member*
- Groupe Hospitalier Paris Saint Joseph (private healthcare institution of public interest), *director*
- Klépierre (SA), *director*
- Orchestre des Champs Élysées, *Chairman of the Board of Directors*

Directorships and functions held in the period 2008 to 2012

- Cosmetic Executive Women, (Foundation), *member*

PIERRE GARCIN

Born 8 February 1960. Nationality: French.

Graduate of *École Centrale de Paris.*

BUSINESS ADDRESS:

BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

After serving as non-voting director since 7 October 2010, Pierre Garcin's term of office was renewed for two years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements*).

The shareholders are asked to appoint Pierre Garcin as non-voting director at the General Meeting of 6 May 2014, for a term of four years to expire at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

CNP Assurances shares held as of 31 December 2013: 200.

Career history

Pierre Garcin began his career in 1985 at the BFCE where held various posts within the Major Accounts Division and the Financial Markets Division.

He joined the AXA Group in 1992, with responsibility for financial engineering at AXA IM.

In 1993, within AXA Corporate Solutions (IARD) he successively held the roles of New Risks Director, Specialist Lines Director, Vehicle Fleet & Alternative Solutions Director and, finally, Technical & Financial Director.

In 2004, he was appointed Sales Director France & International of Axa Assurances Collectives (Vie).

In 2008, Pierre Garcin was made Deputy Chief Executive Office of Direct Assurance and Financial Director of AXA Global Direct.

He joined Groupe BPCE in October 2010 as Insurance Director.

Directorships and functions

- BPCE (SA), *Director of Insurance for BPCE Group*
- Assurances BP IARD (SA), *representative of BPCE, director*
- BPCE Assurances (SA), *Chairman of the Board of Directors*
- Ecureuil Vie Développement (SAS), *director*
- Fongépar (SA), *representative of BPCE, director*
- Holassure (SAS), *Chairman*
- Muracef (mutual insurer), *representative of BPCE, director*
- Natixis Assurances (SA), *representative of BPCE, director*
- Natixis Assurances Partenaires (SA), *director*
- Natixis Assurances Production Services (formerly GCE Assurances Production Services) (SAS), *member of the Supervisory Board*
- Sopassure (SA), *director*
- Surassur (SA), *Chairman of the Board of Directors*

Directorships and functions held in the period 2008 to 2012

- Axa Global Direct, *Finance Director (term expired in 2010)*
- CEMM (SAS), *director, (term expired 30 December 2012)*
- CGE Courtage (SAS), *Chairman of the Board of Directors (term expired 1 January 2010) then Chairman (from 1 September 2010 to 1 January 2011)*
- Direct Assurance, *Deputy Chief Executive Officer (term expired 2010)*
- GIE Partenariat CEMM (EIG), *representative of BPCE, sole director and member of the Partnership Committee (term expired 30 December 2012) then liquidator (from 30 December 2012 to 31 December 2012)*
- Serena (SA), *Vice-Chairman of the Supervisory Board (term expired 14 November 2011)*
- SOCRAM Banque (SA), *representative of BPCE, director (term expired 25 January 2012)*

ALAIN QUINET

Born 11 September 1961. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

▸ BUSINESS ADDRESS:

Réseau Ferré de France, 92 av. France, 75013 Paris, France.

After serving as Director of CNP Assurances from 21 April 2009, Alain Quinet was appointed non-voting director by the Annual General Meeting of 29 June 2012, for a term of five years (*current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements*).

CNP Assurances shares held as of 31 December 2013: 200.

Directorships and functions

- Réseau Ferré de France (EPIC), *Deputy Managing Director since 15 December 2010*
- Icade (SA), *director*
- Lyon-Turin Ferroviaire (SA), *director*

Directorships and functions held in the period 2008 to 2012

- Accor (SA), *director and member of the Audit Committee (term expired 5 May 2010)*
- Caisse des Dépôts, *Director of Finance of Caisse des Dépôts, member of the Caisse des Dépôts and Group Management Committees (term expired 15 December 2010)*
- CDC Entreprises Capital Investissement (SA), *Chairman and Chief Executive Officer, director (term expired 21 December 2009)*
- CDC Infrastructure (SA), *Chairman of the Board of directors, director (term expired 15 December 2010)*
- CDC International (SA), *representative of Caisse des Dépôts, director (term expired 15 December 2010)*
- Compagnie des Alpes (SA), *director (previously member of the Supervisory Board until 19 March 2009), member of the Strategy Committee and the Remuneration and Nominations Committee (term expired 15 December 2010)*
- Compagnie Nationale du Rhône (SA), *representative of Caisse des Dépôts and member of the Supervisory Board (term expired 29 June 2009)*
- Dexia (SA) (Belgium), *director (term expired November 2009)*
- Egis (SA), *Chairman of the Board of directors (term expired 15 December 2010)*
- Eiffage (SA), *director and member of the Remuneration and Nominations Committee (term expired 17 December 2010)*
- Électricité Réseau Distribution France (SA), *member of the Supervisory Board (term expired 31 March 2008)*
- Financière Transdev (SA), *Chairman and Chief Executive Officer, director (term expired 15 December 2010)*
- Fonds stratégique d'investissement (FSI) (SA), *representative of Caisse des Dépôts, director and member of the Audit and Risk Committee, the Investment Committee and the Remunerations Committee (term expired 15 September 2010)*
- Icade (SA), *member of the Strategy and Investment Committee (term expired 2011)*
- Réseau Ferré de France (EPIC), *director (term expired 31 March 2008)*
- Société Forestière de la Caisse des Dépôts (SA), *director (term expired 30 June 2010)*
- Transdev (SA), *representative of Financière Transdev, director (term expired 15 April 2010)*

JACQUES HORNEZ

Born 19 July 1950. Nationality: French.

▸ **BUSINESS ADDRESS:**
MGEN, 3 square Max Hymans, 75015 Paris, France.

After serving on the Supervisory Board of CNP Assurances since September 2002, and as non-voting director on the Board of Directors since 10 July 2007, Jacques Hornez's term of office as non-voting director was renewed for four years by the Annual General Meeting of 29 June 2012 (*current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements*).

On 19 February 2014, Jacques Hornez resigned as non-voting director.

CNP Assurances shares held as of 31 December 2013: 212.

Directorships and functions

- Arts et Vie (non-profit organisation), *director (term expired July 2013)*
- Banque Monétaire et Financière (subsidiary CASDEN BP), director
- Conseil national du Crédit Coopératif, *director (term expired July 2013)*
- EGAMO (SA), *non-voting director, previously Chairman of the Board of Directors (term expired July 2013)*
- GAIA, *Chairman of the Supervisory Board (term expired July 2013)*
- MGEN, *director (term expired July 2013)*
- MGEN Action Sanitaire et Sociale, *director (term expired July 2013)*
- MGEN Centres de santé, *director (term expired July 2013)*
- MGEN Filia, *director (term expired July 2013)*
- MGEN Union, *director (term expired July 2013)*
- MGEN Vie, *director (term expired July 2013)*
- MutRé SA (reinsurance), *director*
- MutRé Union (*union de livre I*, reinsurance), *Chairman*
- Parnasse MAIF (SA), *director*
- Système fédéral de garantie (SFG), *first Vice-Chairman (term expired July 2013)*

Directorships and functions held in the period 2008 to 2012

- Casden Banque Populaire (Cooperative SA with a Board of Directors), *director*
- CCOMCEN (IEG), *director*, *(term expired 2008)*
- Fructipierre (SCPI) (formerly Parnasse Immo), *representative on the Supervisory Board*
- MGEN, *Treasurer, then Vice-Chairman*
- Multi Gestion EGAMO (SICAV), *Chairman*
- Natexis Convertibles Europe (SICAV), *director (term expired 2008)*
- Norden (SICAV), *director, (term expired 2008)*
- Observatoire de l'Enfance en France (GIE), *director*
- Philgen (SCI), *co-legal manager*
- Union Nationale de la Réassurance de la Mutualité Française (UNRMF), *director*

Appointment submitted for approval at the Annual General Meeting of 6 May 2014.

JEAN-LOUIS DAVET

Born 20 April 1959. Nationality: French.

Graduate of *École Centrale de Paris*. Ph.D in mathematics.

▸ **BUSINESS ADDRESS:**
MGEN, 3 square Max Hymans, 75015 Paris, France.

Jean-Louis Davet has been Group Director at MGEN since 2008 and Chief Executive Officer of Istya since 2011.

The shareholders are asked to appoint him as non-voting director at the General Meeting of 6 May 2014, for a term of two years to expire at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements. Jean-Louis Davet will replace Jacques Hornez, who resigned as non-voting director on 19 February 2014.

Career history

Jean-Louis Davet began his career as a researcher at the CNRS and lecturer at *École Centrale de Paris* and *Université Paris 6* in 1985.

In 1988 he became Head of Festo France, subsidiary of German industrial automation group Festo, then from 1992 to 2006 he was associate director of various strategy consulting firms (Gemini Consulting, CMC-Oliver Wyman, Cap Gemini, Ernst & Young).

In 2006 he joined Mutualité Française as director and advisor to the Chief Executive Officer before becoming Group Director of MGEN as of 2008.

5.4 REMUNERATION OF CORPORATE OFFICERS OF CNP ASSURANCES

CNP Assurances uses the AFEP-MEDEF Code, and in particular its recommendations of 16 June 2013 concerning the remuneration paid to executive corporate officers.

In order to improve clarity and comparability, CNP Assurances uses the standardised format recommended by AFEP-MEDEF and the AMF for the disclosure of information concerning the remuneration of executive corporate officers.

The change in Chairman of the Board of Directors and Chief Executive Officer in 2012 has been taken into account in the information presented below. Information relating to Edmond Alphandéry and Gilles Benoist, Chairman of the Board of Directors and Chief Executive Officer, respectively, whose terms of office expired on 29 June 2012, appears alongside information relating to Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012.

The role of interim Chief Executive Officer fulfilled by Deputy Chief Executive Officer Antoine Lissowski from 29 June 2012 to 26 September 2012 was performed without remuneration. For the short time that he performed the duties entrusted to him in this respect Antoine Lissowski received remuneration pursuant to the employment contract he has had with the Company since 2003, which remained unchanged. Consequently, no specific information relating to remuneration during the interim Executive Management period has been provided below.

Table 1

REMUNERATION (GROSS) PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER *(in €)*

Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012 **Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012**	**2012**		**2013**
	E. Alphandéry	**J-P. Faugère**	**J-P. Faugère**
Remuneration payable for the year *(see breakdown in Table 2)*	235,200	131,217	290,822
Valuation of multi-annual variable remuneration granted over the year	None		
Valuation of stock options granted over the year *(Table 4)*	No stock options granted		
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted		
TOTAL		**366,417**	**290,822**

Gilles Benoist, Chief Executive Officer until 29 June 2012 **Frédéric Lavenir, Chief Executive Officer since 26 September 2012**	**2012**		**2013**
	G. Benoist	**F. Lavenir**	**F. Lavenir**
Remuneration payable for the year *(see breakdown in Table 2)*	963,672	120,179	450,000
Valuation of multi-annual variable remuneration granted over the year	None		
Valuation of stock options granted over the year *(Table 4)*	No stock options granted		
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted		
TOTAL		**1,083,851**	**450,000**

Table 2

REMUNERATION (GROSS) OF EACH CORPORATE OFFICER *(in €)*

Chair of the Board of Directors	2012				2013	
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	Payable[1]		Paid[2]		Payable[1]	Paid[2]
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	E. Alphandéry	J-P. Faugère	E. Alphandéry	J-P. Faugère	J-P. Faugère	
Fixed remuneration	190,000	126,602	190,000	126,602	250,000	250,000
Annual variable remuneration	None	None	None	None		
Multi-annual variable remuneration	None	None	None	None	None	
Exceptional remuneration	None	None	None	None		
Directors' fees	45,200	4,615	77,810	3,115	40,822	22,822
Benefits in kind	None	None	None	None		
Sub-total	**235,200**	**131,217**	**267,810**	**129,717**	**290,822**	**272,822**
TOTAL	**366,417**		**397,527**		**290,822**	**272,822**

Executive Management	2012				2013	
Gilles Benoist, Chief Executive Officer until 29 June 2012	Payable[1]		Paid[2]		Payable[1]	Paid[2]
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	G. Benoist	F. Lavenir	G. Benoist	F. Lavenir	F. Lavenir	
Fixed remuneration	290,000 *(of which 190,000 as an employee and 100,000 as a corporate officer)*	107,179	290,000 *(of which 190,000 as an employee and 100,000 as a corporate officer)*	107,179	400,000	400,000
Annual variable remuneration	101,500	13,000	319,000 *(of which 209,000 as an employee and 110,000 as a corporate officer)*	-	48,471	13,000
Multi-annual variable remuneration	None	None	None	None	None	None
Exceptional remuneration[3]	439,649	None	439,649	-	-	
Directors' fees	131,360	None	143,230	-	None	None
Benefits in kind	1,163	None	1,163	-	1,529	1,529
Sub-total	**963,672**	**120,179**	**1,193,042**	**107,179**	**450,000**	**414,529**
TOTAL	**1,083,851**		**1,300,221**		**450,000**	**414,529**

(1) The "Payable" columns indicate the remuneration granted to each executive corporate officer for the duties performed for each year concerned, regardless of the payment date

(2) The "Paid" columns show the total remuneration paid to each executive corporate officer for the duties performed for each of the periods

(3) In 2012, Gilles Benoist, Chief Executive Officer, received exceptional remuneration comprising €395,316 in retirement benefits and €44,333 in accrued vacation pay

ADDITIONAL INFORMATION ON THE REMUNERATION OF JEAN-PAUL FAUGÈRE, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 29 JUNE 2012

2012	2013
Salary and bonus The remuneration of Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, was set by the Board of Directors on 29 June 2012, at €250,000 per annum. Remuneration payable in respect of 2012 and paid in 2012, amounted to €126,602, calculated on a prorata temporis basis.	**Salary and bonus** The remuneration of Jean-Paul Faugère has remained unchanged since the first decision of the Board of Directors.
Directors' fees The directors' fees "payable" in 2012 (€4,615) correspond to the amount received from Caixa Seguros Holding (€3,115) and Icade (€1,500). The directors' fees "paid" in 2012 (€3,115) correspond to the amount received from Caixa Seguros Holding.	**Directors' fees** The directors' fees "payable" in 2013 (€40,822) correspond to the amount received from Caixa Seguros Holding (€21,322) and Icade (€19,500). The directors' fees "paid" in 2013 (€22,822) correspond to the amount received from Caixa Seguros Holding (€21,322) and Icade (€1,500).
Benefits in kind Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, does not receive any benefits in kind. He is provided with a company car to carry out his duties.	**Benefits in kind** Jean-Paul Faugère does not receive any benefits in kind. He is provided with a company car to carry out his duties.

ADDITIONAL INFORMATION ON THE REMUNERATION OF FRÉDÉRIC LAVENIR, CHIEF EXECUTIVE OFFICER SINCE 26 SEPTEMBER 2012

2012	2013

Salary and bonus
Frédéric Lavenir, Chief Executive Officer since 26 September 2012, receives a fixed salary and a variable bonus.
On 7 September 2012, the Board of Directors set Frédéric Lavenir's fixed gross annual salary at €400,000.
His variable bonus, linked to the overall performance of the Company and to actions carried out and performed by Frédéric Lavenir within the scope of his duties was set at a maximum of €50,000.
Remuneration for 2012 was calculated on a pro rata *temporis basis*.
At the proposal of the Remuneration and Nominations Committee meeting of 13 February 2013, the Board of Directors' meeting of 21 February 2013 set the amount of Frédéric Lavenir's bonus for 2012 at €13,000 calculated on a prorata temporis basis.
The Board of Directors' meeting of 21 February 2013 also set the targets that will be used to decide on such variable bonus in 2014, on the basis of:
■ the Group's total administrative costs/recurring NIR ratio;
■ changes in EBIT;
■ assessment of the implementation of strategies decided by the Board of Directors.
	Salary and bonus
	On 21 February 2013, the Board of Directors set Frédéric Lavenir's fixed gross annual salary at €400,000.
	On 21 February 2013, the Board of Directors set Frédéric Lavenir's variable bonus for 2013 at a maximum of €50,000.
	At the proposal of the Remuneration and Nominations Committee meeting of 13 February 2014, the Board of Directors' meeting of 19 February 2014 set the amount of Frédéric Lavenir's bonus for 2013 at €48,471, calculated on a prorata temporis basis.
	The Board of Directors' meeting of 19 February 2014 also set the targets that will be used to decide on such variable bonus in 2015, on the basis of:
	■ the change in the ratio of Group management costs/total NIR, as per the budget forecasts presented to the Board of Directors in December 2013;
	■ the change in EBIT as per the budget forecasts presented to the Board of Directors in December 2013;
	■ an appraisal of initiatives and action plans carried out in 2014 by the Chief Executive Officer, with a focus on:
	  ■ the development and renewal of partnerships in France,
	  ■ development of the Group's international business model,
	  ■ new initiatives in France and abroad, and
	  ■ his managerial performance.

Benefits in kind Frédéric Lavenir, Chief Executive Officer did not receive any benefits in kind in 2012. He was provided with a company car to carry out his duties.	**Benefits in kind** Since 2013, Frédéric Lavenir has had the use of a company car.

Table 3

DIRECTORS' FEES PAID BY CNP ASSURANCES

Members of the Board of Directors	Directors' fees paid in 2012 *(in €)* In respect of the second-half of 2011	Directors' fees paid in 2012 *(in €)* In respect of the first-half of 2012	Directors' fees paid in 2013 *(in €)* In respect of the second-half of 2012	Directors' fees paid in 2013 *(in €)* In respect of the first-half of 2013	Paid to
Edmond Alphandéry*	24,350	24,350	-	-	Edmond Alphandéry
Jean-Paul Faugère(1)*	-	-	-	-	-
Gilles Benoist	15,200	11,400	-	-	Gilles Benoist
Frédéric Lavenir(1)	-	-	-	-	-
Marc-André Feffer (Sopassure)*	21,300	15,200	15,500	14,450	Sopassure
Jean-Paul Bailly*	10,650	23,600	17,430	14,450	Sopassure
Philippe Wahl*	29,700	25,100	12,920	14,450	Sopassure
François Pérol*	6,850	23,600	10,970	3,050	Sopassure
Olivier Klein*	30,450	18,250	6,460	-	Sopassure
Jean-Yves Forel*				20,550	Sopassure
Augustin de Romanet (CDC)*	12,950	3,800	-	-	CDC
Virginie Chapron du Jeu*	-	3,800	20,660	20,550	CDC
Alain Quinet* (director then non-voting director)	11,400	15,200	12,920	3,800	Alain Quinet
Antoine Gosset-Grainville*	11,400	28,150	20,010	6,100	CDC
Olivier Mareuse*	-	-	-	7,600	CDC
Anne-Sophie Grave*	-	15,200	15,500	14,450	CDC
André Laurent Michelson	7,600	15,200	9,690	3,800	CDC
Franck Silvent*	22,850	23,600	9,690	11,400	CDC
Ramon Fernandez (the French State)	0	11,400	3,230	7,600	French Treasury
Pierre Hériaud	18,250	15,200	-	-	Pierre Hériaud
Michel Bouvard	-	3,800	12,920	11,400	Michel Bouvard
Henri Proglio*	16,750	24,350	13,550	6,850	Henri Proglio
Stéphane Pallez*	48,000	43,400	28,400	29,700	Stéphane Pallez
Marcia Campbell*	33,500	37,400	17,430	20,550	Marcia Campbell
Philippe Baumlin(2)*	15,200	19,000	20,660	20,550	Philippe Baumlin
Jacques Hornez (non-voting director)	15,200	19,000	9,690	11,400	Jacques Hornez
Pierre Garcin (non-voting director)	11,400	19,000	9,690	11,400	Sopassure
Jean-Louis de Mourgues (non-voting director)	15,200	15,200	0	-	Jean-Louis de Mourgues
TOTAL	**378,200**	**454,200**	**267,320**	**254,100**	

* *Also a member of a Committee of the Board during all or part of the period between 1 June 2011 and 30 June 2013*

(1) *Jean-Paul Faugère and Frédéric Lavenir do not receive any directors' fees for participating in meetings of the Board of Directors or its committees in accordance with the decisions of the Board of Directors based on the recommendations of the Remuneration and Nominations Committee*

(2) *Philippe Baumlin decided to pay his total fees to CDC Tiers-Monde, a charity operating in developing countries*

ADDITIONAL INFORMATION ON DIRECTORS' FEES

These amounts are gross of withholding tax.

The fee allocated to Stéphane Pallez was double the amount allocated to the other members of the Audit and Risk Committee by virtue of her chairmanship of that Committee.

The Board of Directors' meeting held on 18 December 2007 decided to pay directors' fees as follows: the first payment is for the Board and the Committee meetings held during the first half of the year and is made at the end of the first half; the second payment is for meetings held during the second half of the year and is made at the beginning of the following year.

The total fees awarded to the Board of Directors by the Annual General Meeting of 21 April 2009 (for 2008 and subsequent years) amount to €721,650. Based on the recommendations of the Remuneration and Nominations Committee and the notifications received by the Company, directors' fees for 2012 were allocated as follows:

For the year ended 31 December 2012

- for each meeting attended during the first six months of 2012, the fee per Board meeting was set at €3,800 and the fee per meeting of the committees of the Board (Audit and Risk Committee, Strategy Committee and Remuneration and Nominations Committee) at €3,050
- for each meeting attended during the second six months of 2012, the fee per Board meeting was set at €3,230 and the fee per meeting of the committees of the Board at €2,580.

For the year ended 31 December 2013

- for each meeting attended during the first six months and second six months of 2013, the fee per Board meeting was set at €3,800 and the fee per meeting of the committees of the Board at €3,050.

Table 4(1)

STOCK OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER

Stock options granted to each executive corporate officer by the issuer and by all Group companies (list of names)	Plan no. and date	Type of stock options (purchase or subscription)	Valuation of stock options based on the method used for the consolidated financial statements	Number of stock options granted during the year	Exercise price	Exercise period
Not applicable	Not applicable	Not applicable	Not applicable	None	Not applicable	Not applicable

(1) Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees

Table 5(1)

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Stock options exercised by executive corporate officers (list of names)	Plan no. and date	Number of stock options exercised during the year	Exercise price	Year granted
Not applicable	Not applicable	None	Not applicable	Not applicable

Table 6(1)

PERFORMANCE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

Performance shares granted during the year to each executive corporate officer by the issuer and by all Group companies (list of names)	Plan no. and date	Number of shares granted during the year	Valuation of shares based on the method used for the consolidated financial statements	Vesting date	Availability date
	Not applicable	None	Not applicable	Not applicable	Not applicable

Table 7(1)

PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE CORPORATE OFFICER

Executive corporate officers for whom performance shares became available (list of names)	Plan no. and date	Number of shares that became available during the year	Vesting conditions	Year granted
Not applicable	Not applicable	None	Not applicable	Not applicable

(1) Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees

Table 8[1]

HISTORICAL INFORMATION CONCERNING STOCK OPTION GRANTS

Information on stock options	AGM date	Plan 1	Plan 2	Plan 3
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Table 9[1]

Ten employees (other than corporate officers) having received the greatest number of stock options and number of options exercised	Total number of stock options granted/ exercised	Average weighted price	Plan 1	Plan 2
Not applicable	None	Not applicable	Not applicable	Not applicable

Table 10

HISTORICAL INFORMATION CONCERNING SHARE GRANTS INFORMATION ON SHARES GRANTED

	Plan 1	Plan 2
Date of AGM	7 June 2005	7 June 2005
Date of Executive Board meeting	5 July 2006	19 June 2007
Total number of shares granted to employees	201,120	202,260
Total number of shares granted to corporate officers	0	0

(1) *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

Table 11

ADDITIONAL INFORMATION CONCERNING THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Executive corporate officers Corporate officers	Employment contract		Supplementary pension plan (Article 39 of the French Tax Code)		Allowances or benefits payable or likely to be payable in the event of termination or change of duties		Benefits arising from non-compete clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Edmond Alphandéry, Chairman of the Board of Directors Appointed with effect from: 10 July 2007 Term expired: 29 June 2012		X	X			X		X
Jean-Paul Faugère Chairman of the Board of Directors Appointed with effect from: 29 June 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X
Gilles Benoist Chief Executive Officer Appointed with effect from: 10 July 2007 Term expired: 29 June 2012	X		X		X			X
Frédéric Lavenir Chief Executive Officer Appointed with effect from: 26 September 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X

SUPPLEMENTARY PENSION PROVISIONS

	Theoretical gross annual benefit under the supplementary pension plan	
	31.12.2012	**31.12.2013**
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	149,065	149,065
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	-	-
Gilles Benoist, Chief Executive Officer until 29 June 2012	149,065	149,065
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	-	-

CNP Assurances set up a defined benefit supplementary pension plan as approved by the 20 December 2005 Supervisory Board meeting. The Board of Directors' meeting held on 18 December 2007 authorised the amendment of this plan following the change in governance structure. The terms and conditions of this supplementary pension plan for former executives Edmond Alphandéry and Gilles Benoist, are set out in detail on pages 56 and 57 of the 2012 Registration Document and page 54 of the 2011 Registration Document.

The two new directors, Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not qualify for this supplementary pension plan.

TERMINATION BENEFITS

		At 30.06.2012 (Theoretical gross amount)	At 30.06.2012 (Gross amount paid)	At 31.12.2013 Theoretical gross amount
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012		None		None
Jean-Paul Faugère Chairman of the Board of Directors since 29 June 2012		None		None
Gilles Benoist, Chief Executive Officer until 29 June 2012	Severance pay(1)	€1,144,582	€0	None
	Additional termination benefits based on the clause of his employment contract providing for termination benefits(2)	€474,448	€0	None
Frédéric Lavenir, Chief Executive Officer since 26 September 2012		None	None	None

(1) Gilles Benoist, Chief Executive Officer until 29 June 2012, was entitled to severance pay as an insurance company senior executive. As Gilles Benoist retired on 29 June 2012, this benefit was not paid

(2) The employment contract of Gilles Benoist, Chief Executive Officer until 29 June 2012, included a clause providing for the payment of a termination benefit, in the event that his contract was terminated for reasons other than serious or gross misconduct. The payment of this benefit was subject to the fulfilment of performance conditions. As Gilles Benoist retired on 29 June 2012, this benefit was not paid

As Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not have employment contracts with the Company, no termination benefits will be paid to them.

RETIREMENT BENEFITS

(Article 43 of the Company-wide agreement relating to all the employees)

	At 31.12.2012 (Gross amount paid)	At 31.12.2013 (Gross amount paid)
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	None	None
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	None	None
Gilles Benoist, Chief Executive Officer until 29 June 2012(1)	€395,687	None
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	None	None

(1) As Gilles Benoist, Chief Executive Officer until 29 June 2012, retired after exceeding the age limit of 65 years and met the condition of completing at least five years' service, he was entitled to retirement benefits provided for in the Company-wide agreement equal to 3/12 of his last gross annual salary plus 1/120 of such salary per year of service up to ten years and 2/120 per year of service thereafter

As Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not have employment contracts with the Company, no retirement benefits will be paid to them.

Remuneration of members of Executive Management

In the following table, the remuneration paid to Gilles Benoist, Chief Executive Officer until 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, is presented in full, and the breakdown of remuneration is described in more detail in the tables regarding the remuneration of corporate officers.

SUMMARY TABLE OF EXECUTIVE MANAGEMENT REMUNERATION

Gilles Benoist, Chief Executive Officer from 1 January 2012 until 29 June 2012	Remuneration paid in 2012 *(in €)*	Remuneration paid in 2013 *(in €)*
Fixed remuneration	290,000.08	0
Variable remuneration	319,000.00	0
Directors' fees received from CNP Assurances, its subsidiaries and other companies	143,230.46	0
Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car)	440,812.00	0
TOTAL	**1,193,042.46**	**0**

Frédéric Lavenir, Chief Executive Officer since 26 September 2012	Remuneration paid in 2012 *(in €)*	Remuneration paid in 2013 *(in €)*
Fixed remuneration	107,179.48	400,000
Variable remuneration	-	13,000
Directors' fees received from CNP Assurances, its subsidiaries and other companies	-	
Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car)	-	1,529
TOTAL	**107,179.48**	**414,529**

Information relating to the remuneration of Deputy Chief Executive Officers is not required by law and is presented voluntarily for reasons of transparency.

Antoine Lissowski, Deputy Chief Executive Officer Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer	Remuneration paid in 2012 *(in €)*	Remuneration paid in 2013 *(in €)*
Total fixed remuneration for the Deputy Chief Executive Officers	654,999.96	654,999.96
Total variable remuneration for the Deputy Chief Executive Officers	454,821.69	320,260
Benefits in kind for the Deputy Chief Executive Officers (company car)	5,477.28	5,477.28
Directors' fees (subsidiaries of CNP Assurances)	76,208.66	70,325.44
Miscellaneous (holiday indemnities, EPI, bonus)	102,757.66	84,496.90
Total remuneration – Deputy Chief Executive Officers	**1,294,265.25**	**1,135,559.58**
Giving an average remuneration per Deputy CEO of	647,132.63	567,779.79
TOTAL REMUNERATION – EXECUTIVE MANAGEMENT (CEO + DEPUTY CEOS)	**2,594,487.19**	**1,550,088.55**
Giving an average remuneration per Executive Committee member of	864,829.06	516,696.18

5.5 STATEMENT ON CONVICTIONS, BANKRUPTCIES, CONFLICTS OF INTEREST AND OTHER DISCLOSURES CONCERNING CORPORATE OFFICERS

Absence of convictions for fraud, association with bankruptcy or official public incrimination or sanctions.

To the best of the Company's knowledge, at the date of publication of this document:

- none of the members of the Board of Directors or Executive Management has been convicted of fraud within the last five years
- none of the members of the Board of Directors or Executive Management has been associated with any bankruptcy, receivership or liquidation acting as member of an administrative, management or supervisory body or as Chief Executive Officer
- none of the members of the Board of Directors or Executive Management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities (including relevant professional organisations), and no member of the Board of Directors or Executive Management has been disqualified by a court of law from acting as member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer.

Service contracts

None of the members of the Board of Directors or Executive Management is linked by a service contract with CNP Assurances or any of its subsidiaries.

Conflicts of interest

To the best of the Company's knowledge and at the date of the publication of this document, there are no potential conflicts of interest between the duties of members of the Board of Directors or Executive Management and CNP Assurances, in their capacity as corporate officer, and their private interests and/or other duties. To the best of the Company's knowledge and at the date of the publication of this document, no arrangements or agreements have been entered into with the main shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or Executive Management. To the best of the Company's knowledge and at the date of the publication of this document, with the exception of the issue noted in the "Shareholders' Agreement" section, no restrictions have been accepted by the members of the Board of Directors or Executive Management concerning the sale of their interests in the Company's capital.

In accordance with the internal rules of the Board of Directors and in order to prevent risks associated with conflicts of interest, each member of the Board of Directors is required to report to the Board any situation that leads to or could lead to a conflict of interest between the interests of CNP Assurances and the member's personal interests or those of the shareholder or group of shareholders that he represents, as soon as he is aware of it (see section I – 1.2 C, paragraph 6 of the internal rules of the Board of Directors).

5.6 RISK FACTORS

INTRODUCTION: MACRO-ECONOMIC ENVIRONMENT

The Group's economic and financial environment in 2013 is analysed in section 2.2.1 of the Registration Document. CNP Assurances' results may be impacted by government, economic or budgetary policy or by politics in general.

The risks described hereinafter are inherent to the economic, competitive and regulatory environment in which the Group operates.

In view of the contingencies and uncertainty related to these risks, the Group cannot always measure their impact with the accuracy it would like, however, risk management processes and controls have been set up to track and manage the risks on an ongoing basis. Risk management processes and controls are analysed in section 5.1 "Report of the Chairman of the Board of Directors of CNP Assurances" and in section 5.2 "Governance structure" of this Registration Document, which round out this section.

Although the main risks to which the Group is exposed are set out in this section, the list is by no means exhaustive and other risks that are currently unknown or deemed of minor or non-material importance could prove to have a material impact on the Group in the future.

This section presents the risks to which the Group is exposed by nature of risk, the extent of their potential impact on the Group's results and assets, and the processes established to track and manage them.

In addition to section 5.1 covering the overall Group risk management system and internal control procedures and section 5.2 on the governance structure of CNP Assurances, the following are successively dealt with:

- **risk factors linked to the insurance business**: insurance risk on savings contracts, pension and personal risk products, concentration of insurance risk, reinsurance risk and the risk of inadequate reserves due to changes in assumptions
- **risk factors linked to the financial markets**: specific risks related to asset/liability mismatches, interest rate risk, credit risk, sovereign debt risk, country risk, liquidity risk, equity risk, real estate risk, infrastructure risk, private equity risk, currency risk and the risk of insufficient hedging cover
- **risk factors related to the business**: operational risk, business continuity risk, compliance and litigation risk, risk of money-laundering and fraud, information system risk and social and environmental risk
- **other risk factors**: tax risk, ratings downgrade risk, partner risk, regulatory and antitrust risk, modelling risk
- **risk governance**: Group risk management, stakeholders, governance and management bodies organised around the Group Risk Committee, managing the Group's underwriting commitments, new product development and validation strategy, tracking operational risks, setting up committees to track financial market risks.

This presentation should be read in conjunction with the tables in section 3 dealing with the financial statements of the CNP Assurances Group, which include a quantified analysis of all of these risks. The tables in section 3.1 are included in the consolidated financial statements and have been reviewed by the Statutory Auditors.

5.6.1 Risk factors linked to the insurance business

The Group offers a full range of insurance products both inside and outside France.

The main traditional individual insurance policies written are savings products, term life insurance, endowment policies and deferred annuity contracts with or without contingency insurance. The Group also markets products that combine a traditional savings component and one or several unit-linked components.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, personal risk policies and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance holdings) write Property & Casualty and liability insurance. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

CNP Assurances is exposed to the risks inherent in marketing and pricing new products and the specific processes it uses to manage such risks are described in section 5.6.5 on risk governance.

CNP Assurances may also be exposed to emerging risks – in other words new, continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or deemed of minor importance could prove to have a material impact on the Group in the future.

Specific processes exist to identify and analyse emerging risks and the Group keeps abreast of relevant scientific publications, market trends, regulations and case law, etc.

The insurer's risks differ depending on the type of policy:

SAVINGS CONTRACTS GIVE RISE TO MAINLY FINANCIAL RISKS

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4 – Risk of guaranteed yields on insurance and financial liabilities in section 3.1 "Consolidated financial statements").

Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (*e.g.*, a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both the Group's earnings and solvency (see section 5.6.2 on exposure to an increase in interest rates)

- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products.

PENSION PRODUCTS GIVE RISE TO MAINLY FINANCIAL AND UNDERWRITING RISKS

Risks associated with annuity-based pension portfolios depend on:

- the benefit payment period, which is not known in advance
- the interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or the risk that yields on plan assets will fall significantly short of the underwriting rate used in the pricing model.

PERSONAL RISK POLICIES GIVE RISE TO MAINLY UNDERWRITING RISKS

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

Deteriorating loss ratios on temporary disability risks provided under term creditor and personal risk policies – especially under Group policies – has led to a major rethink of the pricing strategy for these products.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although the risk is limited somewhat by the use of certain types of medical questionnaires and the enforcement of a waiting period.

The Group's business may be affected by the occurrence of natural or human catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, a wave of global climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 or H1N1 viruses, or fallout from global warming, aside from immediate damage that such events would cause, could also significantly impact the Group's earnings and business.

THE GROUP IS EXPOSED TO CONCENTRATION RISK

The Group has potential exposure to concentration risk which could arise from:

- one or a number of Group entities underwriting the same risk
- one or a number of Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and validation process and product portfolio management and includes reinsurance strategy (see Note 24.5 – Concentration of insurance risk of section 3.1 "Consolidated financial statements").

THE GROUP HAS SET UP A REINSURANCE PROGRAMME TO LIMIT RISK EXPOSURE

Our reinsurance programme is an important part of managing both the insurance business and the related risk. It has the following features and objectives:

- we implement a Group-wide reinsurance policy covering business written by the Company and by its subsidiaries
- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability
- risks are shared on large-scale new Personal Risk business.

Other reinsurance treaties have been set up for strategic and commercial reasons.

Applications have been developed to monitor reinsured portfolios and these are presented in Note 10.5 – Credit risk on reinsured business of section 3.1 "Consolidated financial statements". The Group's exposure to its main reinsurers is also analysed to ensure that cumulative exposure remains within defined risk thresholds. Even if all relevant exposure limits are complied with, certain reinsurers may be unable to honour their financial obligations and this could adversely impact the Group's consolidated earnings.

The availability, amount and cost of reinsurance also hinges on numerous factors and these may vary considerably over time. An increase in the cost of reinsurance may impact Group earnings either directly *via* the reinsured business or because a reduction in outward reinsurance increases the risk of losses.

A CHANGE IN ASSUMPTIONS MAY RESULT IN INADEQUATE TECHNICAL RESERVES OR ADVERSELY IMPACT EARNINGS OR SOLVENCY

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates
- taking into account any increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally
- regularly assessing risks *via*:
  - prospective monitoring of yield commitments
  - detailed analyses and statistical studies of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

The main categories of technical reserves are disclosed in Note 24.3 – Valuation of insurance liabilities of section 3.1 "Consolidated financial statements".

Statistical and actuarial approaches are used to:

- develop new products
- build up technical reserves and ensure their adequacy by performing liability adequacy testing (LAT), and calculating the amount and recoverability of deferred participation assets or reserves
- measure indicators such as the value of new business or embedded value (see section 2.4 "Embedded value report")
- measure the value of In-Force business and expected future cash flows used in goodwill impairment testing.

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends
- policy holder behaviour (surrender rate, renewal/non-renewal rate, etc.)
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different. In particular, changes in technical assumptions or in the financial markets may affect provisioning rates, underwriting costs, embedded value and the value of new business, and negatively impact the Group's consolidated earnings and solvency (see Note 22.4 – Sensitivity of MCEV® to market risks of section 3.1 "Consolidated financial statements").

5.6.2 Risk factors linked to the financial markets

CNP ASSURANCES MUST ENSURE THAT MATURITIES AND YIELDS ON PLANS ASSETS ALWAYS MATCH ITS LIABILITIES

The Group has established management information systems to measure asset/liability mismatch risk and to optimise its asset allocation strategies. Asset/liability management (ALM) strategies match the structures of plan asset portfolios to policyholder commitments while seeking to maximise investment yields for a given level of risk.

ALM techniques use deterministic and stochastic modelling of financial market behaviour for the assets side of the balance sheet, and measurement of insurance commitments under various different scenarios for liabilities.

The maturities of plan assets may then be matched to the profiles of the Group's different liabilities. However, as with all modelling techniques, there are inherent risks. If assumptions used were to be invalidated by actual events or if a situation not provided for under any of the models were to arise, CNP Assurances may be forced to sell off assets at a loss or it may have insufficient amounts of profitable assets to meet its commitments to policyholders.

CNP IS EXPOSED TO THE RISK OF A FALL IN INTEREST RATES

The impact of a possible fall in interest rates on the Group's ability to fulfil its commitments to policyholders is analysed at regular intervals.

During a period of falling interest rates, yields on reinvested premiums and the Group's investment portfolios gradually decline (see Note 22.3 – Interest rate risk on financial assets of section 3.1 "Consolidated financial statements").

A prolonged fall in interest rates makes planned premium loading more difficult and exposes the insurer to a risk of lower margins on traditional life insurance products.

Under more extreme scenarios, despite the relatively low weighting of contracts with a guaranteed rate of return, there is a risk that yields would be insufficient to meet contractually guaranteed amounts, forcing the Group to eat into its own funds portfolio to pay the amounts in question.

Pension products – especially group pensions – are particularly exposed to the risk of a fall in interest rates.

These hypotheses have been confirmed by asset/liability simulations based on falling interest rates. However, the negative impact is attenuated by certain measures implemented in recent years such as limited yield guarantees and dynamic investment strategies.

A SHARP RISE IN INTEREST RATES INCREASES POLICY SURRENDER RISK

In the event of a sharp increase in interest rates, yields on the Group's investment portfolios may lag behind the market, generating a mismatch between the interest being paid out on Group products and the returns available on other financial products.

CNP Assurances may then have to contend with an increase in life insurance policy surrenders as policyholders seek higher yields elsewhere.

A spike in the surrender rate could force the Group to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the return being paid to the Group's policyholders and those available on the market, thus pushing the surrender rate even higher (see Note 22.4 – Sensitivity of MCEV® to market risks of section 3.1 "Consolidated financial statements").

5

The risk associated with an increase in interest rates is closely monitored and this is a key focus of our asset/liability management strategy.

Liabilities:

- combined unit-linked/traditional savings products include contractual clauses limiting or banning transfers between portfolios in the event of an unfavourable change in market conditions
- the duration and level of yield guarantees is limited thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets:

- investment in floating rate and index-linked bonds
- investment in bonds with different maturities
- part of the portfolio of fixed-rate bonds is hedged using caps (see Note 9.6 – Derivative instruments of section 3.1 "Consolidated financial statements")
- investing part of the portfolio in money market funds.

The Group hedges against the risk of higher interest rates. In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates.

The hedging programme is extended each year, to keep pace with growth in assets under management.

AS A LONG-TERM INVESTOR, CNP ASSURANCES IS EXPOSED TO CREDIT RISK (OR COUNTERPARTY RISK) ON ITS INVESTMENTS

See Note 9.8 – Credit risk of section 3.1 "Consolidated financial statements".

The credit risk (or counterparty risk) on a bond is the risk of issuer default and this depends on the issuer's financial bill of health as reflected in agency ratings (which can range from AAA to D). The credit "spread" is the risk premium – in other words, the difference between the yield on a bond and that on an investment-grade government bond with the same characteristics.

Credit spreads vary according to investor perceptions of the issuer's counterparty risk.

Historically, spreads on corporate bonds tend to narrow in periods of growth and they widen during a recession when the number of issuer defaults generally increases.

CNP Assurances would be exposed to losses in the event of one or a number of issuer defaults but even without an actual default, at certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy business forecasts that push down the value of the investment portfolio.

Consequently, changing credit spreads directly impact the market value of the bond portfolio and by definition unrealised gains or losses thereon.

The Group's credit spread risk rose during the year due to a combination of (i) a deterioration in the quality of the bond portfolio which was hit by the general trend in ratings downgrades (particularly among financial companies in the eurozone), and (ii) increased exposure to corporate credit risk on investments acquired to replace certain equities and bonds issued by "peripheral" eurozone governments that were sold off by the Group.

CNP Assurances manages this risk using a series of investment thresholds and by diversifying its portfolio and tracking its investments constantly. See the disclosures on the relevant Risk Committees in section 5.6.5 on risk governance.

Counterparty risk also extends to derivative instruments (such as interest rate swaps – *i.e.*, caps and floors – and swaptions) as well as to repos subject to margin calls. Such arrangements reduce counterparty risk through an exchange of collateral.

See the following notes in section 3.1 "Consolidated financial statements": Note 9.3 – Repurchase agreements, Note 9.4 – Lent securities, and Note 9.6 – Derivative instruments.

A LARGE PORTION OF THE GROUP'S INVESTMENT PORTFOLIO IS EXPOSED TO SOVEREIGN RISK ON GOVERNMENT BONDS

See Note 9.9 – Classification of investments by type of asset and by geographic region of section 3.1 "Consolidated financial statements".

Sovereign debt risk is the risk that a sovereign issuer defaults and that bondholders are unable to recover part or all of their investment.

Due to the nature of the assets it holds, CNP Assurances has significant exposure to this type of risk.

During periods of increased government borrowing, fears may grow concerning the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, CNP Assurances may have to contend with an actual default or a debt restructuring and have to take a huge write-down on the securities in question.

Following the difficulties encountered by private issuers in 2008 and 2009, the past three years have been characterised by increased sovereign risk. The Greek debt crisis heightened uncertainty over the ability of sovereign issuers to service their debt. Despite the creation of a European financial stability mechanism, these uncertainties spread to other European states, including Italy, Spain and Portugal.

A large proportion of the Group's financial assets is invested in European government – especially French – bonds and is sensitive to any widening in spreads. A rise in interest rates coupled with a large number of policy surrenders would trigger losses on the sale of bonds which could in turn impact the Group's equity. In 2013, exposure to sovereign debt issued by "peripheral" governments was monitored especially closely and the Group also paid very close attention to the debts of sovereigns in whose countries its subsidiaries are located, *i.e.*, principally Spain, Italy and Portugal. Consequently, CNP Assurances stepped up its oversight of developments in these countries, as well as monitoring of their sovereign debt. Specific measures continued to be taken in each of the Group's Southern European subsidiaries in 2013, including a significant reduction in exposure to and strict investment limits for bonds issued by these governments.

OUTSIDE THE EUROZONE, THE GROUP'S INVESTMENTS MAY BE SUBJECTED TO COUNTRY RISK DUE TO NON-TRANSFERABILITY OF ASSETS

CNP Assurances has developed a significant international presence and may be confronted with various different country risks culminating in an inability to repatriate the capital it has invested abroad. This risk relates chiefly to investments in its South American subsidiaries.

IN THE EVENT OF A SHARP RISE IN THE POLICY SURRENDER RATE, THE GROUP WOULD BE EXPOSED TO SIGNIFICANTLY HIGHER LIQUIDITY RISK

See Note 23.1 – Liquidity risk of section 3.1 "Consolidated financial statements".

Liquidity measures a debtor's ability to pay its debts and honour its obligations as and when they fall due. For CNP Assurances, liquidity risk is the possibility that it will be unable to pay policyholders in the event of a sharp rise in surrender rates and it varies inversely with the trust of policyholders. The Company could find that it has insufficient liquidity to deal with a wave of surrenders. A lack of confidence in the Group could also mean that it may no longer be able to find any takers on the market for its subordinated notes.

In practice, liquidity risk may be exacerbated by a sharp decline in new money, forcing CNP Assurances to sell off investments to make policyholder payments. In order to deal with such an eventuality, the Group maintains liquidity reserves and highly liquid investments. Although these are for large amounts, they could still prove to be insufficient under extreme conditions.

It should be noted that the Group's subordinated debt is not subject to financial covenants.

CNP ASSURANCES IS EXPOSED TO EQUITY RISK

See Note 20 – Investment income of section 3.1 "Consolidated financial statements".

Equity risk measures the sensitivity of portfolio share values to changes in stock market prices. By extension, non-controlling interests in unlisted companies and funds with an equity bias are also considered equities. Volatility measures the extent of equity price changes and is used to quantify the equity yield and price risk. High volatility means high potential gains, however the risk of losses is high as well.

The insurer may have to set aside impairment provisions for unrealised losses on certain securities and this will negatively affect earnings.

For example, CNP Assurances may be carrying shares in relatively indebted companies whose value is underpinned by forecasts of future profitability. If the sales of such companies come in under plan, or if they have trouble making debt repayments, their share price may take a big hit.

Moreover, while CNP Assurances may not be directly affected by a fall in the value of unit-linked portfolios, there is still a risk that its margins will suffer.

See Note 23.3 – Reconciliation of unit-linked assets and liabilities of section 3.1 "Consolidated financial statements".

Although there was a rally in French and international equity markets in 2013, they remain volatile and subject to major fluctuations (see Note 22.4 – Sensitivity of MCEV® to market risks of section 3.1 "Consolidated financial statements").

CNP ASSURANCES HAS INVESTED IN REAL ESTATE, INFRASTRUCTURE AND PRIVATE EQUITY FUNDS AND IS EXPOSED TO THE RISK OF A FALL IN THE VALUE OF THESE INVESTMENTS

Real estate risk measures the sensitivity of property portfolio values to changes in real estate market prices and concerns all property regardless of use, *i.e.*, owner-occupied and rental or investment property.

The rental income from a property portfolio is exposed to market risk (*i.e.*, changes in supply/demand, vacancy rates and their impact on rental value) as well as to the risk of default by tenants and unfavourable movements in the underlying rent revaluation indices.

The value of real estate owned directly or through a fund is exposed to variations in rental income and in the investment market itself, as well as to the potential risks that certain buildings will be rendered obsolete by new regulations (on energy consumption, for example) that may result in losses in the event of sale or additional costs to renovate and restore the value of such assets.

See Note 8 – Investment and owner-occupied property of section 3.1 “Consolidated financial statements”.

Private equity involves investors acquiring part of the capital of unlisted companies and is a much more complex activity than buying shares in listed companies.

Most investments of this type are made through venture-capital and innovation funds and, to a lesser degree, venture capital companies in France.

There are two types of risk inherent to private equity: the return on equity and the illiquid nature of these investments which require a medium-term perspective.

A decline in the value of such investments (equities, property, infrastructure, private equity or unlisted investments) can have an adverse impact on consolidated earnings due to the provisions that must be set aside under the French Insurance Code.

CNP ASSURANCES IS EXPOSED TO CURRENCY RISK

See Note 9.10 – Foreign currency transactions of section 4.1 “Consolidated financial statements”.

CNP Assurances publishes its consolidated financial statements in euros. Most of the Group’s currency risk is centred around the Brazilian subsidiary, Caixa Seguros Holding, which keeps its accounts in Brazilian real. Indeed, the Brazilian subsidiary’s contribution to the Group’s performance – both in terms of premium income and earnings – is already substantial and continuing to grow so fluctuations in the Brazilian real have a material impact both in terms of consolidated net profit and cash flows. The Group has contracted currency hedges to manage this risk however these are based on analyses and forecasts and could prove inadequate or ineffective.

With the exception of Caixa Seguros Holding, the bulk of asset portfolios are invested in the securities of eurozone issuers. As a result, the investment portfolios’ exposure to currency risks is very limited.

Section 5.1 of the Report of the Chairman of the Board of Directors of CNP Assurances analyses the Group’s currency risk exposure.

CNP Assurances has issued deeply-subordinated notes denominated in US dollars and in sterling. It has contracted currency hedges for two of these issues and a third issue has been match-funded to investments denominated in the same currency.

See the following notes in section 3.1 “Consolidated financial statements”: Note 11.1 – Subordinated debt at 31 December 2013 and Note 9.7 – Derivative instruments qualifying for hedge accounting.

THE HEDGING PROGRAMMES SET UP BY CNP ASSURANCES MAY PROVE INADEQUATE OR INCOMPLETE

See the following notes in section 3.1 “Consolidated financial statements”: Note 9.6 – Derivative instruments and Note 9.7 – Derivative instruments qualifying for hedge accounting.

CNP Assurances tracks all types of financial market risk very closely and manages the exposure of both its assets and its liabilities through various hedging programmes.

However, these programmes may prove incomplete or ill-adapted to protecting the Group against increased exposure under extreme conditions or against losses that it had wished to contain, all of which would negatively impact the business, consolidated earnings and the Group’s financial position.

Consequently, even the Group’s comprehensive hedging strategies do not alleviate all risk of loss. Moreover, CNP Assurances may incur losses if one of the various instruments or hedging strategies it uses proves to be ineffective.

Any unexpected market developments may lessen the effectiveness of hedging strategies and recognition of gains and losses arising on the ineffective portion of certain hedges may subject the Group’s reported results to greater volatility.

5.6.3 Risk factors linked to the business

Operational risk is defined as “the risk of loss resulting from inadequate or failed processes, people and systems or from external events”. This definition includes legal and compliance risks.

Risk management systems are designed to enhance operating managers’ risk management capabilities and to be clearly identifiable to facilitate the crucial work of monitoring. Procedures are structured around the risk profile of the parent company and each of the subsidiaries. These operational risk management procedures round out the Group’s internal control system – which could prove fallible – by tackling risks by category instead of using a unitary risk level approach based around processes and an upstream focus and they include risk mapping.

CERTAIN ACTIVITIES OUTSOURCED TO PARTNERS OR OUTSIDE CONTRACTORS MAY GIVE RISE TO A RISK OF NON-COMPLIANCE WITH INSURANCE REGULATIONS OR TO QUALITY-RELATED RISKS

Subcontracting risk – as defined under Solvency II – has been highlighted as a significant Group risk within CNP Assurances’ business model: activities may be outsourced to partners (sales and marketing and certain management operations, notably asset management) as well as to outside contractors.

The main subcontracting risks are reviewed on a regular basis – *i.e.*, regulatory compliance, improper subcontracting practices, dependency, loss of know-how, conflict of interest, etc. – and areas at risk are gradually being secured. The Group is currently testing the same process in the main subsidiaries.

CNP ASSURANCES MAY BE EXPOSED TO COMPLIANCE RISK OVER ITS PRODUCTS AND SERVICES

Several aspects of the insurance regulatory framework were analysed during the year in relation to the French Consumer Affairs Act, the national inter-professional agreement on supplementary social protection and the Social Security Financing Act. In a recommendation issued in January 2013, the *Autorité de contrôle prudentiel et de résolution* (ACPR), France’s financial services supervisor, reaffirmed the duty to provide advice to policyholders. The technical aspects of personal insurance were also highlighted in submissions by professional industry bodies to the European Union.

The life insurance section of the CNP Assurances business model (covering insurer liability) is frequently prepared by the partner networks. The product range and policy terms and conditions must guarantee the Group appropriate legal protection and provide policyholders with clear information about the content and scope of all proposed guarantees or commercial offerings.

In the interests of customer service quality, over the past few years CNP Assurances has obtained quality certification labels from recognised professional standards bodies (ISO 9001 for key management or commercial activities; CMMI or ITIL for IT activities). The Group constantly uses new standards and ACPR guidelines as opportunities to reinforce or recast its processes. Nevertheless, the ACPR decided to launch disciplinary proceedings against CNP Assurances following a review of the treatment of unclaimed insurance policies, which also involved other major insurance companies.

In particular, implementing the ACPR’s guideline on claims reception and handling procedures has been an ideal way of managing the related risk. CNP Assurances together with its different partners devised and posted a customer claims form on-line at www.cnp.fr listing the procedures to be followed for each type of policy and for each distributor network. Analysing the basis for claims goes hand in hand with finding solutions to problems identified.

The number of lawsuits brought by French policyholders has remained stable for the past three years and the use of mediation has become much more popular, especially as all correspondence with policyholders now clearly explains how to use the mediation service. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group but a provision is set aside for the estimated financial risk when appropriate.

AS A FINANCIAL INTERMEDIARY, THE COMPANY IS EXPOSED TO THE RISK OF MONEY-LAUNDERING AND FRAUD AS WELL AS TO SPECIFIC TYPES OF COMPLIANCE RISK

Combating money laundering and the financing of terrorism is a constant concern for the Group and our business model, in which a lot of operations are conducted by intermediaries, has shaped the related controls. The tasks entrusted by the Group to intermediaries are clearly set out in the distribution agreements between CNP and its partners.

When policyholder relations are handled by our partners, they also play a key role in the data gathering and know-your-customer processes that are essential for securing existing channels. Most transactions go through customer bank accounts referenced in the partner networks. The partners perform background checks on cash flows.

All of the Group's foreign subsidiaries sign a pledge to uphold either local legislation or French regulations, whichever is stricter.

CNP has also stepped up its battle against fraud. In addition to leveraging processes and expertise already deployed to combat money laundering together with controls performed by our partners and our own in-house services, processes for analysing data on financial flows and contracts have also been beefed up. Any suspicion of fraud detected by our services – either inside or outside the Group – or ethically questionable practices or abuse of people in a vulnerable position by sales personnel are subject to an in-depth investigation by a specialised unit within CNP Assurances. The enquiry is followed up with a detailed report and recommendations where necessary.

GROUP ENTITIES HAVE SET UP INSURANCE PROGRAMMES AND CONTINGENCY PLANS TO MITIGATE OPERATIONAL RISKS

CNP Assurances has designed a series of measures to ensure that all potential risks are efficiently managed. These include two cross-functional measures: the insurance programme and the contingency plan.

As part of the risk assessment process, property and casualty insurance has been taken out to protect assets and cover liability risks, comprising both Group-wide policies and subsidiary-level policies.

The levels of cover and of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities.

A contingency plan has been drawn up for both the French and international entities, describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and to continue to offer clients and partners an adequate level of service. Its practicality and effectiveness are tested several times a year, through emergency drills conducted at our various facilities.

This three-pronged approach – comprising crisis management, back-up facilities and an IT back-up plan – is currently being rolled out to the foreign subsidiaries.

AS A MAJOR GLOBAL INSURANCE PLAYER, ANY SECURITY INCIDENT EXPOSES CNP ASSURANCES' IT SYSTEM AND DATA TO RISK

The Group's business, sales and marketing operations are all organised around information systems. These systems are of critical importance and they must be able to adapt to a rapidly changing environment.

Granting access to partners and outside contractors exposes CNP Assurances to risks of intrusion and malicious acts that could result in the divulgation of sensitive data.

Although the Group has invested considerable resources in ensuring that IT systems and processes are secure and fluid and that data integrity is protected, systems could still be hit by technical problems that adversely impact activities.

THE GROUP COULD BE EXPOSED TO SOCIAL OR ENVIRONMENTAL RISK

The Group's reputation could be adversely affected by poor Human Resources management. This could concern the handling of psychosocial risks or a failure to promote gender equality, for example. The Group's image could also be tarnished by poor management of its woodland or property portfolios and the related environmental risk.

5.6.4 Other risk factors

CHANGES IN TAX LEGISLATION MAY HAVE A MATERIAL IMPACT ON THE GROUP'S SITUATION

Tax risk covers all taxes and levies that CNP Assurances collects on behalf of the government, as well as those it has to pay.

It concerns the application and interpretation – sometimes retrospectively – of changes to tax regulations and the risk of failure to comply with the Group's tax obligations.

Poor tax risk management can result in demands to pay additional tax charges and fines.

When CNP is devising new insurance products, particularly in life insurance, it takes many factors into account and one of these is fiscality and tax legislation currently in force. Any changes in tax regulations, particularly the removal of tax breaks, higher rates of taxation or new rules, could negatively impact current and future premium income, assets under management, net profit, cash flows and the Group's financial position and possibly even its share price.

ANY RATINGS DOWNGRADE SUFFERED BY CNP ASSURANCES COULD MAKE IT MORE EXPENSIVE TO RAISE DEBT

One of the key criteria used by investors to estimate risk is a potential investee's rating, particularly in increasingly globalised financial markets where it is getting harder to get good information and to manage all aspects of risk.

Consequently any ratings downgrade suffered by CNP Assurances can push up the cost of raising debt which may impact its future earnings.

Standard and Poor's regularly reviews the ratings of CNP Assurances and its subsidiaries and the Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 – Subordinated debt of section 3.1 "Consolidated financial statements".

RISKS RELATED TO THE GROUP'S LONG-TERM PARTNERSHIPS

To consolidate its presence in certain markets and to spread its economic and financial risk exposure, CNP Assurances enters into long-term partnerships either directly or through one of its subsidiaries. These may be commercial arrangements such as a distribution arrangement or the creation of joint ventures.

Joint ownership and operating arrangements both reduce the Group's investment risk exposure and act as an incentive for the effective participation and involvement of the partner.

As part of CNP's external growth strategy, whenever the Group identifies a potential acquisition, it commissions an in-depth audit of the target's financial position. Moreover, each stage of the operation is framed by governance processes that analyse the potential fit of the acquiree, thus enabling the relevant decision-making body to establish the conditions and parameters for finalising the operation.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than expected, and this may negatively impact consolidated earnings.

The constantly evolving nature of business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and big negative variances may result in impairment losses being recognised on goodwill or other intangible assets that will negatively impact the Group's financial position. See Note 7 – Intangible assets by category of section 3.1 "Consolidated financial statements".

Any partnership may have to be reviewed in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners.

In order to manage all of these risks, the investment (or long-term partnership) is integrated into the Group's financial reporting system. Its performance is monitored and any necessary adjustments and corrective action is taken, sometimes in conjunction with the distribution partner.

Special attention is paid to when long-term partnerships are due to expire and the Group strives to anticipate these developments in good time as any change in situation will affect its earnings, financial position and business model.

In the last quarter of 2013, as part of its 2014-2017 strategic plan, BPCE Group informed CNP Assurances of its intention to change its distribution relationships with the Company – while remaining a stable and long-term shareholder of CNP Assurances – when their commercial agreement expires on 1 January 2016.

As part of this process, the CNP Board of Directors, which was informed of BPCE's strategic choices, expects the talks with BPCE to be conducted with a view to defining, as from 1 January 2016, a fresh partnership model in personal insurance, based on existing and new business and covering all of the related financial, technical, operational and commercial aspects. To this end, the Company will examine the possible cooperation configurations in a commitment to preserving the overall balance of a partnership agreement between the two groups, protecting the interests of policyholders and employees, protecting CNP Assurances' corporate interests and creating value for all of its shareholders.

These discussions will continue in 2014.

RISKS RELATED TO NEW REGULATIONS

The introduction of new regulations either inside or outside Europe could prove both complex and costly for the Group which may have to mobilise several different divisions, adapt Group-wide information systems and train people to comply with the new rules.

There are still big question marks over what the new prudential framework will look like and it may require the Group to make changes to its investment portfolio. This would require adjustments to work already carried out and the costs of implementation could be considerable.

CNP'S HIGHLY COMPETITIVE MARKET IS A SOURCE OF CONSTANT RISKS FOR BOTH ITS BUSINESS AND EARNINGS

CNP Assurances does business in a fiercely competitive market comprising diverse types of players (insurance companies, mutual insurers, provident institutions, and commercial and investment banks, etc.) subject to different regulations and using many different distribution channels to market alternative products, some of which may be cheaper than the Group's offering.

This competitive pressure may force CNP Assurances to cut prices for certain products and services which could put a strain on margins and negatively affect its earnings and financial position.

Any harm done to the Group's image or reputation could have an adverse impact on future earnings.

5.6.5 Risk governance

The information provided in this section rounds out section 5.1.2 of this Registration Document on internal control and risk management procedures.

CNP ASSURANCES' APPROACH TO RISK MANAGEMENT HAS INCORPORATED RISK AS A COMPONENT IN ALL DECISION-MAKING PROCESSES

The risk management system is underpinned by processes to promote prudent stewardship in all of the Group's businesses. The Group applies the prudent person approach and the four-eyes principle to investing and decision-making processes, respectively.

To ensure constant compliance with Group solvency requirements, Risk Management has devised a risk management framework for the business units that incorporates risk as a component into all of the Group's decision-making processes. For all decisions that potentially affect the consolidated risk profile, Risk Management performs a risk and solvency impact assessment in the pre-commitment phase and makes a recommendation to senior management.

RISK MANAGEMENT IS PERFORMED AT DIFFERENT LEVELS OF THE GROUP

The internal control organisation has been structured around the entire Group.

The risk management process involves the following personnel:

- first-tier controls are performed by line personnel, who are responsible for ensuring that the necessary controls are in place to manage the risks associated with their activities and for constantly monitoring the legality, security and validity of all transactions carried out in the course of their work

- second-tier controls (risk oversight):
  - are performed by the Risk Management & Compliance department which is responsible for directly managing operational and compliance risks and
  - the Risk Management and Solvency department, tasked with overseeing financial and technical risks in liaison with the Investments and Technical Affairs departments.

Two departments are involved in risk assessment and control:

- the Internal Control department (part of the Risk Management & Compliance department) oversees the Group's internal control system and verifies the existence and effectiveness of the controls embedded in the various business processes. Their functions cover ongoing controls
- the Internal Audit department assesses the relevance and durability of the Group's general control system. It carries out its engagements within the scope of a multi-annual audit plan designed to audit all activities exposed to significant risks at least once every five years. The Internal Audit department carries out periodic controls.

The aforementioned internal control processes are in operation in CNP Assurances' headquarters and they are deployed in the Group's subsidiaries depending on their specific features on an as-needed basis.

THE GROUP RISK COMMITTEE OVERSEES RISK GOVERNANCE AND PRESENTS RISK FROM A CONSOLIDATED PERSPECTIVE

The Chief Executive Officer of CNP Assurances, assisted by the Executive Committee, is tasked with overseeing the overall risk management system and ensuring that it is properly adapted to corporate strategy.

In accordance with Article L. 823-19 of the French Commercial Code, the role of the Board of Directors and its Audit and Risk Committee is to ensure the effectiveness of risk management.

They may draw upon the Group's internal audit and internal control charters as well as the Group Risk Committee's own charter.

The overall aim is to develop risk management procedures that cover:

- the risk management framework (risk base, regulatory requirements, CNP Assurances' own rules and exposure limits)
- upstream risk management procedures (general guidelines for analysing risk on a case-by-case basis, and decision-making levels and processes)
- downstream risk management procedures (risk monitoring, emergency procedures).

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders.

These management information systems:

- analyse risk-adjusted profitability during the product launch process
- roll down Group objectives to the level of the individual businesses
- analyse the components of profit and value creation and the basis used for underwriting and pricing decisions, as well as determining the appropriate pricing and provisioning strategies
- track risks with a technical component
- optimise reinsurance strategies.

These routine analyses are rounded out by stress tests performed on key economic and technical assumptions to measure their impact on the Group's performance indicators.

The following committees also focus more specifically on risk management and internal control quality:

- the **Group Risk Committee** is tasked with:
  - providing overall risk management oversight
  - reviewing the annual solvency assessment process
  - validating all of the various risk- and solvency-related charters, procedures and guidelines
  - validating risk assessment guidelines and methodologies
  - tracking the Group's risk exposure, solvency capital and actual versus budget risk expenditure on a regular basis
  - validating the underwriting delegation process.

Risk officers have been appointed in the international subsidiaries to participate in risk governance. Risk-related data gathered by the various entities is consolidated at headquarters and reviewed by the Group Risk Committee.

The Group Risk Committee can draw upon reviews of specific risks already carried out by other committees. Examples include the following:

THE UNDERWRITING RISK COMMITTEE

The **Group Underwriting Risk Committee** assesses and monitors underwriting policy and underwriting risk management using analyses performed by the various departments concerned. It submits a reinsurance programme for France and the consolidated subsidiaries.

The Committee issues opinions and recommendations for validation by senior management and flags any significant risks to the Group Risk Committee.

THE PRODUCT DEVELOPMENT AND VALIDATION PROCESS HAS BEEN ROLLED OUT TO THE WHOLE GROUP

CNP Assurances has devised a framework to ensure that every new product is subjected to a process of validation before being brought to market. The process is devised at Group level and may be adapted to local circumstances, but the Executive Committee has the final say in the event of any diverging opinions.

The key features of such processes are as follows:

- any local decision to launch a new product must be subjected to a documented validation process covering the product's characteristics, pricing and ALM as well as legal, commercial, regulatory, reputational and accounting considerations. All of these aspects are tracked by the Product Approval Committee – comprising experts from the businesses concerned – which is responsible for all implementation and product launch decisions
- the value of any policyholder guarantees and options included in the products must be measured.

The process has been rolled out to all new individual insurance products as well as to any substantial modifications to existing products. There are plans to extend it to Group insurance products and it has been rolled out to the international subsidiaries under the name of "NewProd".

Internal delegations of authority have been defined by underwriting limit.

All unitary operations above a certain amount are reviewed by a Committee before the Group agrees to accept the risk.

THE GROUP IS GRADUALLY SETTING UP COMMITTEES AND DEVISING APPLICATIONS TO TRACK OPERATIONAL RISK MORE CLOSELY

Operational risk monitoring is spread throughout the Group and difficult to quantify. Monitoring is performed by a specialised service in liaison with the risk owners. The service mostly uses existing risk management procedures and standards, procedures for collating and measuring operational incidents throughout the Group and monitoring of any action plans to deal with operational incidents.

To make monitoring easier, operational risks are identified by category: risks relating to products, contracts and customer relations/execution, delivery and management of processes/IT system failure/Human Resource management/security of people and property/internal and external fraud/project management risks.

The service in charge of operational risk defines risk indicators, thresholds and limits and produces a periodic management report.

In 2011, the Company set up a **Subcontracting-Related Risk Committee** for the French businesses tasked by the Executive Committee with devising and deploying a risk management policy. It may issue opinions or recommendations, propose action plans and flag significant risks based on information and data from the operating divisions.

To combat the risks of **money laundering, terrorist financing and fraud** more effectively, additional checks are performed by Group management services and in a specialist unit and these round out the Group's operational risk management arsenal. Further, in-depth checks are performed on any suspicious data and if doubts persist, *TRACFIN*, the French government's anti-money laundering agency, is informed.

CNP ASSURANCES USES DEDICATED COMMITTEES TO MANAGE FINANCIAL MARKET RISK

CNP Assurances has developed a framework to oversee and manage its financial risk.

The Group's concentration risk is managed by means of various analyses performed at Group level by issuer, business segment and geographic region.

The **Credit Risk Committee** monitors credit and counterparty risk. It decides upon measures to control credit risk at Group level, checks that any rules and regulations fit with the guidelines set down by the Group Risk Committee and applies Group risk management policy.

The brief of the Credit Risk Committee includes:

- issuer default risk
- reinsurer default risk
- the risk of default of a financial counterparty, including issuers of derivatives, structured products, lent securities, etc.
- concentration risk.

The Committee fixes and monitors limits by individual issuer together with investment diversification procedures. It has the power to take decisions regarding minimum rating, dispersion, maximum maturity, subordination and securitisation.

These limits are used to manage the default risk of a given issuer based on the average rating for all of that issuer's bonds (corporations, sovereigns, state enterprises and agencies) in light of the Group's overall counterparty risk exposure to such issuers.

The risk limits are reviewed regularly by the Committee with the help of the risk owners.

The **Strategic Allocation Committee** ensures that rules and limits by category of asset fit with the guidelines laid down by the Group Risk Committee.

It devises strategic investment allocation guidelines based on ALM models for the different portfolios and targets in terms of yields and own funds portfolio used.

The **ALM Committee** identifies and tracks the risks arising on asset/liability management processes (ALM) which seek to contain risks affecting liquidity, earnings and the Company's net worth in the event of unfavourable trends in the markets (mainly lower interest rates) and/or policyholder behaviour.

This Committee provides input on ALM risks for the Group's risk management process based on return-on-risk-type profitability analyses for different categories of assets and ALM studies.

The ALM Committee is also responsible for measuring and tracking ALM risk hedging strategies and the asset allocation guidelines set down by the Strategic Allocation Committee. It does this by:

- reviewing the financial positions and composition of portfolios
- reviewing historical hedging strategy reports
- presenting ALM analyses of portfolios and proposed risk hedging strategies
- reporting on consolidated risk for the French entities.

The vetting of mutual funds and ETFs is the responsibility of the **Mutual Fund Selection Committee**. It tracks mutual fund performances and control ratios as well as key information and warnings about funds or fund managers. It also performs checks on alternative funds of funds, particularly on the liquidity of the underlying funds, and keeps abreast of the sanctions applied by the regulator to managers of funds.

Lastly, **the Investment Committee** is in charge of decisions to invest in real estate, private equity or infrastructure as well as the amounts to be allocated.

5.7 STATUTORY AUDITORS’ REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

For the year ended 31 December 2013

This is a free translation into English of the Statutory Auditors’ report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of CNP Assurances, and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you 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 31 December 2013.

It is the Chairman’s responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman’s report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman’s report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman’s report is based, and of the existing documentation
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman’s report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board’s report, prepared in accordance with Article L.225-37 of the French Commercial Code.

OTHER INFORMATION

We attest that the Chairman’s report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 26 February 2014

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Éric Dupont	Jean-Claude Pauly

5.8 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

Annual General Meeting for the approval of the financial statements for the year ended 31 December 2013

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of CNP Assurances, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*) and Article R.322-7 of the French Insurance Code (*Code des assurances*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code and Article R.322-7 of the French Insurance Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

We were not informed of any agreement or commitment entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code and Article R.322-7 of the French Insurance Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years

In accordance with Article R.225-30 of the French Commercial Code and Article R.322-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

1) Acquisition of a 25% interest in the share capital of GRTgaz by the public consortium comprising CNP Assurances, Caisse des Dépôts and CDC Infrastructure

Nature and purpose

On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts laid the foundations for a long-term partnership with GDF Suez in natural gas transportation in France and the rest of Europe. The partnership is based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion.

On 27 June 2011, CNP Assurances signed an investment agreement (hereinafter "the Investment Agreement") with GDF Suez, Société d'Infrastructures Gazières (SIG), CDC Infrastructure and Caisse des Dépôts.

The Investment Agreement sets out the terms and conditions of SIG's investment in GRTgaz's share capital. This investment was completed on 12 July 2011 *via* (i) an increase in GRTgaz's share capital subscribed by SIG, and (ii) SIG's simultaneous acquisition of GRTgaz shares held by GDF Suez.

The acquisition price for around 18.2% of the share capital was set at €810 million and the subscription of shares representing 6.8% of the share capital totalled €300 million. The total cost of the operation was therefore €1.1 billion.

A shareholders' agreement relating to GRTgaz was signed on 27 June 2011 between GDF Suez and SIG in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts (hereinafter "the Shareholders' Agreement"). The Shareholders' Agreement sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. The Shareholders' Agreement was entered into for a term of 20 years and is renewable once for a term of ten years. The Shareholders' Agreement grants SIG the usual rights of a non-controlling shareholder.

At its meeting on 5 April 2011, the Board of Directors authorised the Investment Agreement and the Shareholders' Agreement, the drafts of which had been previously presented to the Board. Henri Proglio abstained from the vote and Edmond Alphandéry, Jean-Paul Bailly, Ramon Fernandez, Augustin de Romanet, Antoine Gosset-Grainville and André Laurent Michelson did not participate in the vote.

Terms and conditions

This interest was acquired *via* two companies: Holding d'Infrastructures Gazières (HIG) controlled jointly by the consortium and Société d'Infrastructures Gazières (SIG) wholly owned by HIG, and which holds a non-controlling interest of 25% in GRTgaz. HIG financed the investment through (i) a capital increase (of which €358 million – or 54.4% of the total – was subscribed by the CNP Assurances Group) which allowed HIG to subscribe to a capital increase by SIG, and (ii) a bond issue by SIG in the amount of €500 million subscribed in full by the consortium (including an amount of €270 million subscribed by the CNP Assurances Group).

At 31 December 2013, CNP Assurances held 51.2% of the share capital of HIG (€337 million) as well as bonds issued by SIG in the amount of €211 million.

2) Agreement between CNP Assurances and La Banque Postale Prévoyance (LBPP)

Nature and purpose

At its meeting on 7 October 2010, the Board of Directors authorised the signing of an agreement between CNP Assurances and La Banque Postale for the purpose of defining the terms and conditions for giving greater autonomy to La Banque Postale Prévoyance (LBPP).

This agreement, applicable with retroactive effect as from 1 January 2010, sets out the measures taken in terms of governance, operating mode, and updating of the cost of policy administration services provided by CNP Assurances on behalf of LBPP.

Within the framework of this agreement, technical assistance and financial management services provided by CNP Assurances for LBPP will be invoiced at a maximum amount of €1,550 thousand for 2010, €1,100 thousand for 2011 and €650 thousand for 2012.

Terms and conditions

In connection with the increased autonomy of its subsidiary LBPP, CNP Assurances invoiced the following amounts in 2013:

- €0.68 million for technical assistance and financial management services
- €20.2 million for policy administration services.

3) Shareholders' Agreement relating to Suez Environnement

Nature and purpose

At its meetings of 4 March 2008 and 21 October 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a shareholders' agreement and an amendment to this agreement relating to Suez Environnement.

Terms and conditions

This shareholders' agreement, which CNP Assurances signed on 5 June 2008, falls within the framework of the Suez group's restructuring and the creation of its subsidiary, Suez Environnement. The main purpose of this agreement was to ensure a stable shareholder base to enable the Company to implement its strategic development project.

The purpose of the addendum to the shareholders' agreement was to simplify the decision-making and management process of the Suez Environnement group.

In a letter dated 15 January 2013, CNP Assurances withdrew from the shareholders' agreement with effect from 22 July 2013.

4) Sale of CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros and sale of most of CNP Assurances' interests in Argentina to the Brazilian company, CNP Assurances Brasil Holding Limitada

Nature and purpose

At its meeting on 17 September 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to sell CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros, a subsidiary of CNP Assurances and to sell most of the other non-controlling interests held by CNP Assurances in Argentina to the Brazilian company Brasil Limitada ("CNP BHL"), a subsidiary of CNP Assurances.

In 2008, the following Argentine interests were sold: Provincia Seguros de Vida (to CNP BHL for €2,084,526), Prévisol Compania de Seguros de Retiro (to CNP BHL for €1,000), Asociart (ARS 180,058.94), and Prévisol Compania de Seguros de Vida (ARS 44,700).

The interest in Provincia Aseguradora de Riesgos des Trabajo was sold in 2009 for ARS 3,460.

Terms and conditions

The sale of the CNP Seguros de Vida and Previsol Administradora de Fondos de Jubilaciones y Pensiones interests did not take place in 2013.

5) Real estate management agreement with AEW Europe

Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a real estate portfolio management agreement with AEW Europe. A framework agreement was signed on 11 July 2008 and amended on 25 January 2012.

Pursuant to this agreement, AEW Europe is responsible for:

- managing the real estate portfolio set out in the agreement, and
- providing assistance and advice in defining and implementing the investment strategy.

Terms and conditions

AEW Europe receives a fee determined as follows:

- for its real estate management services: a percentage of rents collected based on property type, exclusive of taxes and charges
- for its strategic asset management services: a percentage of rents collected, exclusive of taxes and charges, where AEW Europe provides rental and technical management services
- for its corporate management services: an annual lump sum payment
- for project management: fees based on the amount invoiced, excluding tax
- for consolidation purposes: an annual lump sum payment
- a percentage of the purchase and/or sale price of the real estate properties purchased or sold with its assistance.

In 2013, fees paid by CNP Assurances to AEW for these services amounted to €2 million.

6) Securities management agreement with Natixis AM

Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM, formerly IXIS Asset Management, a BPCE Group company. The contract signed on 30 June 2008 was amended in 2013.

Pursuant to this agreement, CNP Assurances gives full powers to Natixis AM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

Natixis AM receives a fee for its financial management services, determined as follows:

- a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds)
- a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances pursuant to this agreement in 2013 amounted to €20.7 million. This amount was rebilled to the subsidiaries concerned.

7) Extension of the master partnership agreement between CNP Assurances and Groupe Caisse d'Epargne (since renamed Groupe BPCE)

Nature and purpose

At its meeting on 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and Groupe Caisse d'Epargne setting the terms and conditions of their cooperation in the individual life insurance and savings market through Ecureuil Vie, which merged with CNP Assurances on 1 January 2007.

Terms and conditions

The remuneration received by Groupe Caisse d'Epargne as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products.

The amount paid by CNP Assurances under the commission agreement between CNP Assurances and Groupe Caisse d'Epargne came to €545.7 million in 2013.

8) Extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale

Nature and purpose

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale. The agreement sets the terms and conditions of the two partners' cooperation in the individual life insurance and savings market through La Banque Postale.

Terms and conditions

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products.

Fees paid by CNP Assurances pursuant to this agreement in 2013 amounted to €475.3 million.

9) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 18 April 2006, the Supervisory Board of Ecureuil Vie authorised the Company to issue perpetual subordinated notes in the amount of €108 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes: Euribor 3 months +95 bps until 20 December 2026, then Euribor 3 months +195 bps.

The interest expense recorded by CNP Assurances in 2013 amounted to €1.2 million.

10) Asset management contract with La Banque Postale Asset Management (formerly Sogéposte)

Nature and purpose

On 4 April 2006, the Supervisory Board authorised an asset management contract with La Banque Postale Asset Management (LBPAM), a subsidiary of La Banque Postale (formerly Sogéposte). The contract signed on 28 April 2006 was amended in 2009, 2010 and 2011.

Pursuant to this agreement, CNP Assurances gives full powers to LBPAM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

LBPAM receives a fee for its financial management services, determined as follows:

- an annual commission based on the value of assets under management, and the type of securities held
- fees on portfolio transactions carried out.

Fees paid by CNP Assurances pursuant to this agreement in 2013 amounted to €14 million. This amount was rebilled to the subsidiaries concerned.

11) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 2 April 2004, the Supervisory Board of Ecureuil Vie authorised the Company to enter into an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €183 million, divided into two tranches of €90 million and €93 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes:

- first tranche: 4.93% until 2016, then Euribor +160 bps from 15 November 2016
- second tranche: Euribor 3 months +70 bps until 2016, then Euribor 3 months +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2013 amounted to €4.4 million for the first tranche and €0.9 million for the second tranche.

12) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 10 April 2002, the Supervisory Board of Ecureuil Vie authorised the Company to sign an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €200 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes: 4.7825% until 2013, then Euribor +200 bps from 24 June 2013.

The interest expense recorded by CNP Assurances in 2013 amounted to €6.9 million.

13) Partnership agreement between CNP Assurances and Sofaxis (formerly Dexia Crédit Local de France and SOFCA)

Nature and purpose

At its meeting on 20 March 2000, the Supervisory Board of CNP Assurances authorised the partnership agreement between Dexia Crédit Local de France and SOFCA (collectively, Sofaxis) and CNP Assurances concerning cooperation in the local government market. The agreement, entered into and amended in 2006, sets out the arrangements for loading management expenses and determining the remuneration to be received by each partner, based on their respective tasks and the level of underwriting profit on the business.

Sofaxis was sold by Dexia Crédit Local de France in September 2013 to a consortium which is majority-owned by Société hospitalière d'assurance mutuelle (SHAM).

Terms and conditions

The amounts recorded in CNP Assurances' financial statements in 2013 in respect of this agreement consisted of an expense for brokerage fees totalling €1.8 million and a working capital advance granted to Sofaxis for €7.8 million.

Neuilly-sur-Seine and Courbevoie, 26 February 2014

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Éric Dupont	Jean-Claude Pauly

Additional information about the Company and its capital

6

6.1 GENERAL INFORMATION – COMPANY INFORMATION

6.1.1 Name, headquarters, Trade and Companies Registry number and APE business identifier code

CNP Assurances

4, place Raoul-Dautry

75716 Paris Cedex 15

Paris Trade and Companies Registry number 341 737 062 – APE business identifier code: 6511 Z

6.1.2 Legal form and governing law

CNP Assurances is a French *société anonyme* (public limited company) created in its current legal form by French Act No. 92-665 of 16 July 1992 adapting insurance and credit legislation to the single European market.

The General Meeting of 10 July 2007 approved a change in CNP Assurances' governance structure, replacing the two-tier structure with a Supervisory Board and an Executive Board by a new governance structure with a Board of Directors only.

Its activities are supervised by the French prudential supervision and resolution authority appointed by the French State (*Autorité de contrôle prudentiel et de résolution – ACPR*). CNP Assurances is listed on NYSE Euronext Paris and is also regulated by the AMF.

6.1.3 Date of incorporation and term of the Company

The origins of the Company date back to 1850 when the National Insurance Funds (*Caisses nationales d'assurance*) were founded. CNP Assurances was created in 1959 and was given the status of a public industrial and commercial establishment (*Établissement public à caractère industriel et commercial – EPIC*) by French Decree No. 87-833 of 12 October 1987. Its current status, that of a *société anonyme d'assurances*, results from Act No. 92-665 of 16 July 1992 (Official Journal of 17 July 1992). CNP Assurances is a public sector company.

The Company was incorporated for a term of 99 years, until 15 July 2086.

6.1.4 Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose is to:

- write life and endowment insurance
- write bodily injury insurance covering accident and health risks
- hold majority interests in insurance companies.

For this purpose, it can:

- hold stakes in companies whose business activities may assist it in performing the corporate purpose, and
- more generally, carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance.

6.1.5 Financial year

1 January to 31 December (the calendar year).

6.1.6 Appropriation and allocation of profit (Article 29 of the Articles of Association)

Net income for the financial year as shown by the annual statement of assets and liabilities, after deduction of overheads and other payroll charges, all depreciation and amortisation of assets and all contingency provisions, forms net profit.

Distributable profit consists of the profit for the financial year, less prior losses and amounts appropriated to the reserves pursuant to the law and the Articles of Association, and increased by retained earnings.

On the recommendation of the Board of Directors, the Ordinary General Meeting may decide to allocate any amounts it considers appropriate to retained earnings or to one or more extraordinary, general or special reserve funds. They may be allocated in any manner decided by the General Meeting, on the recommendation of the Board of Directors. It may also decide, on the recommendation of the Board of Directors, to distribute all or part of the profit in the form of dividends.

The General Meeting may decide to grant each shareholder an option of either payment in cash or in shares, for all or part of the dividend distributed or the interim dividends.

6.1.7 Participation in General Meetings

6.1.7.1 PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACT FROM ARTICLE 27 – GENERAL MEETINGS)

In accordance with Article 27 of the Company's Articles of Association, General Meetings are convened and are held in accordance with the conditions set down by law. Meetings take place at the Company's headquarters or at any other place indicated in the notice of meeting.

6.1.7.2 EXERCISE OF VOTING RIGHTS BY SHAREHOLDERS

All shareholders are invited to attend the General Meeting, regardless of the number of shares they hold. Shareholders may be represented at any General Meeting by any individual or legal entity of their choice (Article L.225-106 of the French Commercial Code).

A How to participate in the General Meeting

- Shareholders wishing to participate in the General Meeting, to be represented or to vote by post will have to provide proof of ownership of their shares at least three business days before the General Meeting by midnight (Paris time).
- Holders of registered shares must record their shares in the Company's registers.
- Holders of bearer shares must record their shares, in their name or in the name of the intermediary acting on their behalf if they are domiciled outside France, in their share accounts held by the bank or broker managing the share account.

This recording of shares must be evidenced by a share ownership certificate (or proof of registration) issued by the bank or broker.

This share ownership certificate issued by the bank or broker must be attached to the postal voting form, the request for a share ownership certificate from holders of bearer shares wishing to participate in the General Meeting by Internet, the proxy form or the admission card request form sent, *via* the bank or broker, to Caceis Corporate Trust[1] – Assemblées générales centralisées, 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Only the shareholders meeting these conditions, at least three business days before the General Meeting at midnight (Paris time) in accordance with Article R.225-85 of the French Commercial Code, will be able to participate in the General Meeting.

B How to exercise voting rights

Please note, voting by video conference will not be used at this meeting.

1 Shareholders wishing to attend the General Meeting in person:

Shareholders wishing to attend the General Meeting in person can ask for an admission card as follows:

a) Request an admission card by post

- holders of registered shares (pure and administered) should complete the form attached to the notice of the Annual General Meeting that they automatically received, specifying that they wish to attend the meeting and obtain an admission card, sign and return it, using the prepaid (France only) envelope enclosed with the notice of the Annual General Meeting, to Caceis Corporate Trust, Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9 (hereinafter Caceis Corporate Trust)
- holders of bearer shares should ask the bank or broker responsible for managing their share account (hereinafter financial intermediary) to send them an admission card.

Shareholders who have not received their admission card three days before the General Meeting can go directly to the relevant desk on the day of the meeting, simply with an identity card for holders of registered shares, and also with the share ownership certificate issued by the financial intermediary for holders of bearer shares. Holders of bearer shares who are in this situation are invited to contact the call centre for admission cards of Caceis Corporate Trust at +33 (0)1 57 78 32 32.

b) Request an admission card online

Shareholders wishing to attend the General Meeting can also ask for an admission card online *via* the Votaccess platform according to the following conditions:

- holders of registered shares (pure and administered) should use the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com)
- holders of registered shares who have already logged on to OLIS-Actionnaire should click on "Access my account"
- for a first connection, they should click on "First connection" and follow the on-screen instructions
- once connected, shareholders should click on the "Vote online" link to be automatically redirected to the Votaccess platform where they can request an admission card

(1) As registrar, Caceis Corporate Trust holds CNP Assurances' share accounts

- holders of bearer shares: only holders of bearer shares, whose account-keeping institution is a member of the Votaccess system and offers this service for the General Meeting, will have access to Votaccess.

If the shareholders' account-keeping institutions are connected to the Votaccess platform, they will have to connect to their account-keeping institution's internet portal with their usual access codes. Shareholders will then have to follow the on-screen instructions to access the Votaccess platform and vote, request an admission card, appoint or revoke a proxy.

Consequently, holders of bearer shares who are interested in this service are invited to contact their account keeper to acquire information on the conditions of use.

The Votaccess platform will be open from 7 April 2014 to 5 May 2014, the day before the General Meeting at 3pm (Paris time). Shareholders are advised not to wait until the last few days before exercising their voting rights to avoid any bottlenecks of the platform.

2 Shareholders wishing to vote by post or by proxy

a) Paper proxy/postal voting form

Instructions for shareholders wishing to vote by post or by proxy in paper form:

- holders of registered shares (pure and administered) should complete the form attached to the notice of the Annual General Meeting that they automatically received, specifying that they wish to be represented or vote by post, sign and return it, using the prepaid (France only) envelope enclosed with the notice of the Annual General Meeting or by letter addressed to Caceis Corporate Trust, Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9
- holders of bearer shares should request the form from the financial intermediary managing their shares, as from the date of the notice of the Annual General Meeting, complete it, specifying that they wish to be represented or vote by post, sign and return the form, together with a share ownership certificate issued by the financial intermediary by letter addressed to Caceis Corporate Trust, Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Shareholders wishing to be represented will have to send their form to Caceis Corporate Trust according to the conditions set out above, it being specified that Caceis Corporate Trust will have to receive the forms duly completed and signed no later than 3 May 2014, otherwise they will not be accepted.

b) Online proxy/postal voting form:

Shareholders may give their voting instructions and appoint or revoke a proxy online before the General Meeting on the Votaccess platform dedicated to the General Meeting in the conditions described below:

- holders of registered shares (pure and administered) should use the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com)
- holders of registered shares who have already logged on to OLIS-actionnaire should click on "Access my account"
- for a first connection shareholders should click on "First connection" and follow the on-screen instructions.

Once connected, shareholders should click on the "Vote online" link to be automatically redirected to the Votaccess platform where they can give their voting instructions.

- Holders of bearer shares should find out whether their account-keeping institution is connected to the Votaccess platform and acquire information on the Votaccess conditions of use, if applicable. If the shareholders' account-keeping institutions are connected to the Votaccess platform, shareholders will have to connect to their account-keeping institution's internet portal with their usual access codes. Shareholders will then have to follow the on-screen instructions to access the Votaccess platform and vote, appoint or revoke a proxy.

If the shareholders' account-keeping institutions are not connected to the Votaccess platform, the form appointing and revoking a proxy can be sent electronically in accordance with the provisions of Article R.225-79 of the French Commercial Code, by sending an email to: ct-mandataire-assemblee-cnpassurances@caceis.com.

A digital copy of the proxy voting form stating their last name, first name, address and banking details, as well as the last name, first name and address of the appointed or revoked proxy, together with the share ownership certificate issued by the accredited intermediary must be attached to this email. Shareholders will have to ask the financial intermediary that manages their account to send written confirmation no later than 3 May 2014 by post to Caceis Corporate Trust – Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, or by email to the following address: ct-mandataire-assemblee-cnpassurances@caceis.com or by fax at 33 (0)1 49 08 05 82 or 33 (0)1 49 08 05 83.

Only appointed or revoked proxies duly signed, completed, received and confirmed no later than three days before the date of the Annual General Meeting will be accepted. In addition, only appointed or revoked proxies can be sent to the above email address, any other request or notice on another subject-matter will not be accepted and/or processed.

The Votaccess platform for the General Meeting of Tuesday, 6 May 2014 will be open as from 7 April 2014.

Shareholders will have the possibility to vote, appoint or revoke a proxy, or request an admission card online before the General Meeting until 5 May 2014 at 3pm (Paris time).

To avoid any bottlenecks of the Votaccess platform, shareholders are advised not to wait until the day before the General Meeting to enter their instructions.

C. Request for items and draft resolutions to be added to the agenda, written questions and consultation of documents made available to shareholders

1 Requests to have items and draft resolutions added to the agenda from shareholders meeting the conditions required by Articles R.225-71 and R.225-73 of the French Commercial Code must be sent to CNP Assurances' headquarters by registered letter with return receipt requested or by email to actionnaires@cnp.fr, up to twenty-five (25) days prior to the General Meeting.

This request must include the share ownership certificate evidencing that the shareholders making the request hold or represent the fraction of capital required by Article R.225-71 of the French Commercial Code. The request to add draft resolutions to the agenda must include the text of the draft resolutions and the reasons for the request, where appropriate. Reasons for adding items to the agenda unrelated to a draft resolution must be provided.

Furthermore, the review by the General Meeting of the items or draft resolutions submitted by the shareholders is subject to the provision, by the shareholders of a new certificate evidencing that the shares are recorded under the same conditions as of the third business day preceding the General Meeting at midnight (Paris time).

If the draft resolution concerns the presentation of candidates to sit on the Board of Directors, it must include the information provided in paragraph 5 of Article R.225-83 of the French Commercial Code. The text of the draft resolutions presented by the shareholders and the list of the items to be added to the agenda at the shareholders' request will be promptly published on the Company's website. The Company can also publish a comment from the Board of Directors for each item to be added to the agenda.

2 Shareholders may send written questions to the Chairman of the Board of Directors, in accordance with Article R.225-84 of the French Commercial Code, once the notice of meeting has been published and by the fourth business day preceding the General Meeting at the latest together with a share ownership certificate. The Board of Directors will reply at the General Meeting or the reply will be deemed given if it is posted on the website at http://www.cnp-finances.fr under the heading "replies" in accordance with Article L.225-108 of the French Commercial Code.

3 In accordance with the applicable law and regulations, all documents that must be provided to General Meetings will be made available to the shareholders at CNP Assurances' headquarters within the time limits set by law, and all documents referred to in Article R.225-73-1 of the French Commercial Code will be available on the Company's website at http://www.cnp-finances.fr from the twenty-first (21st) day preceding the General Meeting.

6.1.7.3 DOCUMENTS AND INFORMATION MADE AVAILABLE TO SHAREHOLDERS

The documents and information relating to CNP Assurances, including the Articles of Association, the annual and consolidated financial statements, all reports and documents relating to the Company for the year ended 31 December 2013 and prior years, are made available to shareholders at the Company's headquarters in accordance with the applicable legal and regulatory provisions. The Registration Documents of CNP Assurances, filed with the AMF for each of the last five financial years, the Interim Financial Reports and the Group's results presentations and outlook are accessible on the Company's website. In accordance with Article L.451-1-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the annual information document summarising certain information published by CNP Assurances, can also be viewed on the Company's website.

6.1.8 Existence of disclosure thresholds

FORM, RIGHTS AND TRANSFER OF SHARES (ARTICLES 11, 13 AND 14 OF THE ARTICLES OF ASSOCIATION)

CNP Assurances' Articles of Association are available on the Company's website at www.cnp-finances.fr

Article 11 of the Articles of Association – Form and transfer of shares: disclosure thresholds with regard to the holding of the share capital

6.1.8.1 FORM OF SHARES

"Shares may be held either in registered or bearer form, at the shareholder's discretion. Holders of bearer shares will be identified under the conditions set out below. The Company may request information, in accordance with the applicable laws and regulations, from any organisation or accredited intermediary including the share transaction clearing organisation or the intermediary registered on behalf of a shareholder not domiciled in France within the meaning of Article 102 of the French Civil Code, related to the holders of securities which convey immediate or future voting rights in its General Meetings, including their identity, nationality, address, the number of shares they hold, and any restrictions on the shares or securities held.

The shares are registered in an account held by the Company or an accredited intermediary."

6.1.8.2 TRANSFER OF SHARES

"The shares are freely transferable subject to legal and regulatory provisions and according to the conditions provided by law."

6.1.8.3 DISCLOSURE THRESHOLDS WITH REGARD TO INTERESTS IN THE SHARE CAPITAL OR VOTING RIGHTS

"Any person who, acting alone or in concert, raises his direct or indirect interest in the capital or voting rights to at least 0.5%, 1% or any multiple of 1% is required to notify the Company by registered letter with return receipt requested within five days of the recording in the share account of the shares that lead to this threshold being reached or crossed, of the total number of shares and the number of voting rights held. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.

[…]

The above disclosure thresholds are an addition to the disclosures of thresholds provided by law."

In connection with the application of this provision of the Articles of Association, CNP Assurances has been notified that:

Caisse des Dépôts, Sopassure and the French State, in concert, exceeded the 78% threshold on 30 May 2013, at which date, they held 537,189,280 shares, in concert, and an equal number of voting rights. Sopassure alone exceeded the 36% threshold on 30 May 2013, at which date it held 248,926,986 shares and an equal number of voting rights. On 22 November 2013, Schroders Plc held 7,758,262 shares, representing 1.13% of the capital. Covéa Finance crossed under the 0.5% threshold on 5 December 2013, at which date it held 150,798 shares and an equal number of voting rights.

Article 13 of CNP Assurances' Articles of Association – Rights attached to shares

"Each share shall entitle its holder to a share of the Company's profits and net assets proportionate to the number of outstanding shares as set out below. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and these Articles of Association.

Where a shareholder must own a specific number of shares to exercise a particular right the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required."

Article 14 of CNP Assurances' Articles of Association – Transfer of rights and seals

"The rights and duties attached to shares shall be transferred with title to the shares. Share ownership shall automatically require shareholders to comply with these Articles of Association and the decisions made at General Meetings. The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property and documents of the Company, or that they be sold by auction or divided, nor shall they interfere in any way in its administration. In order to exercise their rights, they shall refer to the Company's statements of assets and liabilities and to the resolutions of the General Meetings."

6.2 GENERAL INFORMATION – INFORMATION ABOUT THE COMPANY'S CAPITAL

6.2.1 Share capital, par value of the shares

Amount of fully subscribed and paid-up share capital at 31 December 2013:

€686,618,477, divided into 686,618,477 shares with a par value of €1.

6.2.2 Delegations of authority

6.2.2.1 DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES

Tenth and eleventh resolutions adopted by the Ordinary and Extraordinary General Meeting of 25 April 2013. Expire: 25 June 2015

6.2.2.2 DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS WITH A VIEW TO GRANTING SHARES

Thirteenth resolution adopted by the Ordinary and Extraordinary General Meeting of 6 May 2011. Expires: 6 July 2014

6.2.3 Financial authorisations

6.2.3.1 AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The terms of the resolution to be adopted by the Annual General Meeting of 6 May 2014 are set out below.

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Article 241-2 of the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings:

- decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 25 April 2013 pursuant to its ninth resolution
- decides to adopt the programme referred to below and, for this purpose:
  - authorises the Board of Directors (which may sub-delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's General Regulations) to purchase shares of the Company, capped at the statutory limit of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution, is limited to 5%
  - decides that the shares bought back may be used for the following purposes:
    - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm that complies with the code of ethics of AMAFI (French association of financial and investment firms) recognised by the AMF
    - to hold shares for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company

- to grant shares to eligible employees of the Company or the Group, under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan
- to deliver shares on exercise of rights attached to securities that are convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to applicable securities regulations
- to cancel shares, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders adopting the extraordinary resolution authorising capital reductions)

- decides that the maximum purchase price per share may not exceed thirty euros (€30), excluding transaction costs
- decides that the Board of Directors may, however, adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and the grant of shares, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share
- decides that the maximum amount of funds used to carry out this share buyback programme may not exceed two billion, fifty-nine million eight hundred and fifty-five thousand four hundred and thirty-one euros (€2,059,855,431)
- decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and, where applicable, by off-market transactions or through the use of options or derivatives other than the sale of put options, at the times that the Board of Directors considers appropriate subject to the limits provided for by stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time
- grants full powers to the Board of Directors (which may delegate such powers) to ensure that these transactions are effectively completed, and set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF
  - place any and all buy and sell orders on or off the market
  - adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share
  - enter into all agreements, in particular with a view to keeping registers of share purchases and sales
  - prepare all documents and make all disclosures and filings with the AMF and any other organisation
  - carry out all formalities and issue all publications and
  - in general, do whatever is necessary in order to make use of this authorisation
- decides that this authorisation is given for a term that will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2014, without exceeding 18 months as from the date of this General Meeting.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will inform the Annual General Meeting of transactions carried out within the scope of this resolution.

6.2.3.2 AUTHORISATION TO ISSUE AND BUY BACK BONDS, SECURITIES OR DEBT SECURITIES

The Board of Directors' decision taken at the meeting of 19 February 2014 is reproduced below:

a) According to Article L.228-40 of the French Commercial Code, the Board of Directors has the authority to decide or authorise the issue of bonds, unless the Articles of Association reserve this power for the General Meeting or unless the General Meeting decides to exercise it.

As none of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting, the Board of Directors may authorise one or more directors or the Chief Executive Officer to issue bonds, within one year, and set the terms and conditions thereof.

The Board of Directors authorises the Chief Executive Officer of the Company, under the conditions provided for by law, to issue (on his decision alone), on one or more occasions, bonds or similar securities (where applicable within the scope of an EMTN programme), either in France or another country. The securities issued may be subordinated or unsubordinated, fixed term or open ended and may pay interest at a fixed or variable rate (or any other form of remuneration, including indexation), or any other securities and/or debt securities (it being specified that they may not carry warrants giving a right to the allotment, acquisition or subscription of other securities and/or debt securities).

Within the framework of this authorisation, the Board of Directors set the maximum nominal amount of the securities to be issued at one billion euros (€1,000,000,000) or the equivalent of such amount in foreign currency, or in any other unit of account established by reference to a set of currencies (or basket of currencies).

Full powers are given to the Chief Executive Officer, under the conditions provided for by law and for the maximum amount of the authorisation set above, in order to:

- decide on the nature, forms, terms and conditions of the issues
- decide on the features of the securities to be issued and, in particular, set the conditions for their exercise, their ranking which may be subordinated where applicable, the method of amortisation and payment of the securities, the frequency of the interest payments and the date and method of redemption of the capital, with or without a premium, as well as the amount of any redemption premium which will be added to the total maximum amount of the securities that may be issued pursuant to this delegation of authority, and determine the governing law
- decide, where appropriate, to attach a guarantee to the securities to be issued and, where applicable, define and grant such guarantee and
- in general, decide on all the rates, terms and conditions which the Chief Executive Officer considers appropriate in light of market conditions and the Company's interests.

This authorisation shall be valid for a one-year period.

b) The Board also authorises, as necessary, the Chief Executive Officer of the Company to buy back, on one or more occasions, at the prices and according to terms and conditions that he shall determine at his sole discretion, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations.

The maximum nominal amount of the securities that can be bought back pursuant to this authorisation may not exceed five hundred million euros (€500,000,000) or the equivalent of this amount in foreign currencies, or any other unit of account established by reference to a set of currencies (or currency basket).

This authorisation shall be valid for a one-year period.

6.2.4 Changes in share capital

Between 1987 and the legislative reform of 16 July 1992, CNP Assurances was a public industrial and commercial institution with no share capital within the meaning of the French Act of 24 July 1966. The changes in the capital of CNP Assurances since it became an insurance company limited by shares on 9 December 1992 are set out below:

Date	Description of the transactions carried out	Issued capital	Aggregate par value	Net premium
31.12.1991	Initial capital	50,000	FRF 5,000,000(1)	-
01.01.1992	Shares issued in payment for assets acquired from CNP EPIC	28,500,000	FRF 2,850,000,000(1)	FRF 4,243,612,960 (credited to reserve accounts)
23.04.1993	Shares issued for cash	3,170,000	FRF 317,000,000(1)	FRF 538,900,000
27.10.1994	Four-for-one share split	126,880,000	FRF 3,172,000,000(2)	-
18.09.1998	Shares issued for cash	9,803,922	FRF 245,098,050(2)	FRF 1,244,619,067
31.12.2000	Employee rights issue	443,786	FRF 11,094,650(2)	FRF 67,620,016
01.01.2001	Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros	n/a	€25,886,223.98(3)	-
21.06.2002	Employee rights issue	726,356	€2,905,424	€17,105,683.80
25.06.2004	Employee rights issue	731,402	€2,925,608	€20,508,512.08
22.12.2004	Employee rights issue	49,836	€199,344	€1,678,476.48
06.02.2007	Share issue with pre-emptive subscription rights	9,902,521	€39,610,084	€660,003,024.65
06.07.2010	Four-for-one share split	n/a	n/a	n/a
24.07.2012	Shares issued for cash following the 2011 dividend reinvestment plan	49,348,883	€49,348,883	€339,520,315.04
28.05.2013	Shares issued for cash following the 2012 dividend reinvestment plan	43,118,302	€43,118,302.00	€395,826,012.36

(1) Par value of FRF 100
(2) Par value of FRF 25
(3) Par value of €4
n/a non applicable

6.2.5 Changes in ownership structure over the last three years

2011

Number of shares: 594,151,292

Number of voting rights: 591,784,128

Shareholders	Number of shares	% interest	% voting rights(1)
Caisse des Dépôts	237,660,516	40.00%	40.16%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	210,821,912	35.48%	35.62%
French State	6,475,364	1.09%	1.09%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT(2)	**454,957,792**	**76.57%**	**76.88%**
Public, employees and other	139,193,500	23.43%	23.12%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	2,367,164	0.40%	-
TOTAL CNP ASSURANCES SHARES	**594,151,292**	**100%**	**100%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights

(2) The main terms of the shareholders' agreement are presented in the following table

2012

Number of shares: 643,500,175

Number of voting rights: 642,246,405

Shareholders	Number of shares	% interest	% voting rights(1)
Caisse des Dépôts	260,883,688	40.54%	40.62%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	231,422,531	35.96%	36.03%
French State	7,108,108	1.10%	1.11%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT(2)	**499,414,327**	**77.61%**	**77.76%**
Public, employees and other	144,085,848	22.39%	22.24%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	1,253,770	0.19%	-
TOTAL CNP ASSURANCES SHARES	**643,500,175**	**100.00%**	**100.00%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights

(2) The main terms of the shareholders' agreement are presented in the following table. 44,456,535 CNP Assurances shares (of which 23,223,172 shares held by Caisse des Dépôts, 20,600,619 shares held by Sopassure and 632,744 shares held by the French State) included in the share ownership following the scrip dividend paid on 24 July 2012 are excluded from the definition of "shares" under the shareholders' agreement entered into on 12 September 1998 between the parties

2013

Number of shares: 686,618,477

Number of voting rights: 686,157,804

Shareholders	Number of shares	% interest	% voting rights[1]
Caisse des Dépôts	280,616,540	40.87%	40.90%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	248,926,986	36.25%	36.28%
French State	7,645,754	1.11%	1.11%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT[2]	**537,189,280**	**78.24%**	**78.29%**
Public, employees and other	149,429,197	21.76%	21.71%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	460,673	0.07%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights

(2) The main terms of the shareholders' agreement are presented in the following table. 82,231,488 CNP Assurances shares (of which 42,956,024 shares held by Caisse des Dépôts, 38,105,074 shares held by Sopassure and 1,170,390 shares held by the French State) included in the share ownership following the scrip dividend paid on 24 July 2012 and 28 May 2013 are excluded from the definition of "shares" under the shareholders' agreement entered into on 12 September 1998 between the parties

To the Company's knowledge, no other shareholder holds over 5% of the share capital or voting rights

SHAREHOLDERS' AGREEMENT

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2009)

(Unchanged in 2013)

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des marchés financiers/Autorité des marchés financiers.*)

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
Signing of the CNP Assurances agreement: **2 September 1998** **Initial term: 5 years, automatically renewable for 2-year periods.**	■ Caisse des Dépôts: 40% ■ La Poste: 20% ■ Cencep: 12.5% ■ French State: 1%	Under the terms of the renewable 5-year agreement signed on 2 September 1998, CNP Assurances' main shareholders (Caisse des Dépôts, La Poste, Cencep and the French State) affirmed their intention to remain shareholders of the Company over the long term and to implement a common policy. They agreed to consult each other prior to all major decisions, such as proposed amendments to the Articles of Association, capital projects excluding financial investments, membership of the Executive Board and Supervisory Board and, more generally, all strategic decisions for CNP Assurances.	The agreement contains clauses placing a temporary ban on the sale of the parties' CNP Assurances shares and a pre-emptive subscription right applicable to all sales except for those made by the State: ■ 100% of the shares the first year, 80% the following year and 75% thereafter until the fifth year are temporarily non-transferable ■ all sales give the parties a pre-emptive right to purchase the shares held by the other parties, with the exception of the French State ■ the parties that are State-controlled must together hold 61% of the capital.

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des marchés financiers/Autorité des marchés financiers.*)

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
First addendum			
Signed: **19 December 2000** Term: Amended to 3 years following the decision by La Poste and Cencep to combine their interests within a joint holding company, Sopassure: **5 January 2004**	■ Caisse des Dépôts: 37% (40% → 37%) 36% [■ La Poste (20% → 18%) ■ CNCE (formerly Cencep) (12.5% → 18%)] ■ French State: 1.2% (1.7% → 1.2%)	■ In October 2000, the signatories reorganised their interests, while retaining combined majority control of CNP Assurances. As a result, *Sopassure* took over the rights and obligations of La Poste and Caisses d'Epargne. ■ Sopassure's term and the term of the shareholders' agreement between La Poste and Caisse d'Epargne group are aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ends, La Poste and Caisse d'Epargne group will recover direct ownership of their CNP Assurances shares and will decide whether to continue their joint policy with regard to the Company. ■ The number of seats on the Supervisory Board held by each signatory remained unchanged (Caisse des Dépôts: five seats; La Poste: three seats; CNCE: two seats; French State: one seat). The French securities regulator ruled that the decision by La Poste and Caisse d'Epargne group to combine their interests within Sopassure did not materially affect the original balance of powers among the signatories, with Caisse des Dépôts continuing to be the leading shareholder in the majority group (CMF ruling dated 24 November 2000).	Reorganisation of the interests held by shareholders representing the majority group: ■ acquisition by Caisse d'Epargne group of 5.5% of the capital from Caisse des Dépôts (3%), La Poste (2%) and the French State (0.5%) ■ interests held by CNP Assurances, La Poste and Caisse d'Epargne group combined within a joint holding company, Sopassure (a public sector entity) 50.1% owned by La Poste ■ Sopassure's interest will remain below that of Caisse des Dépôts (at around 36% and 37% respectively).
Second addendum			
Signed: **26 May 2003** Term: Extended until **31 December 2008**	■ Caisse des Dépôts: 37% 36% [■ La Poste ■ CNCE (formerly Cencep)] ■ French State: 1%	The second addendum extended the term of the shareholders' agreement to 31 December 2008.	The addendum includes a standstill agreement applicable to Caisse des Dépôts, Sopassure, CNCE and La Poste. To maintain the balance of shareholders' interests, Caisse des Dépôts' interest is maintained at 50,582,880 shares and that of Sopassure at 49,191,780 shares.

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des marchés financiers/Autorité des marchés financiers.*)

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
Third addendum			
Signed: **8 January 2007** Term: Extended until **31 December 2015** AMF ref.: 207C0117- 16 January 2007	■ Caisse des Dépôts: 37% 36% [■ La Banque Postale ■ CNCE ■ French State: 1%	The third addendum extended the term of the shareholders' agreement to 31 December 2015. Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. Seats on the Supervisory Board have been reallocated as follows: 18 members in total including one representing the French State, six representing Caisse des Dépôts, five representing Sopassure, one representing investors who have become shareholders pursuant to industrial, business or financial cooperation agreements, one representing employee shareholders and four independent directors.	Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. The signatories undertake not to carry out any share purchases or other transactions, that would result in (i) Caisse des Dépôts holding over 40% of CNP Assurances' capital, directly or indirectly, and/or (ii) Sopassure, La Banque Postale and CNCE together holding over 35.48%* of its capital, directly or indirectly.
Fourth addendum			
Signed: **9 July 2007** Term (unchanged): **31 December 2015** AMF ref.: 207C1599- 27 July 2007	■ Caisse des Dépôts: 40% 35.48% [■ La Banque Postale ■ CNCE ■ French State: 1%	The shareholders' agreement was aligned with the change in the Company's governance structure, replacing the Executive Board and Supervisory Board with a Board of Directors. For the full term of the shareholders' agreement, the signatories will recommend that the Board include one member appointed by the French State, six by Caisse des Dépôts and five by Sopassure, one employee representative and four independent directors.	The main clauses relative to the capital are not amended by this fourth addendum. They remain unchanged and in full force and effect.

* *The percentages indicated do not include shares issued to pay scrip dividends*

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des marchés financiers/Autorité des marchés financiers.*)

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
Fifth addendum			
Signed: **28 July 2009** Term (unchanged): **31 December 2015** AMF ref.: 207C0117- 4 September 2009	■ Caisse des Dépôts: 40% 35.48% [■ La Banque Postale ■ BPCE (formerly CNCE) ■ French State: 1.09%	As a result of the alliance between Caisses d'Epargne and Banques Populaires, the new cooperative banking group, BPCE, was formed on 31 July 2009. Pursuant to the fifth addendum to the shareholders' agreement, BPCE acquired CNCE's interest in Sopassure (jointly owned by La Banque Postale and CNCE) and took over all of CNCE's rights and obligations arising from the agreement. This will not however change the balance of interests of CNP Assurances' shareholders or the business agreements, which will remain unchanged as a result of the operation. The other provisions of the agreement that are not amended by the fifth addendum remain unchanged and in full force and effect.	The main clauses relative to the capital are not amended by this fifth addendum, which does not affect the existence of Sopassure, jointly owned by La Banque Postale and BPCE.

6.2.6 Changes in ownership structure

1998

On 23 September 1998, the interest held by Caisse des Dépôts was raised from 30% to 40% and the interest held by La Poste from 17.5% to 20%, through the acquisition of shares held by the French State in preparation for the transfer to the private sector of a minority stake held by the French State in the capital of CNP Assurances.

In accordance with the favourable opinion of the commission on shareholdings and transfers and the order adopted by the French Minister of Economy and Finance on 23 September 1998, the French State sold approximately 6.5% of the Company's capital to new shareholders: the civil service mutual insurance companies AGRR Prévoyance and Compagnie Suisse de réassurances.

The above two share sales had the effect of reducing the French State's interest in CNP Assurances' capital from 42.38% to 23.39%.

Following the transfer of CNP Assurances to the private sector, the French State continued to hold a residual stake of approximately 2.24% of the Company's capital. A total of 61% of CNP Assurances' capital was nevertheless still in the hands of public sector shareholders, through the interests held by Caisse des Dépôts and La Poste.

Using the authorisation given at the Extraordinary General Meeting of 18 September 1998, the Executive Board decided to increase the Company's capital by FRF 245,098,050 to FRF 3,417,098,050 through the issuance of 9,803,922 new shares with a par value of FRF 25 each, by reference to the prices at which the shares held by the French State were sold to private sector shareholders and the price spread of FRF 149 to FRF 153 set by the French Minister of Economy and Finance for the CNP Assurances initial public offering.

The new shares were issued at a price of FRF 153 each, including a premium of FRF 128, and are in the same class as existing shares.

1999

There were no changes in ownership structure during the year.

2000

On 25 September 2000, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000. A total of 443,786 new FRF 25 par value shares reserved for employees were issued on 15 December 2000, ranking *pari passu* with existing shares. The issue proceeds totalled €11,999,973.44 (FRF 78,714,665.78), including FRF 11,094,650 credited to the capital account and FRF 67,620,015.78 to the share premium account. At 31 December 2000, current and former employees of the Company held a total of 1,207,896 shares either directly or indirectly through Group employee share ownership plans.

On 19 December 2000, the main shareholders of CNP Assurances that signed the shareholders' agreement in September 1998 – Caisse des Dépôts, La Poste, Caisse d'Epargne group and the French State – decided to reorganise their majority interests in CNP Assurances. At the end of this process, which was completed on 5 January 2001, the situation of the majority shareholders of the Company was as follows:

- the respective 18% interests of La Poste and Caisse d'Epargne group were held by a joint holding company, Sopassure, which thus owned 36% of the capital of CNP Assurances
- the interest of Caisse des Dépôts stood at around 37% versus 40% prior to the reorganisation and the interest of the French State came to 1.2% versus 1.7%.

2001

The Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to convert the share capital into euros effective as of 1 January 2001, by converting the par value of the shares and rounding up the converted amount to the nearest whole number of euros. The resulting capital increase – from FRF 3,428,192,700 to €548,510,832 (divided into 137,127,708 fully paid up ordinary shares with a par value of €4) – was paid up by capitalising reserves.

Within the scope of this authorisation, the Executive Board was given the power to amend the Articles of Association accordingly.

2002

On 17 April 2002, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a second employee rights issue. A total of 726,356 new €4 par value shares reserved for employees were issued on 21 June 2002, ranking *pari passu* with existing shares. The issue proceeds totalled €20,011,107.80, including €2,905,424 credited to the capital account and €17,105,683.80, to the share premium account. Following this issue, the share capital amounted to €551,416,256, divided into 137,854,064 fully paid up ordinary shares with a €4 par value.

At 31 December 2002, current and former employees of the Company held a total of 1,744,969 shares, directly or indirectly through Group employee share ownership plans, representing 1.26% of the capital.

2003

There were no changes in the Company's capital in 2003. At 31 December 2003, current and former employees of the Company held a total of 1,482,563 shares, directly or indirectly through Group employee share ownership plans, representing 1.08% of the capital.

2004

On 7 January 2004, the Executive Board decided to use the authorisation given at the Annual General Meeting of 4 June 2002 to carry out an employee right's issue. A total of 731,402 new €4 par value shares reserved for employees were issued on 25 June 2004, ranking *pari passu* with existing shares.

The issue proceeds totalled €23,434,120.08, including €2,925,608 credited to the capital account and €20,508,512.08 to the share premium account. Following this issue, the share capital was raised from €551,416,256 to €554,341,864, divided into 138,585,466 fully paid up ordinary shares.

On 19 July 2004, the Executive Board decided to carry out another employee rights issue reserved for members of the CNP Assurances International Group employee share ownership plan.

A total of 49,836 new €4 par value shares reserved for employees were issued on 22 December 2004, ranking *pari passu* with existing shares. The issue proceeds totalled €1,877,820.48, including €199,344 credited to the capital account and €1,678,476.48 to the share premium account. Following this issue, the share capital was raised from €554,341,864 to €554,541,208, divided into 138,635,302 fully paid up ordinary shares.

2005

There were no changes in ownership structure during the year.

At 31 December 2005, employees and former employees held 148,300 shares directly and 1,445,276 shares indirectly through the corporate mutual fund "Actions", representing approximately 1.15% of the capital.

2006

There were no changes in ownership structure during the year.

At 31 December 2006, employees and former employees held 1,458,866 shares indirectly through the corporate mutual fund "Actions", representing approximately 1% of the capital.

2007

A right's issue with pre-emptive subscription rights was launched on 8 January 2007 to finance part of the cost of acquiring 49.9% of Ecureuil Vie. 9,902,521 new shares were issued. The gross issue proceeds amounted to €699,613,108.65.

On 6 February 2007, after the new shares had been listed on Eurolist by Euronext Paris, the number of shares outstanding stood at 148,537,823.

At 31 December 2007, employees held 0.58% of the capital, directly and indirectly through Group employee share ownership plans.

2008

At 31 December 2008, employees held 0.6% of the capital, directly and indirectly through Group employee share ownership plans.

2009

BPCE acquired CNCE's interest in Sopassure (holding company owned jointly by La Banque Postale and CNCE).

At 31 December 2009, employees held 0.37% of the capital, directly and indirectly through Group employee share ownership plans.

2010

The only change to the structure of the share capital in 2010 was a four-for-one share split decided on 6 July 2010 bringing the number of shares in circulation to 594,151,292.

At 31 December 2010, employees held 0.36% of the capital, directly and indirectly through Group employee share ownership plans.

2011

At 31 December 2011, employees held 0.35% of the capital, directly and indirectly through Group employee share ownership plans.

2012

CNP Assurances increased its capital following the payment of a scrip dividend for 2011. The dividend reinvestment option was enthusiastically received by shareholders, particularly the major shareholders (Caisse des Dépôts, Sopassure and the French State).

These signatories of the shareholders' agreement declared to the AMF that the balance of shareholders' interests had not changed by reference to the situation prevailing before 24 July 2012, Caisse des Dépôts remaining the majority shareholder. (AMF decision and information no. 212C1016 of 6 August 2012).

86.2% of dividends were reinvested. On 24 July 2012, 49,348,883 new shares were issued to cover the scrip dividend. On 31 December 2012, the Company's share capital stood at 643,500,175 shares with a par value of €1 each.

At 31 December 2012, employees held 0.33% of the capital, directly and indirectly through Group employee share ownership plans.

2013

CNP Assurances increased its capital following the payment of a scrip dividend for 2012. The dividend reinvestment option was again well received by shareholders, particularly the major shareholders (Caisse des Dépôts, Sopassure and the French State).

The new shares from the dividend reinvestment plan, ranking *pari passu* with existing shares, were listed on the NYSE Euronext Paris stock exchange on 30 May 2013. As a result of the reinvestment dividend plan, CNP Assurances' capital was 40.87%-held by Caisse des Dépôts, 36.25%-held by Sopassure and 1.11%-held by the French State.

At 31 December 2013, employees held 0.29% of the capital, directly and indirectly through Group employee share ownership plans.

6.2.7 Listing of CNP Assurances shares

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998.

The shares are traded on the Eurolist compartment A, ISIN code FR 0000120222. CNP Assurances is included in the following indices: SBF 120, Euronext 100 and DJ Eurostoxx Insurance.

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

Date	Trading volume	Low* *€/share*	High* *€/share*
31.01.2012	3,592,263	9.5	11.56
29.02.2012	6,300,363	10.295	11.2
30.03.2012	13,101,709	10.73	12.9
30.04.2012	9,007,488	9.91	11.78
31.05.2012	10,309,887	8.75	10.8
29.06.2012	13,566,008	8.165	9.63
31.07.2012	14,219,912	7.524	9.7
31.08.2012	7,491,957	8.299	10.07
28.09.2012	6,625,750	9.599	10.995
31.10.2012	6,295,203	10.035	11.3
30.11.2012	6,265,081	10.285	11.5
31.12.2012	4,247,537	11.145	11.8
31.01.2013	5,831,010	11.7	12.9
28.02.2013	6,533,495	11.05	12.52
29.03.2013	6,801,224	10.4	11.92
30.04.2013	7,645,713	10.445	11.7
31.05.2013	8,240,129	10.78	11.975
28.06.2013	8,158,946	10.6	11.87
31.07.2013	6,907,256	10.915	13.07
30.08.2013	8,898,484	12.635	14.6
30.09.2013	8,105,364	13.21	14.575
31.10.2013	8,253,881	12.755	13.645
29.11.2013	8,114,893	12.805	14.2
31.12.2013	7,602,937	12.91	14.9

* *Intraday lows and highs*

6.2.8 Dividends

Dividends paid by CNP Assurances for 2009, 2010, 2011, 2012 and 2013 were as follows:

Year of distribution	2009	2010*	2011	2012	2013**
Earnings per share	€6.8	€1.67	€1.37	€1.46	€1.46
Dividend per share	€3.00	€0.77	€0.77	€0.77	€0.77
Number of shares with dividend rights	148,537,823	594,151,292	594,151,292	643,500,175	686,618,477

* *In July 2010, the CNP Assurances Group carried out a four-for-one share split*

** *Subject to the decision of the General Meeting of 6 May 2014*

Dividends not claimed within five years are statute-barred and are paid over to the French State.

Dividend policy

The Company's dividend policy is determined by the Board of Directors after review of the financial position and results of the Group. This policy takes into account the Group's investment needs, the economic environment and any other factor deemed relevant.

The Company's dividend policy has always been consistent with its development strategy while seeking to ensure dividend sustainability by maintaining a reasonable payout ratio for its shareholders.

6.2.9 Guarantees and endorsements

To the best of the Company's knowledge, at the date of publication of this Registration Document, none of the Company's shares were subject to a pledge, guarantee or collateral.

See Note 9.11 "Commitments given and received" in Chapter 3.1 "Consolidated financial statements".

6.2.10 Discretionary and statutory profit-sharing plans

DISCRETIONARY PROFIT-SHARING PLAN

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. These amounts do not include any complementary contributions by the Company.

Amounts allocated on this basis to employees of CNP Assurances over the last five years:

Year	Total discretionary profit-sharing amount	Number of recipients
2009	€5,883,556.85	3,238
2010	€6,139,919.08	3,283
2011	€6,364,630.08	3,339
2012	€6,505,676.46	3,301
2013	€5,946,456.00	3,069

STATUTORY PROFIT-SHARING PLAN

The CNP Assurances Group statutory profit-sharing agreement was signed on 17 May 2000 and was implemented retroactively from 1 January 1999. The amount recorded in the special profit-sharing reserve is allocated among eligible employees (*i.e.*, employees with at least three months' service at 31 December of the reference year) based on the period worked during the reference year and their gross salaries.

The net profit share attributable to each eligible employee is held in a blocked account managed by Fongépar for five years and bears interest at the rate of 5% per year (from 1 May of the payment year). Funds are frozen for five years and are fully exempt from tax. Early withdrawals are allowed by law only in certain specific circumstances, but employees may apply at any time within the five-year lock-up period to transfer the entire amount to the Group employee share ownership plan.

Year	Total statutory profit-sharing	Number of recipients
2009	€12,700,000.00	2,956
2010	€11,487,075.00	3,015
2011	€12,947,254.00	3,083
2012	€17,387,983.00	3,083
2013	€17,278,647.00	3,095

6.2.11 Employee stock options

Not applicable.

6.2.12 Disputes

From time to time CNP Assurances Group is involved in legal proceedings in the ordinary course of business.

The principal proceedings are presented in Note 24.5.4 to the consolidated financial statements and in section 5.6.3 under the heading "Risk factors related to the business". The CNP Assurances Group is not currently aware of any legal proceedings or claims that it believes will have in the aggregate a material adverse effect on the Company's financial position or the results of its operations.

Neither the Company nor the Group has knowledge of any legal, governmental or arbitration proceedings, including either instances of which it is already aware, or any which may be pending or threatened against the Company, that may have had in the past 12 months, or may subsequently have a material adverse effect on its financial position or the results of its operations.

6.3 ANNUAL INFORMATION DOCUMENT

In accordance with Article 222-7 of the AMF's General Regulations, the annual information document below lists all the information published by the Company or made public in the last 12 months (between 2 April 2013 and 10 March 2014), in one or more European Economic Area countries or one or more other countries, in order to comply with its obligations under securities legislation or regulations relating to financial instruments and financial instrument markets.

Information published in the last 12 months	**Downloadable/ available from**
Registration Document – Annual/Half-Yearly/Quarterly Financial Report	
2012 Financial Report (4 April 2013)	
2012 Registration Document (4 April 2013)	
2013 Half-Yearly Financial Report (26 July 2013)	
Quarterly financial disclosure	
Q1 2013 (16 May 2013)	
Q3 2013 (7 November 2013)	
Description of the share buyback programme (25 April 2013)	
Availability of information for the General Meeting (3 April 2013)	www.cnp-finances.fr
Press releases published pursuant to the ongoing obligation to provide information/Availability of information for the General Meeting	www.cnp-finances.fr
Availability of information for the Ordinary and Extraordinary General Meeting of 25 April 2013 (3 April 2013)	
2012 Registration Document available online (4 April 2013)	
General Meeting and Board of Directors' meeting of 25 April 2013 (25 April 2013)	
Option for the payment of a scrip dividend for 2012 (25 April 2013)	
Quarterly information at 31 March 2013 (16 May 2013)	
Details on the revenue at 31 March 2013 (16 May 2013)	
Success of the 2012 dividend reinvestment plan (28 May 2013)	
CNP Assurances and Natixis to co-invest in infrastructure debt (10 June 2013)	
CNP Assurances successfully lengthens maturity of its subordinated debt (22 July 2013)	
Half-yearly report on transactions under the CNP Assurances liquidity contract at 30 June 2013 (3 July 2013)	
First-half 2013 results (26 July 2013)	
2013 Half-Yearly Financial Report available online (31 July 2013)	
Quarterly information at 30 September 2013 + 2014 financial calendar (7 November 2013)	
At the Board meeting of 6 November 2013, the Board of Directors of CNP Assurances discussed the talks with BPCE concerning the distribution agreements (8 November 2013)	
Half-yearly report on transactions under the CNP Assurances liquidity contract with Natixis (2 January 2014)	
Merger of Inter Expansion and Fongépar to create a major player in the employee savings market (2 January 2014 press release)	
2013 results (20 February 2014)	
Publication of agreements and addenda between shareholders (Article L.233-11 of the French Commercial Code)	not applicable for the period

Information published in the last 12 months		Downloadable/ available from
Documents published in the Balo (French legal gazette) (publication date)		www.journal-officiel.gouv.fr/balo
Formal notice of the Annual General Meeting of 25 April 2013 (4 March 2013)		
Notice of the Annual General Meeting of 25 April 2013 (3 April 2013)		
Documents filed with the Paris Commercial Court (clerk's office) (filing date)		www.infogreffe.fr
Extract from minutes of the Board of Directors' meeting of 25 April 2013: change of the permanent representative of Caisse des Dépôts		
Extract from minutes of the General Meeting of 25 April 2013: appointment of the Chief Executive Officer as director		
Extract from minutes of the Board of Directors' meeting of 15 May 2013: Sub-delegation to the Chairman of the authority to increase the share capital to cover the scrip dividend payment and to amend the Articles of Association accordingly		
Chairman's decision of 28 May 2013: Share capital increase following the 2012 dividend reinvestment plan and related amendments to the Articles of Association		
Extract from minutes of the Board of Directors' meeting of 25 September 2013: appointment of two directors to replace resigning members		
Extract from minutes of the Board of Directors' meeting of 6 November 2013: appointment of one director to replace a resigning member		
Extract from minutes of the Board of Directors' meeting of 18 December 2013: its Chief Executive Officer will serve as permanent representative of Caisse des Dépôts		
Documents made available to shareholders		Headquarters 4, place Raoul Dautry 75015 Paris
Annual General Meeting of 25 April 2013		
Balo of 4 March 2013 containing the formal notice of the Annual General Meeting Balo of 3 April 2013 containing the notice of the Annual General Meeting		
Journal d'annonces légales of 4 April 2013 containing notice of the meeting		
Notice of the General Meeting sent to shareholders with all information to be given to shareholders pursuant to Articles R.225-81 and R.225-83 of the French Commercial Code on 3 April 2013		
Annual General Meeting of May 6, 2014		
Balo of 10 March 2014 containing the notice of the Annual General Meeting		
Monthly statement on share capital and voting rights		www.cnp-finances.fr http://www.lesechoscomfi.com
Voting rights at 31 March 2013 (8 April 2013)	Voting rights at 30 April 2013 (3 May 2013)	
Voting rights at 31 May 2013 (11 June 2013)	Voting rights at 30 June 2013 (10 July 2013)	
Voting rights at 31 July 2013 (20 August 2013)	Voting rights at 31 August 2013 (9 September 2013)	
Voting rights at 30 September 2013 (10 October 2013)	Voting rights at 31 October 2013 (8 November 2013)	
Voting rights at 30 November 2013 (12 December 2013)	Voting rights at 31 December 2013 (20 January 2014)	
Voting rights at 31 January 2014 (6 February 2014)	Voting rights at 28 February 2014 (10 March 2014)	

6.4 TRANSACTIONS CARRIED OUT IN 2013 UNDER THE SHARE BUYBACK PROGRAMME

At the Annual General Meetings of 29 June 2012 and 25 April 2013, the shareholders approved the renewal of the share buyback programme in place since the IPO.

6.4.1 Trades in the Company's shares

Pursuant to the authorisation granted by the Annual General Meetings of 29 June 2012 and 25 April 2013, the Company purchased (between 1 January 2013 and 31 December 2013) 7,138,312 of its own shares at an average price of €12.26, and sold 7,931,409 treasury shares for an average price of €12.40.

Transactions between 1 January 2013 and 31 December 2013

	Aggregate gross flows		**Open positions at the date of filing of the offering circular**					
	Purchases *(in €)*	**Sales** *(in €)*	**Open call positions**			**Open put positions**		
Number of shares	7,138,312	7,931,409	Call options purchased	Put options sold	Forward purchases	Call options purchased	Put options sold	Forward purchases
Average maximum maturity	None	None	None	None	None	None	None	None
Average transaction price *(in €)*	12.26	12.40						
Average strike price	None	None	None	None	None	None	None	None
Amount *(in €)*	87,537,719.25	98,315,001.23						

SUMMARY STATEMENT

Statement by the issuer on transactions in its own shares between 1 January 2013 and 31 December 2013	
Percentage of capital held directly or indirectly as treasury stock	0.07%
Number of shares cancelled in the last 24 months	None
Number of shares held in the portfolio at 31 December 2013	460,673
Carrying amount (assessed at fair value*)	€6,864,027.70
Market value of the portfolio*	€6,864,027.70

* *At the 31 December 2013 closing price: €14.90.*

6.4.2 Purpose of the transactions

All the transactions were carried out in order to maintain a liquid market in the Company's shares under a liquidity contract entered into with an independent investment firm. The Company did not buy back any shares with a view to using them for the other categories of objectives of its 2013 share buyback programme. All treasury shares held at 31 December 2013 are allocated to maintaining a liquid market in the Company's shares, apart from 36,609 shares held in a separate account.

6.4.3 Cancelled shares

The Company did not cancel any shares.

6.5 PERSONS RESPONSIBLE FOR THE INFORMATION AND THE AUDIT OF THE FINANCIAL STATEMENTS

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Frédéric Lavenir, Chief Executive Officer of CNP Assurances

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and that the report of the Board of Directors, the different sections of which are listed on the contents page of the Registration Document, presents fairly the changes in business, results and financial position of the Company and the entities included in the scope of consolidation, as well as a description of their principal risks and contingencies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein, with the exception of embedded value information, which they checked for consistency with the conclusions set out in the report of the independent actuaries, Milliman, dated 19 February 2014, but did not review.

The Statutory Auditors' reports on the financial statements and the consolidated financial statements for the year ended 31 December 2013 included in this Registration Document are presented on pages 150 to 151 and 203 to 204, respectively. The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2013 contains an observation, without qualifying their opinion, referring to Note 3.1 on the mandatory application of new accounting standards.

The Statutory Auditors' report on the financial statements for the year ended 31 December 2013 contains an observation, without qualifying their opinion, drawing readers' attention to the change in accounting policy as presented in Notes 3 and 4.3.3.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2012, which is presented on pages 226 and 227 of the Registration Document filed with the AMF on 4 April 2013 under number D.13-0283, contains an observation.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2011, which is presented on pages 237 and 238 of the Registration Document filed with the AMF on 12 April 2012 under number D.12-0330, contains an observation."

Frédéric Lavenir

STATUTORY AUDITORS

Statutory Auditors of CNP Assurances	First appointed	End of term of office
PricewaterhouseCoopers Audit		
63, rue de Villiers 92200 Neuilly-sur-Seine Represented by Éric Dupont*	2010	AGM held to approve the 2015 financial statements
*Deputy: Yves Nicolas**	2010	AGM held to approve the 2015 financial statements
Mazars		
61, rue Henri Regnault – Tour Exaltis 92400 Courbevoie represented by Jean-Claude Pauly*	1998 Renewed in 2010	AGM held to approve the 2015 financial statements
*Deputy: Michel Barbet-Massin**	2010	AGM held to approve the 2015 financial statements

* *Member of the Versailles Regional Association of Statutory Auditors*

Information policy

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Antoine Lissowski, Deputy Chief Executive Officer

4, place Raoul Dautry – 75716 Paris Cedex 15

Documents concerning the Company may be consulted at

THE COMPANY'S HEADQUARTERS

Service "Droit des sociétés"

4, place Raoul Dautry – 75716 Paris Cedex 15

Tel: +33 1 42 18 88 88

6.6 FEES PAID TO THE STATUTORY AUDITORS

	MAZARS				PWC			
	Amount incl. VAT		%		Amount incl. VAT		%	
In € thousands	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Audit								
Audit of the financial statements of the Company and of the Group	1,886	2,126	79%	96%	1,814	1,845	90%	80%
Issuer	*876*	*860*	*37%*	*39%*	*882*	*871*	*44%*	*38%*
Fully consolidated companies	*1,010*	*1,266*	*42%*	*57%*	*932*	*974*	*46%*	*42%*
Other audit-related services	487	95	20%	4%	176	389	9%	17%
Issuer	*108*	*72*	*5%*	*3%*	*174*	*166*	*9%*	*7%*
Fully consolidated companies	*379*	*23*	*16%*	*1%*	*2*	*223*	*0%*	*10%*
Sub-total	**2,373**	**2,221**	**99%**	**100%**	**1,990**	**2,234**	**98%**	**97%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax, and labour law advisory services	15		1%		47	65	2%	3%
Other services								
Sub-total	**15**				**35**	**65**		
TOTAL	**2,388**	**2,221**	**100%**	**100%**	**2,037**	**2,299**	**100%**	**100%**

"Other audit-related services" mainly concern the issue of subordinated notes, the review of the English translation of the Registration Document and the review of sustainable development indicators.

Annual General Meeting of 6 May 2014

7

7.1 ANNUAL GENERAL MEETING OF 6 MAY 2014

7.1.1 Board of Directors' report on the draft resolutions

RESOLUTIONS OF THE ORDINARY GENERAL MEETING

Approval of the 2013 financial statements of the Company and the Group, and the Board of Directors' management report (1st and 2nd resolutions)

The first resolution concerns approval of the financial statements of the Company for the year ended 31 December 2013. It is followed by a resolution which, in accordance with French law, proposes that shareholders formally approve the consolidated financial statements of CNP Assurances.

Consolidated profit attributable to owners of the parent amounted to €1,030.2 million (versus €951.4 million in 2012).

Appropriation of profit and approval of the recommended dividend of €0.77 per share (3rd resolution)

The Company's financial statements show a profit of €735,288,827.27 for 2013 (versus €554,702,287.78 in 2012).

In view of the distributable profit for 2013 of €736,101,955.62, which corresponds to the sum of the above-mentioned profit and retained earnings of €813,128.35, the Board of Directors recommends that shareholders appropriate the distributable profit and set the dividend payment date as from 14 May 2014, as proposed under the third resolution.

The amount of the proposed cash dividend is the same as last year, *i.e.*, €0.77 per share and corresponds to a dividend payout rate of 51% of consolidated profit attributable to owners of the parent.

Dividends paid to private shareholders resident in France for tax purposes are subject to:

- a 21% withholding tax treated as an instalment of income tax, unless these shareholders have formally requested a waiver within the time limit
- income tax at a progressive rate, after application of a 40% tax relief in accordance with article 158-3-2 of the French Tax Code (*Code général des impôts*).

The following dividends were distributed to CNP Assurances shareholders in respect of the previous three financial years:

Financial year	Number of shares with dividend rights	Dividend per share
2010	594,151,292	€0.77
2011	594,151,292	€0.77
2012	643,500,175*	€0.77

* *Further to the option offered to shareholders at the Annual General Meeting of 29 June 2012 to settle the 2011 dividend in Company shares, CNP Assurances increased its share capital by creating 49,348,883 new shares with a par value of €1 each*

Approval of the Statutory Auditors' special report on agreements governed by Article L.225-38 of the French Commercial Code (4th resolution)

The agreements mentioned in the Statutory Auditors' special report are long standing agreements, authorised in the past by the Board of Directors that have remained in effect in 2013.

The Board of Directors did not authorise any new related-party agreements within the meaning of Article L.225-38 of the French Commercial Code in 2013.

Recommendation regarding the individual remuneration of the Chairman of the Board of Directors and of the Chief Executive Officer (5th and 6th resolutions)

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3) published on 17 June 2013, which the Company adheres to, the General Meeting is consulted in order to issue, pursuant to two separate resolutions, its recommendation on the remuneration due or paid to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors of

CNP Assurances and to Frédéric Lavenir in his capacity as Chief Executive Officer of CNP Assurances.

Remuneration granted in 2013 to management by the Board of Directors was established in accordance with public authority guidelines applicable to corporate offices within public sector companies.

Remuneration is set out in detail in the management report presented by the Board of Directors for the year ended 31 December 2013 and in point 4 of section 5 "Remuneration of corporate officers of CNP Assurances" of the 2013 Registration Document.

The advisory opinion thus requested relates to remuneration payable or granted in 2013 to management by the CNP Assurances Group, namely CNP Assurances and its subsidiaries, which is summarised in the table below. It is specified that, in the absence of any remuneration in kind, no items of remuneration have been "Granted" to CNP Assurances' senior executives, and only amounts "Payable" are shown in the table.

	2013	
Jean-Paul Faugère, Chairman of the Board of Directors	**Payable(1)**	**Granted(2)**
Fixed remuneration	€250,000	Not applicable
Annual variable remuneration	Not applicable	Not applicable
Deferred annual variable remuneration	Not applicable	Not applicable
Multi-annual variable remuneration	Not applicable	Not applicable
Exceptional remuneration	Not applicable	Not applicable
Stock options, performance shares and other long-term remuneration	Not applicable	Not applicable
Benefits linked to taking up or terminating office	Not applicable	Not applicable
Supplementary pension plan	Not applicable	Not applicable
Directors' fees (Caixa Seguros Holding)	€21,322	Not applicable
Benefits in kind	Not applicable	Not applicable
TOTAL	**€271,322**	**NOT APPLICABLE**

	2013	
Frédéric Lavenir, Chief Executive Officer	**Payable(1)**	**Granted(2)**
Fixed remuneration	€400,000	Not applicable
Annual variable remuneration	€48,471	Not applicable
Deferred annual variable remuneration	Not applicable	Not applicable
Multi-annual variable remuneration	Not applicable	Not applicable
Exceptional remuneration	Not applicable	Not applicable
Stock options, performance shares and other long-term remuneration	Not applicable	Not applicable
Benefits linked to taking up or terminating office	Not applicable	Not applicable
Supplementary pension plan	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable
Benefits in kind (company car)	€1,529	Not applicable
TOTAL	**€450,000**	**NOT APPLICABLE**

(1) Remuneration "Payable" corresponds to vested cash components of senior executives' remuneration, the amount and principle of which are certain, irrespective of whether or not they have already been paid

(2) Remuneration "Granted" corresponds to payments in the form of cash and/or shares, where the principle is certain but where the amount and/or number of shares is not definitive at the time that they are decided (or "Granted") and which, therefore, cannot be valued for accounting purposes

Authorisation for the Board of Directors to implement a share buyback programme. Maximum purchase price €30 per share (7th resolution)

The programme proposed under this resolution is very similar to the programmes tabled at previous Annual General Meetings, except for the maximum purchase price which has been increased to €30 per share.

The maximum amount of funds used to carry out this share buyback programme which takes into account the capital increase made for the previous scrip dividend payment of 28 May 2013 was discounted to €2,059,855,431.

In accordance with legal provisions, the Board of Directors requires the shareholders' authorisation to implement the share buyback programme. The draft resolution also provides that the Board of Directors may delegate its powers to implement the programme.

As the Board of Directors' delegation of all powers to the Chief Executive Officer in order to implement the buyback programme was given prior to the next Board of Directors' meeting (which will be held several weeks after the Annual General Meeting of 6 May 2014), when it approved the 2013 financial statements and the draft resolutions, this delegation is subject to the shareholders' approval at the Annual General Meeting.

The approval by the Annual General Meeting will automatically entail fulfilment of the condition precedent and Frédéric Lavenir will be able to immediately implement the share buyback programme.

RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING

Approval of the amendments to the Articles of Association relating to the terms of office of directors and non-voting directors (8th and 9th resolutions)

In 2012, the General Meeting amended the Company's Articles of Association to allow voting and non-voting directors to be reappointed on a rotation basis. Consequently, the Annual General Meeting appointed or reappointed all of the directors for varying terms of office (two, four or five years) in order to initiate such rotation.

Today, the Board of Directors is asking the General Meeting to reduce the maximum term of office of directors and non-voting directors set in the Articles of Association from five to four years, in compliance with the recommendations of the AFEP-MEDEF Code. This new term of office will apply to renewals or appointments submitted for approval as from the General Meeting of 6 May 2014.

RESOLUTIONS OF THE ORDINARY GENERAL MEETING

Ratification of directors' terms of office (10th, 11th, 12th, 14th resolutions)

At the Annual General Meeting of 6 May 2014, the Board asks the shareholders to ratify the appointment of Odile Renaud-Basso, Rose-Marie Van Lerberghe, Olivier Mareuse and Rémy Weber following the resignations of Michel Bouvard, Henri Proglio, André Laurent Michelson and Jean-Paul Bailly.

The Company is thus continuing its policy of gender equality by increasing the number of female directors to six, or 33% of the Board.

Renewal of terms of office of directors (13th, 15th, 16th, 17th, 18th and 19th resolutions), and of a non-voting director (20th resolution)

As several terms of office are due to expire at the Annual General Meeting of 6 May 2014, the Board of Directors asks the shareholders to renew the terms of office of six directors (Olivier Mareuse, Rémy Weber, Jean-Yves Forel, François Pérol, Franck Silvent, Philippe Wahl) and one non-voting director (Pierre Garcin). In accordance with the amendment of the Articles of Association resulting from the adoption of the 8th and 9th resolutions, these terms of office would last for four years.

Appointment of a non-voting director to replace a resigning member (21st resolution)

The General Meeting is asked to appoint Jean-Louis Davet to replace Jacques Hornez for the remainder of his term of office, *i.e.*, two years. This reduced period has been set in accordance with the system to allow voting and non-voting directors to be appointed on a rotation basis, implemented by the Ordinary and Extraordinary General Meeting of 29 June 2012.

7.1.2 Agenda

ORDINARY RESOLUTIONS

The Board of Directors' management report, the Board of Directors' report on the draft resolutions, the report of the Chairman of the Board of Directors and Statutory Auditors' reports

- **I –** Approval of the financial statements of the Company for the year ended 31 December 2013
- **II –** Approval of the consolidated financial statements for the year ended 31 December 2013
- **III –** Appropriation of 2013 profit and setting of the dividend
- **IV –** Approval of the Statutory Auditors' special report on related-party agreements governed by Article L.225-38 of the French Commercial Code
- **V –** Advisory opinion on the remuneration of the Chairman of the Board of Directors
- **VI –** Advisory opinion on the remuneration of the Chief Executive Officer
- **VII –** Authorisation for the Board of Directors to implement a share buyback programme

EXTRAORDINARY RESOLUTIONS

- **VIII –** Amendment to the Articles of Association relating to directors' terms of office (Article 16.1 of the Articles of Association)
- **IX –** Amendment to the Articles of Association relating to non-voting directors' terms of office (Article 25 of the Articles of Association)

ORDINARY RESOLUTIONS

- **X –** Ratification of the appointment of Odile Renaud-Basso as a director
- **XI –** Ratification of the appointment of Rose-Marie Van Lerberghe as a director
- **XII –** Ratification of the appointment of Olivier Mareuse as a director
- **XIII –** Renewal of the term of office of Olivier Mareuse as a director
- **XIV –** Ratification of the appointment of Rémy Weber as a director
- **XV –** Renewal of the term of office of Rémy Weber as a director
- **XVI –** Renewal of the term of office of Jean-Yves Forel as a director
- **XVII –** Renewal of the term of office of François Pérol as a director
- **XVIII –** Renewal of the term of office of Franck Silvent as a director
- **XIX –** Renewal of the term of office of Philippe Wahl as a director
- **XX –** Renewal of the term of office of Pierre Garcin as a non-voting director
- **XXI –** Appointment of Jean-Louis Davet as a non-voting director
- **XXII –** Powers for formalities

7.1.3 Draft resolutions

FIRST RESOLUTION

(Approval of the financial statements of the Company for the year ended 31 December 2013)

Having considered:

- the Board of Directors' report on the operation and management of CNP Assurances and the CNP Assurances Group during financial year 2013
- the Board of Directors' report on the draft resolutions
- the Company's annual financial statements (income statement, balance sheet, notes) and the consolidated financial statements
- the Statutory Auditors' general report
- the report of the Chairman of the Board of Directors on the composition and work of the Board of Directors and the Company's internal control and risk management procedures
- the Statutory Auditors' special report, prepared in accordance with Article L.225-235 of the French Commercial Code

the General Meeting approves the Company's financial statements for the year ended 31 December 2013, as presented to it, as well as the transactions entered in said financial statements or referred to in said reports, which show net profit of €735,288,827.27.

The General Meeting also approves the deduction of €1,595,319 from the Company's optional reserves and the appropriation of the full amount to the guarantee fund reserve set up in accordance with the French Act of 25 June 1999.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year ended 31 December 2013)

Having considered the reports of the Board of Directors and the Statutory Auditors, the General Meeting expressly approves the consolidated financial statements for the year ended 31 December 2013 as presented to it, which show profit attributable to owners of the parent of €1,030.2 million as well as the management of the Group, as shown by these financial statements and reports.

THIRD RESOLUTION

(Appropriation of 2013 profit and setting of the dividend)

Having noted that net profit for the year ended 31 December 2013 came in at €735,288,827.27 and retained earnings amounted to €813,128.35, resulting in distributable profit of €736,101,955.62, the General Meeting approves the Board of Directors' proposals concerning the appropriation of profit and the setting of the dividend.

Consequently, the General Meeting decides:

- to distribute a total dividend of €528,696,227.29 to be shared between all shareholders
- to transfer the balance of €207,405,728.33 to retained earnings.

Each of the 686,618,477 shares making up the share capital at the date of the General Meeting will bear a dividend of €0.77.

The dividend will be paid as from 14 May 2014 and the shares will trade ex-dividend on NYSE Euronext Paris from 9 May 2014.

Private shareholders resident in France for tax purposes will be entitled to 40% tax relief on their dividends pursuant to Article 158-3-2 of the French Tax Code.

The total amount of the dividend distributed will be reduced by the amount corresponding to the number of any treasury shares held by the Company which will be transferred to the retained earnings account in accordance with Article L.225-210 of the French Commercial Code.

In accordance with Article 243 *bis* of the French Tax Code, the General Meeting recalls the amount of dividends distributed in respect of the previous three financial years.

The following dividends were distributed in respect of the previous three financial years:

Financial year	Number of shares with dividend rights	Dividend per share
2010	594,151,292	€0.77
2011	594,151,292	€0.77
2012	643,500,175*	€0.77

* *Further to the option offered to shareholders at the Annual General Meeting of 29 June 2012 to settle the 2012 dividend in Company shares, CNP Assurances increased its share capital by creating 49,348,883 new shares with a par value of €1 each*

In accordance with the disclosure requirements set out in Article 243 *bis* of the French Tax Code, distributions for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 were eligible for the 40% tax relief available for private shareholders resident in France for tax purposes pursuant to Article 158, section 3, subsection 2 of said Code.

FOURTH RESOLUTION

(Approval of the Statutory Auditors' special report on related-party agreements governed by Article L.225-38 of the French Commercial Code)

Having considered the Statutory Auditors' special report on the agreements referred to in Article L.225-38 of the French Commercial Code, the General Meeting approves said report.

FIFTH RESOLUTION

(Advisory opinion on the individual remuneration of the Chairman of the Board of Directors)

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3) published on 17 June 2013, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, delivers a favourable opinion on the remuneration due or granted to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors of CNP Assurances, as set out in the Board of Directors' report and in point 1 of section 7 "Annual General Meeting of 6 May 2014" of the 2013 Registration Document.

SIXTH RESOLUTION

(Advisory opinion on the individual remuneration of the Chief Executive Officer)

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3) published on 17 June 2013, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, delivers a favourable opinion on the remuneration due or granted to Frédéric Lavenir in his capacity as Chief Executive Officer of CNP Assurances, as set out in the Board of Directors' report and in point 1 of section 7 "Annual General Meeting of 6 May 2014" of the 2013 Registration Document.

SEVENTH RESOLUTION

(Authorisation for the Board of Directors to implement a share buyback programme)

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Article 241-2 of the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings:

- decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 25 April 2013 pursuant to its ninth resolution
- decides to adopt the programme referred to below and, for this purpose:
- authorises the Board of Directors (which may sub-delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's General Regulations, to purchase shares of the Company, capped at the statutory limit of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution, is limited to 5%
- decides that the shares bought back may be used for the following purposes:
  - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm that complies with the code of ethics of AMAFI (French association of financial and investment firms) recognised by the AMF
  - to hold shares for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company
  - to grant shares to eligible employees of the Company or the Group, under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan
  - to deliver shares on exercise of rights attached to securities that are convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to applicable securities regulations
  - to cancel shares, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders adopting the extraordinary resolution authorising capital reductions)
- decides that the maximum purchase price per share may not exceed thirty euros (€30), excluding transaction costs
- decides that the Board of Directors may, however, adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and the grant of shares, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share

- decides that the maximum amount of funds used to carry out this share buyback programme may not exceed two billion, fifty-nine million, eight hundred and fifty five thousand, four hundred and thirty one euros (€2,059,855,431)
- decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and, where applicable, by off-market transactions or through the use of options or derivatives other than the sale of put options, at the times that the Board of Directors considers appropriate subject to the limits provided for by stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time
- grants full powers to the Board of Directors (which may delegate such powers) to ensure that these transactions are effectively completed, and set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract in compliance with the Amafi code of ethics recognised by the AMF
  - place any and all buy and sell orders on or off the market
  - adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share
  - enter into all agreements, in particular with a view to keeping registers of share purchases and sales
  - prepare all documents and make all disclosures and filings with the AMF and any other organisation
  - carry out all formalities and issue all publications and
  - in general, do whatever is necessary in order to make use of this authorisation
- decides that this authorisation is given for a term that will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2014, without exceeding 18 months as from the date of this General Meeting.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will inform the Annual General Meeting of transactions carried out within the scope of this resolution.

EIGHTH RESOLUTION

(Amendment to the Articles of Association relating to directors' terms of office (Article 16.1 of the Articles of Association)

Having considered the Board of Directors' report, the General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, decides to reduce directors' terms of office from five to four years, it being specified that this reduction will not affect directors in office who will serve until the expiry of their terms.

Consequently, the General Meeting decides to amend Article 16-1 of the Articles of Association of CNP Assurances as follows:

Article 16 – Directors' terms of office – vacancies

"1. The term of office of a director is four (4) years. Directors are appointed or reappointed on a rotation basis, so as to allow for the staggered renewal of the Board of Directors. As an exception, the General Meeting may appoint a director for a term of less than four (4) years in order to enable directors to be reappointed on a rotation basis."

[The remainder of Article 16 of the Articles of Association remains unchanged]

NINTH RESOLUTION

(Amendment to the Articles of Association relating to non-voting directors' terms of office (Article 25 of the Articles of Association)

Having considered the Board of Directors' report, the General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, decides to reduce non-voting directors' terms of office from five to four years, it being specified that this reduction will not affect non-voting directors in office who will serve until the expiry of their terms.

Consequently, the General Meeting decides to amend Article 25 of the Articles of Association of CNP Assurances as follows:

Article 25 – Appointment and powers

"The General Meeting may appoint non-voting directors, individuals or legal entities, who may or may not be chosen from among the shareholders, and whose number may in no event be greater than one half of the number of directors in office at the time of their appointment.

Non-voting directors are appointed for four (4) years. The period between two consecutive Annual General Meetings shall be termed a year.

Non-voting directors are appointed or reappointed on a rotation basis, so as to allow for the staggered renewal of non-voting directors. As an exception, the General Meeting may appoint a non-voting director for a term of less than four (4) years in order to enable non-voting directors to be reappointed on a rotation basis."

[The remainder of Article 25 of the Articles of Association remains unchanged]

TENTH RESOLUTION

(Ratification of the appointment of Odile Renaud-Basso as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the appointment of Odile Renaud-Basso as a director to fill the seat left vacant by the resignation of Michel Bouvard, for the remainder of her predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

ELEVENTH RESOLUTION

(Ratification of the appointment of Rose-Marie Van Lerberghe as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the appointment of Rose-Marie Van Lerberghe as a director to fill the seat left vacant by the resignation of Henri Proglio, for the remainder of her predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

TWELFTH RESOLUTION

(Ratification of the appointment of Olivier Mareuse as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the appointment of Olivier Mareuse as a director to fill the seat left vacant by the resignation of André Laurent Michelson, for the remainder of his predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

THIRTEENTH RESOLUTION

(Renewal of the term of office of Olivier Mareuse as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of Olivier Mareuse, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

FOURTEENTH RESOLUTION

(Ratification of the appointment of Rémy Weber as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, ratifies the appointment of Rémy Weber as a director to fill the seat left vacant by the resignation of Jean-Paul Bailly, for the remainder of his predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

FIFTEENTH RESOLUTION

(Renewal of the term of office of Rémy Weber as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of Rémy Weber, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

SIXTEENTH RESOLUTION

(Renewal of the term of office of Jean-Yves Forel as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of Jean-Yves Forel, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

SEVENTEENTH RESOLUTION

(Renewal of the term of office of François Pérol as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of François Pérol, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

EIGHTEENTH RESOLUTION

(Renewal of the term of office of Franck Silvent as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of Franck Silvent, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

NINETEENTH RESOLUTION

(Renewal of the term of office of Philippe Wahl as a director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to directors' terms of office, decided in the eighth resolution, renews the term of office of Philippe Wahl, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

TWENTIETH RESOLUTION

(Renewal of the term of office of Pierre Garcinas a non-voting director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the amendment to the Articles of Association relating to non-voting directors' terms of office, decided in the ninth resolution, renews the term of office of Philippe Wahl, for a period of four years, *i.e.*, until the close of the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

TWENTY-FIRST RESOLUTION

(Appointment of Jean-Louis Davet as a non-voting director)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, and as a result of the resignation of Jacques Hornez as a non-voting director, and in accordance with Article 25 of the Articles of Association as amended pursuant to the ninth resolution, resolves to appoint Jean-Louis Davet for a term of two years to expire at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

TWENTY-SECOND RESOLUTION

(Powers for formalities)

The General Meeting gives full powers to the bearer of a copy of or an extract from the minutes of these decisions in order to carry out all the formalities required by applicable law and regulations.

7.2 SUMMARY TABLE OF THE AUTHORISATIONS GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS OF CNP ASSURANCES

PERIOD OF VALIDITY AND USE IN 2013

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2013
Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 29 June 2012 (6th resolution), Duration: 18 months Expires: 29 December 2013	10% of share capital outstanding at the date of purchase	At 22 April 2013, 1,539,802 shares held in treasury (0.24% of share capital)
	Buy and sell CNP Assurances shares	Granted by the AGM of 25 April 2013 (9th resolution), Duration: 18 months Expires: 25 October 2014	10% of share capital outstanding at the date of purchase	At 31 December 2013, 460,673 shares held in treasury (0.07% of share capital)
Employee rights issues, stock options, share grants(1)	Issue of shares to members of an employee share ownership plan	Granted by the AGM of 25 April 2013 (11th resolution) Duration: 26 months Expires: 25 June 2015	3% of share capital	None
	Share grants	Granted by the AGM of 6 May 2011 (13th resolution) Duration: 38 months Expires: 6 July 2014	0.5% of share capital outstanding at the date of the AGM	None
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted by the AGM of 25 April 2013 (10th resolution) Duration: 26 months Expires: 25 June 2015	€50,000,000 (nominal amount)	None

(1) Two share grant plans were set up, on 5 July 2006 and 19 June 2007 respectively. Following this second rights issue, the free shares granted (120 shares for each non-executive employee and 60 for each executive employee) vested on 19 June 2009, ***i.e.,*** *at the end of the two-year vesting period*
A total of 202,260 CNP Assurances shares were delivered to 2,385 employees. These shares have been freely transferable since June 2011, which marked the end of the holding period
At 31 December 2013, CNP Assurances employees held 0.29% of the share capital (0.33% at end-2012)

REGISTRATION DOCUMENT CONCORDANCE TABLE

The table below provides cross references between the pages in the CNP Assurances Registration Document and the key information required under European Commission Regulation No. 809/2004 (EC) implementing directive 2003-71/EC.

Key information required under Annex 1 of European Commission Regulation No. 809/2004		**Pages**
21.1.2.	*Shares not representing capital*	n/a
21.1.3.	*Shares held by the issuer itself*	329
21.1.4.	*Amount of any convertible securities, exchangeable securities or securities with warrants*	n/a
21.1.5.	*Information about any terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital*	324
21.1.6.	*Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option*	n/a
21.1.7.	*History of share capital*	327 to 329
21.2.	Memorandum and Articles of Association	
21.2.1.	*Issuer's objects and purposes and where they can be found in the Memorandum and Articles of Association*	319
21.2.2.	*Provision with respect to the members of the administrative, management, and supervisory bodies*	246 to 251
21.2.3.	*Rights, preferences and restrictions attaching to each class of existing shares*	n/a
21.2.4.	*Actions necessary to change the rights of shareholders*	329 to 332
21.2.5.	*Conditions governing the manner in which General Meetings are called*	320 to 322
21.2.6.	*Provision that would have an effect of delaying, deferring or preventing a change in control of the issuer*	329 to 332
21.2.7.	*Provision governing the ownership threshold above which shareholder ownership must be disclosed*	323
21.2.8.	*Conditions, charter or bylaw governing changes in the capital*	329 to 332
22.	**Material contracts**	21; 310 to 315
23.	**Third party information, statements by experts and declarations of any interest**	50; 323
24.	**Documents on display**	322; 338; inside back cover
25.	**Information on holdings**	86 and 87; 177 to 186
Other information required under the AMF's General Regulations		
Annual information document (Article 221-1-1)		338
Fees paid to the Statutory Auditors in 2013 and 2012 (Article 221-1-2)		344
Report of the Chairman of the Board of Directors prepared in accordance with Article L.225-37 of the French Commercial Code		
Report on the procedures for the preparation and organisation of the work of the Board		246 to 251
Report on internal control procedures and risk management		252 to 261
Statutory Auditors' report on the report of the Chairman of the Board of Directors		308 and 309

* *The following information is incorporated by reference in this Registration Document, in accordance with Article 28 of European Commission Regulation No. 809/2004/EC dated 29 April 2004:*

- *the consolidated financial statements of CNP Assurances for the year ended 31 December 2011 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2011, as presented on pages 136 to 238 of Registration Document No. D.12-330 filed with the AMF on 12 April 2012*
- *the financial statements of CNP Assurances for the year ended 31 December 2011 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2011, as presented on pages 239 to 292 of Registration Document No. D.12-330 filed with the AMF on 12 April 2012*
- *the consolidated financial statements of CNP Assurances for the year ended 31 December 2012 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2012, as presented on pages 130 to 227 of Registration Document No. D.13-0283 filed with the AMF on 4 April 2013*
- *the financial statements of CNP Assurances for the year ended 31 December 2012 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2012, as presented on pages 228 to 279 of Registration Document No. D.13-0283 filed with the AMF on 4 April 2013*

n/a: not applicable

INFORMATION RELATING TO THE MANAGEMENT REPORT OF CNP ASSURANCES

This Registration Document includes all items from the Report of the Board of Directors that are required by law. The following table presents the items from the Report of the Board of Directors of CNP Assurances to the Ordinary and Extraordinary General Meeting of 6 May 2014.

n/a: not applicable

ANNUAL FINANCIAL REPORT THEMATIC CROSS-REFERENCE TABLE

The following table lists the information required by the AMF with respect to the Annual Financial Report (Articles 212-13 VI and 222-3 of the AMF's General Regulations).

1.	Company financial statements	152 to 202
2.	Consolidated financial statements	52 to 149
3.	Management report	(see information relating to the management report of CNP Assurances)
4.	Statement by the person responsible	342
5.	Statutory Auditors' reports on the Company and consolidated financial statements	203 and 204; 150 and 151
6.	Fees paid to the Statutory Auditors	344
7.	Report of the Chairman of the Board of Directors prepared in accordance with Article L.225-37 of the French Commercial Code	246 to 261
8.	Statutory Auditors' report on the report of the Chairman of the Board of Directors	308 and 309

Notes

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Appendices

Online information at www.cnp.fr

Visit the CNP Assurances website to learn more about our businesses, read the latest news, etc.

Financial information at www.cnp-finances.fr

This website has dedicated sections for private shareholders and investors. It offers a wide range of downloadable information and presentations including the CNP share price, shareholder information, press releases, financial calendar, presentations to analysts and details of the General Meeting.

Email queries can be sent directly to the investor relations team at actionnaires@cnp.fr for private shareholders and infofi@cnp.fr for investors.

Comprehensive shareholder publications

The Registration Document, the Business review report, the Corporate Social Responsibility Report and the corporate brochure are available on request in French and in English or can be downloaded from the CNP Assurances website. Other specialised publications, in French only, include the Shareholders' Guide and the Shareholders' Letter.

Spaces dedicated to shareholders

Shareholders can join the Shareholders' Club (*Cercle des actionnaires*) at www.cnp-lecercle.fr. This site provides information on special services and Club events for members.

In France, a toll-free number N° Vert 0 800 544 544 APPEL GRATUIT DEPUIS UN POSTE FIXE (toll-free only from a landline) provides shareholders with real-time CNP Assurances share prices, the latest benchmark index values and access to a recorded telephone news briefing updated regularly.

Shareholders can also select 4 on the toll-free number menu to contact the shareholder relations helpdesk (Monday to Friday) for information on the Company, or to request membership of the Shareholders' Club, request financial documentation or register a change of address.

2014 Financial calendar

6 May:

- Annual General Meeting at the Palais Brongniart in Paris, France

7 May:

- First-quarter 2014 results

31 July:

- First-half 2014 income and results (30 June 2014)

5 November:

- Q1-Q3 2014 results

CNP ASSURANCES
is a *société anonyme* (public limited company)
incorporated in France with fully paid-up
share capital of €686,618,477.

Registered office:
4, place Raoul Dautry,
75716 Paris Cedex 15
Registration number: 341 737 062 RCS Paris
Governed by the French Insurance Code

CNP Assurances
online

www.cnp.fr
Take a look at the new website
and the new CNP Assurances video.

For information about the Group,
its business and services, its commitments,
plus dedicated sections for everyone,
interested individuals, professionals, journalists,
institutional investors and private investors.

GROUPE Caisse des Dépôts

CNP/Avril 2014/F6/02/VA